

LEGISLATIVE ASSEMBLY OF MANITOBA

Wednesday, June 14, 1989.

The House met at 1:30 p.m.

PRAYERS

ROUTINE PROCEEDINGS

READING AND RECEIVING PETITIONS

Mr. Speaker: I have reviewed the petition, and it conforms to the privileges and practices of the House and complies with the rules. Is it the will of the House to have the petition read? (Agreed)

Mr. Clerk (William Remnant): We, the undersigned, urge and request the Government of Manitoba to reverse its decision to eliminate the General Insurance Division of the Manitoba Public Insurance Corporation inasmuch as:

1. The Division has experienced a significant financial turnaround and has shown a net income of \$1.5 million for the first nine months of 1988 operating year.
2. Many small businesses, persons in remote communities and others would not be able to obtain adequate general insurance coverage from the private sector at acceptable rates.
3. There will be a serious loss of jobs in the province, including 55 in Brandon with a payroll of \$1.5 million which will have a detrimental effect on those employees as well as the economy.

MINISTERIAL STATEMENTS AND TABLING OF REPORTS

Hon. Albert Driedger (Minister of Highways and Transportation): Mr. Speaker, I would like to table the Supplementary Estimates for the Department of Highways and Transportation, and I would also like to table the Highway Construction Program for the year '89-90.

I would like to say that I am very proud to indicate that it is the biggest program that this province has ever seen.

INTRODUCTION OF BILL

BILL NO. 28—AN ACT TO ESTABLISH AND VALIDATE THE PUBLIC INQUIRY INTO THE ADMINISTRATION OF JUSTICE AND ABORIGINAL PEOPLE

Hon. James McCrae (Minister of Justice and Attorney General) introduced, by leave, Bill No. 28, An Act to establish and validate The Public Inquiry into the Administration of Justice and Aboriginal People; Loi portant sur la création et la validation de la Commission

d'enquête sur l'administration de la justice et les autochtones. (Recommended by His Honour, the Lieutenant-Governor.)

* (1335)

INTRODUCTION OF GUESTS

Mr. Speaker: Prior to oral questions, may I direct Honourable Members' attention to the gallery where we have from the Wabowden School twenty-two Grade 5 students under the direction of Florence Benson. This school is located in the constituency of the Honourable Member for Flin Flon (Mr. Storie).

Also this afternoon from L'école Lavallée forty-two Grade 5 students under the direction of Yvette Dion and Leonne Brisson-Kelsch. This school is located in the constituency of the Honourable Minister of Urban Affairs.

On behalf of all Honourable Members, I welcome you here this afternoon.

ORAL QUESTION PERIOD

Throne Speech Minority Language Rights

Mr. James Carr (Fort Rouge): Mr. Speaker, when the First Minister (Mr. Filmon) withdrew the Meech Lake Accord from this House last December, we on this side of the House applauded the action, even though there were some who questioned the motivation and the rationale. He said at the time that the infringement of minority rights by the Government of Quebec was a violation of the spirit of the Meech Lake Accord and, therefore, unacceptable.

The First Minister was roundly criticized for playing the role of defender of the linguistic minority of Quebec, while at the same time ignoring his own record with respect to minority language rights in this province. We are all very well aware of the turmoil that ensued. We are left to wonder, will the Premier prove those critics wrong or will he prove them right?

My question is for the First Minister. In light of his nationally publicized support for the linguistic minority of Quebec, which he said was the basis of his change of heart on the Meech Lake Accord, why was there no mention of minority language rights in Manitoba in his Government's Throne Speech, thereby weakening his Government's position on the Meech Lake Accord?

Hon. Gary Filmon (Premier): Mr. Speaker, very straightforwardly we have carried out the policies that have been in place ever since the two Supreme Court decisions of the early '80s. We have carried them out, not only to the letter of the ruling but beyond in terms of continually adding to the services available, the numbers of people who are in positions who can provide

bilingual services to the people of Manitoba. We have carried on the programs and the policies of the former administration, and that is the policy of the Province of Manitoba. It is not a new policy. It is a continuation of a policy that was established by the former administration that is being carried on and pursued by the present administration.

Manitoba Intercultural Council Russell Appointment

Mr. Speaker: The Honourable Member for Fort Rouge, with a supplementary question.

Mr. James Carr (Fort Rouge): Mr. Speaker, with a supplementary question for the First Minister (Mr. Filmon), yesterday we learned that this Government had appointed one of the most vocal and ardent opponents of French language services in the Province of Manitoba to the multicultural council. How can the First Minister claim that this Government is making progress for the Francophone minority in Manitoba when he honours a leading opponent of French language services with a Government appointment?

Hon. Gary Filmon (Premier): I think most people will find it curious—I will not use the word “hypocritical,” although others might—for the Member for Fort Rouge (Mr. Carr) to phrase that particular question when he and his colleagues embraced and welcomed with open arms the Member for Springfield (Mr. Roch), who was one of the most vocal opponents of the bilingual—

Mr. Speaker: Order, please; order, please. The Honourable Member for Springfield, on a point of order.

Mr. Gilles Roch (Springfield): En ce temps-là, pour être candidat pour le Parti conservateur, pour avoir la signature pour la nomination j'ai été obligé d'embrasser la plate-forme du Parti conservateur. Et puis la plate-forme du Parti Conservateur—

(Translation)

Mr. Gilles Roch (Springfield): Mr Speaker, on a point of order. At that time, to be a candidate for the Conservative Party, to get the signature for my nomination, I was obliged to embrace the Conservative Party platform, and the Conservative Party platform—

(English)

Mr. Speaker: Order, please; order, please. The Honourable Member does not have a point of order. A dispute over the facts is not a point of order.

Order, please. The Honourable First Minister.

Mr. Filmon: Prior to even getting involved with our Party or being elected, he was a member of the Grassroots organization, the Member for Springfield (Mr. Roch), actively involved as a citizen member of this province in opposing bilingualism.

* (1340)

Mr. Speaker: Order, please. The Honourable Member for Springfield, on a point of order.

Mr. Roch: Sur un point d'ordre. Je n'ai jamais été membre de Grassroots Manitoba.

(Translation)

Mr. Roch: On a point of order. I have never been a member of Grassroots Manitoba.

(English)

Mr. Speaker: Order, please; order, please. A dispute over the facts is not a point of order. There is no point of order.

Mr. Roch: Point of order, Mr. Speaker.

Mr. Speaker: On a new point of order.

Mr. Roch: I am asking the First Minister to withdraw. He put false information on the record.

Mr. Speaker: Order, please. A dispute over the facts is not a point of order. The Honourable Member for Fort Rouge (Mr. Carr).

Mr. Filmon: He was an active supporter of what they were—

Mr. Speaker: Order, please; order, please. I have already recognized the Honourable Member for Fort Rouge. I have recognized the Honourable Member for Fort Rouge.

Mr. Carr: Thank you, Mr. Speaker. With a supplementary question to the Premier, we are interested in his Government's position on this issue, and in particular we are interested in knowing if the Premier endorses the appointment of Grant Russell to the Intercultural Council. He said yesterday that he was not aware that the appointment had taken place. Does he today in this House endorse the appointment made by the Minister of Culture, Heritage and Recreation (Mrs. Mitchelson)?

Mr. Filmon: Mr. Speaker, again it is the Liberal Party who is standing forward in a very what I would consider to be a hypocritical and political fashion and taking issue with this particular appointment. I have information from the R.M. of La Broquerie in one of their meetings in which they were asked to accept the support of this provincial Government, the Department of Municipal Affairs, offering to print bilingual French and English 1988 tax statements for their municipalities. The Liberal candidate in that area in the last provincial election, running under this Liberal banner, under this Liberal Party, voted against that resolution. That is the Liberals' attitude and approach to bilingualism.

I find it more than a little curious, when referring specifically -(Interjection)- Well, I am telling you that one of your own candidates voted against having bilingual tax statements in the R.M. of La Broquerie,

as a member of that council. That is your Party's approach to bilingualism—everywhere, anywhere, whatever is politically expedient.

I say to him that I find it more than a little curious that when Mr. Russell was appointed by his community, the Irish community, to sit on the Manitoba Intercultural Council, they said nothing, not a word, not a boo, not a peep, nothing from the Member for St. Boniface (Mr. Gaudry), nothing from this Member for Fort Rouge (Mr. Carr). Now, when he appears back on the Intercultural Council as an extension of the term that he has already served as a Government appointee, they want to take issue with it. I would say that is true hypocrisy.

Mr. Carr: When the Premier talks about hypocrisy on language issues, he is on a very slippery slope, let me tell you, Mr. Speaker. We are not talking about the electoral process. A person is elected by a community. We are not questioning democracy, we are questioning the appointment of this Minister and this Premier. Does the Premier of this province endorse that appointment or does he not?

Mr. Filmon: I would like to hear from the Liberal Party why they did not criticize the appointment when he was a member of his community on that same Intercultural Council. For two years, he sat on that council, having been appointed by the Irish community. That was totally acceptable to the Liberal Party. It is not acceptable when that appointment is—that is cheap politics and this Member for Fort Rouge (Mr. Carr) does not understand that and I am very sorry for him.

* (1345)

Gold Mine—Shoal Lake Environmental Impact Study

Mr. Speaker: The Honourable Member for Fort Rouge (Mr. Carr), with a supplementary question.

Mr. James Carr (Fort Rouge): Mr. Speaker, if I may, a new question to the Minister of Environment (Mr. Cummings) and it concerns the gold mine on Stevens Island in Shoal Lake. Years ago, our civic leaders showed considerable foresight in supplying the City of Winnipeg with water from Shoal Lake. In fact, Winnipeg is one of the very few places in all of North America with an untreated water supply.

Consolidated Professor Mines has completed five years of exploratory work on its gold mine on Stevens Island and, as the Minister knows, the company has since applied to the Ontario Government for permission to bring the gold mine into production. The exploratory work has revealed that there are environmental risks associated with the mine. The Minister has received a copy of the mining company's application and presumably he has had a chance to read it.

My question is to the Minister. Has he had any discussions with the Ontario Government about the need to conduct a full environmental assessment under the Ontario Environment Act with full opportunity accorded to Manitobans to make representation to the

commission, as opposed to the Ontario Water Standards Act which will not protect the city's potable water?

Hon. Glen Cummings (Minister of Environment): Yes, Mr. Speaker, precisely from the early interest that was shown in this project immediately upon it being registered in Ontario, precisely we were looking for hearings under the Ontario Environment Act. I might add that as recently as Monday I was talking to both Mr. Bradley and Mr. Bouchard about this item.

Water Protection Plan

Mr. James Carr (Fort Rouge): With a supplementary question to the same Minister, environmental damage has already been caused by the exploratory work, for instance, the tailings from the mine which have found their way into the lake, to oil spills, a sunken barge, tailing ponds in danger of overflowing. Mr. Speaker, Winnipeg's water supply has already perhaps been put at risk. What action plan do the Minister's officials have in place to deal with the Shoal Lake incidents now? - (Interjection)- It is not, I said "may."

Hon. Glen Cummings (Minister of Environment): Mr. Speaker, I think the Member for Fort Rouge (Mr. Carr) has finally dug out his file on Shoal Lake and decided that perhaps it was overdue that they ask some questions again. That information has been made available for some time and I think that he should be more responsible than to raise fear in the minds of those who are using Winnipeg's drinking water that it may in some way have been already deliberately polluted.

Mr. Speaker: The Honourable Member for Fort Rouge (Mr. Carr), with his final question.

Mr. Carr: Mr. Speaker, these tailings, like most gold ores, may contain arsenic and heavy metals such as cadmium, antimony and other toxins which are water soluble. The only way to know for certain is by analyzing the ore, which Ontario Environment has so far refused to do.

My final supplementary to the Minister is simple. What is the Minister going to do to ensure that toxins are not present in Winnipeg's water supply?

Mr. Cummings: Mr. Speaker, we have asked for access to the site to begin to take some samples to make absolutely positive on what is implied or rather—and put it into facts as to what is possibly being exposed to the water on Shoal Lake.

Mr. Gary Doer (Leader of the Second Opposition): I hope the Liberal Premier of Ontario when he visits northwestern Ontario tomorrow, which he is going to do, will accede to the demands of Manitoba as articulated by the NDP in the Ontario Legislature for the last month.

Workplace Safety Regulations Cancer-Causing Substances

Mr. Gary Doer (Leader of the Second Opposition): My question is to the Minister of Workplace Safety and Health. Yesterday in this Chamber, the Minister claimed that the changes this Conservative Government made affecting cancer-causing goods at the workplace, and labelling of carcinogens at the workplace and in our environment would, and I quote, "the change in this regulation in no way diminishes the effect on workers or their safety."

* (1350)

Given the Minister's own department states that the safe level of exposure for cancer-causing agents is zero, would the Minister explain her statement in relationship to the advice of her department and the Cabinet submission, which we released dealing with cancer-causing materials, and justify to the people of Manitoba why she changed that regulation, and this Government changed the regulation affecting workers and their families across the province?

Hon. Gerrie Hammond (Minister responsible for Workplace Safety and Health): Mr. Speaker, I recognize this is an area of deep concern to the Member. The objective of the legislation is to eliminate exposure to carcinogens by substitution of materials, engineering and work practice controls and protective equipment. Certainly, the aim is zero. We do not deny that, and that is both for management and labour and Government. We want to protect the workers in this province, and that is our objective. I recognize the concern of the Honourable Member, but at the same time, I want you to know that we are doing everything possible that can be done to protect our workers.

Mr. Doer: Mr. Speaker, the Minister claimed that this is in the best interest of management, labour and the Government. How could the Minister possibly make this claim in all seriousness reading her notes? How can she possibly say in all honesty to Manitobans this is in the best interest of all three, when her Government received advice from Wally Fox-Decent, who is the chair of the Independent Council on Workplace Safety and Health, and in that letter the Government received and I quote, "Our council gave concerted attention to this issue. In the opinion of the majority of Members, there was absolutely no reason to change the regulation as presented by the Chamber of Commerce in terms of the change in this regulation, and it would not be prudent or productive to reopen the council's discussion on these contentious issues. Our recommendation of this regulation, therefore, still stands." How can the Minister justify this change and say she has the support of labour and other experts in this area, when she knows it is not true?

Mrs. Hammond: Mr. Speaker, neither the employer or workers' groups who were consulted were in agreement totally on this particular issue. We wanted to bring in a regulation that had common sense, that was safe for the workers, and we are aiming at zero when we are

looking at carcinogens. There is no doubt in our mind about this. I want you to know that we are monitoring, we are doing seminars, we are doing everything possible to make sure that workers are aware that the materials are safely handled, and so that we know they are going to be protected as much as humanly possible.

Mr. Doer: Mr. Speaker, cancer is the biggest killer in our province. It is a health issue, as well as a labour issue, and it is an environment issue when you dispose it into the atmosphere.

My question to the Minister is, in light of the fact that the letter again from the Independent Advisory Council signed by Wally Fox-Decent, a person we all respect in this Chamber, states that only two Members of the Commission and the Council, Mr. Newman from the Chamber of Commerce, and another representative from the mining association, how can the Minister say with a straight face to Manitobans, this is in the best interest of workers, their families, our environment, and our health care system when it is contrary to the advice she received in writing from the Independent Advisory Council.

Some Honourable Members: Oh, oh!

Mr. Speaker: Order, please; order, please.

Mrs. Hammond: Mr. Speaker, I can say again to the Honourable Member, I recognize his concern. It is our concern as well that the workers are well protected. The changes were provided for clear labelling on hazardous waste and clarify acceptable exposure limits on hazardous materials and including cancer-causing agents.

I wish to reiterate to the Member that we will be monitoring, that we will send out workplace safety officers wherever there is a complaint, we are monitoring. We are doing everything possible to protect the workers. This is a common-sense decision. We could not get agreement from either side on this issue. It was where sensible people agree to disagree. We made the decision.

* (1355)

Mr. Doer: Mr. Speaker, you had support from 10 out of 12 people. My question is, given you could not get so-called consensus, why did the Minister go against the doctors on the committee who voted against this Government's change in the regulation? Why did she go against the advice of medical people on that committee in terms of their expertise in terms of cancer-causing material? Can she justify that in the

Mr. Speaker: Order, please; order, please.

The Honourable Minister responsible for Workplace Safety and Health.

Mrs. Hammond: Mr. Speaker, I can only reiterate to the Member that the objective of the regulation is to eliminate exposure to carcinogens by substitution of materials, engineering and workplace controls and

protective equipment. We will continue to monitor, and our objective is zero as well.

I want to reiterate that we will do our very best to protect the workers in this province, because it is the workers—these are the people in Manitoba, these are our people and we intend to protect them to the best of our ability.

Workplace Safety Regulations Chamber of Commerce Report

Mr. Paul Edwards (St. James): Mr. Speaker, I am extremely disappointed, as is the Member for Concordia (Mr. Doer), in the answers given by this Minister.

The fact is that this Minister has brought into place regulations which lower the standards for exposure to hazardous materials in the workplace of Manitoba. These regulations affect the health of thousands and thousands of working Manitobans. The Chamber of Commerce Report which this Minister has relied upon, which made the recommendation, in fact states they did not have the time to do sufficient investigation or study to develop a comprehensive report. Mr. Speaker, how can this Minister lower standards for workers based on recommendations made in a report which admits its incompleteness?

POINT OF ORDER

Hon. James McCrae (Government House Leader): The Honourable Leader of the New Democratic Party (Mr. Doer) asked basically the same question three or four times in a row. Now we have the Honourable Member for St. James (Mr. Edwards), who I guess could not think it up on his own and had to get it from the Honourable Member for Concordia, asks the same questions. I do believe there are rules about repetition in this House.

Mr. Gary Doer (Leader of the Second Opposition): On the same point of order, Mr. Speaker.

Mr. Speaker: Order, please. The Honourable Member for Concordia (Mr. Doer), on a point of order.

Mr. Doer: I believe there are a hundred questions to ask on this issue, and that is the fifth question. It is different because it quotes the Chamber of Commerce brief. There is a lot more to come.

Mr. Speaker: I am of the opinion it is a different question. The question is in order.

Hon. Gerrie Hammond (Minister responsible for Workplace Safety and Health): Mr. Speaker, I can only give the same answer that I have given to the Honourable Leader of the Third Party. This does not in any way diminish the protection to the worker. We are monitoring in every way that we can this particular regulation. It does not diminish the protection of the worker. I think that we will stand behind this because the changes were made so that we could provide clear labelling, so that the materials, including cancer-causing agents, were immediately identifiable to the worker.

Mr. Speaker: The Honourable Member for St. James (Mr. Edwards), with a supplementary question.

Mr. Paul Edwards (St. James): The questions are not the same. The answers unfortunately are.

Medical Consultations

Mr. Paul Edwards (St. James): Mr. Speaker, the fact is as I have stated, this Minister simply does not seem to understand the impact of her regulations. This is a health issue of enormous importance for Manitobans. My questions is, what specific medical advice, given that the Minister has said a zero level is the only acceptable level, what specific medical advice can she show this House in support of lowering the standard by getting rid of the lowest detectable level standard which was in the regulations and is no longer?

Hon. Gerrie Hammond (Minister responsible for Workplace Safety and Health): Mr. Speaker, zero level is what we would aim at but zero level is not always attainable. We have a threshold level for every single chemical and they cannot go above that, and I cannot reiterate more that we have made this a safety.

If there is someone who may have a certain aversion to a certain chemical, then the workplace takes that into effect. The employer is expected then to either move the worker or shorten the hours, but they are working with the workplace safety officers at all time and can be called in.

* (1400)

Standard Reduction

Mr. Speaker: The Honourable Member for St. James, with a final supplementary question.

Mr. Paul Edwards (St. James): My question is simple.

Mr. Speaker: Order, please; order.

The Honourable Member for St. James has the floor.

Mr. Edwards: Thank you, Mr. Speaker. The Minister states zero is the acceptable level. However, the fact remains that the standard of lowest detectable level has been eradicated in these regulations. That simply does not make sense to anybody, I would submit, and I do not understand the Minister's continued insistence on this point.

Mr. Speaker, my final question is, how does this Minister account for amending the definition of "action level," which is the level at which the material starts to be monitored by the employer? How does she account for reducing that action level and, in fact, eliminating the lowest detectable level standard which was the standard?

Hon. Gerrie Hammond (Minister responsible for Workplace Safety and Health): Mr. Speaker, I can say to the Members again and again, we have to have a common-sense safe workplace and this is what we have

done with this. We are looking out, there is a threshold level that cannot be exceeded, and I reiterate again that we will make it as safe as possible for the workers out there. We are handling the labelling in a way that they can understand. There is no way that we are not going to do as much for the workers in Manitoba that we can. We have seminars going on, we will have posters. We are wanting to make sure that the workers know exactly what they are dealing with, and this is what we have done with this regulation.

Speech Therapy Waiting Period

Mr. Gulzar Cheema (Kildonan): Mr. Speaker, my question is for the Minister of Health (Mr. Orchard). Pre-school children who need speech therapy continue to suffer because of lack of action. Last year, there were 250 children waiting. Now the number is 300. Last year, the waiting period was 14 months. Now it is 18 months. Can the Minister of Health tell us why the waiting period has increased?

Hon. Donald Orchard (Minister of Health): Mr. Speaker, if my honourable friend is referring to the waiting list at the Health Sciences Centre, his information is incorrect in that it has, in fact, decreased in time.

Children Services

Mr. Speaker: The Honourable Member for Kildonan, with a supplementary question.

Mr. Gulzar Cheema (Kildonan): Mr. Speaker, it is not a Liberal computer. It is that this Minister's action, day after day he is ignoring the children of Manitoba. My question is, last year on October 20, this Minister said in the House that pre-school children are his priority. Can he tell us that now he has cut the Hearing Conservation Program this year again, why he has done this? Can he justify that action?

Hon. Donald Orchard (Minister of Health): Mr. Speaker, from time to time I have to confess, and I hate doing this, but I get a little annoyed at the shallowness of my honourable friend, the Liberal Health Critic.

Mr. Speaker, we have taken a number of positive and pro-active steps in terms of speech therapy aimed at pre-school children in this province, starting with an enhancement of over \$200,000 of funding at the Health Sciences Centre, which has helped to dramatically reduce the waiting list there. We now have a problem which has been long standing in rural Manitoba in terms of pre-school screening for speech pathology. What we are doing is having Dr. Bill MacDiarmid, a respected physician, investigate the supply, the training program availability, the slots at the university for speech therapy so that we can make an informed decision, as Governments ought to do, in terms of training further people to provide services where they are needed in rural Manitoba.

I am not satisfied with the fact that within the school system we provide speech and hearing services to

children of school age. I would far sooner focus that on pre-school children. We will do that given the extension of our term in Government.

Mr. Cheema: Mr. Speaker, let us talk about the term of this Government. There are 100 students who were taken off the list because they are above the age of five, and they are suffering because of inaction from him.

Fiscal Stabilization Fund Health Care

Mr. Gulzar Cheema (Kildonan): Mr. Speaker, my final question is, can the Minister of Finance (Mr. Manness) tell us, this \$200 million so-called rainy day fund or slush fund, can he tell us which is more important, the rainy day fund or the children of Manitoba? How can he justify not to have a treatment for these children who need treatment now?

Some Honourable Members: Oh, oh!

Mr. Speaker: Order, please; order, please. The Honourable Minister of Finance (Mr. Manness).

Hon. Clayton Manness (Minister of Finance): Mr. Speaker, the Fiscal Stabilization Fund is important. Indeed, the services to Manitobans are more important and that is why the Fiscal Stabilization Fund is in place to protect those services.

Family Violence Housing Availability

Ms. Judy Wasylcyia-Leis (St. Johns): Mr. Speaker, today at the noon hour, more than a hundred people came out to express sorrow and outrage about the death of another woman and her children from domestic violence, bringing to the total at least eight women having died at the hands of their partners this year.

Given that it is no secret to Members in this House, but it was again reiterated to us today out their on the lawn of the Legislative Building that one of the critical factors for women is finding a secure place, a safe place if they are thinking about leaving violent situations, my question is to the Minister of Housing (Mr. Ducharme). Given the fact that we have just learned that women are not even low priority on the list of regional housing but are, in fact, no priority when it comes to public housing after a stay in a shelter which, by the way, is limited to 10 days, could the Minister of Housing indicate to this House what directives he has given to public housing, to Regional Housing to ensure that women are given top priority when seeking housing?

Hon. Gerald Ducharme (Minister of Housing): Mr. Speaker, first of all, it has been a very important issue with this particular Government. If she looks at what has happened in our first year with Osborne House, we have shown on the record that Osborne House has become available. We have established a Native shelter for the women which is also under way. I can assure

the individual that my staff is very, very conscious about the abused women and finding shelters for them.

Mr. Speaker: The Honourable Member for St. Johns, with a supplementary question.

Ms. Wasylycia-Leis: Mr. Speaker, I think the Minister may not have heard my question. We are not questioning the role that he has played in terms of improved services by way of shelter. I am talking about shelter, a safe place beyond the immediate crisis. Given the fact that women seeking that kind of housing go to Regional Housing and are told that they have to prove that they are not going to go back to their husband, they are being told that they are making it up. They are being told that other people are going to come and wreck the house—

Mr. Speaker: Order, please; order, please. The Honourable Member kindly put her question now.

Ms. Wasylycia-Leis: —my question to the Minister of Housing (Mr. Ducharme) is, will he issue a directive to Winnipeg Regional Housing to ensure that women coming from family violence situations, abuse situations, are put at the top of the list for public housing?

Mr. Ducharme: Mr. Speaker, I can assure the individual, I can assure her personally that I am aware of the abuse situation, of violence to the female. I can assure her that they have been placed to the top of the Housing authority. I can assure her of that, and she is right out for lunch if she suggests that my department has not been directed, that the abused is not at the top of the list.

Mr. Speaker: The Honourable Member for St. Johns, with her final supplementary question.

Ms. Wasylycia-Leis: The Minister is dead wrong. The Director of Osborne House will tell him the facts and will tell him that women are at the bottom of the list. They are no priority when it comes to public housing seekings.

Mr. Speaker: Order, please; order, please. Does the Honourable Member have a question? The Honourable Member kindly put her question now.

Ms. Wasylycia-Leis: My question is to the Minister responsible for the Status of Women (Mrs. Hammond). Given that the draft plan of action that we released to the public some time ago indicated that very few recommendations, no recommendations dealing with support for shelters and counselling and housing, my question to the Minister responsible for—

* (1410)

Some Honourable Members: Oh, oh!

Mr. Speaker: Order, please; order, please.

Family Violence Initiatives

Mr. Speaker: The Honourable Member for St. Johns will kindly put her question now.

Ms. Judy Wasylycia-Leis (St. Johns): My question to the Minister responsible for the Status of Women (Mrs. Hammond) is, what is the plan of action from this Government for helping women in terms of prevention, in terms of protection and in terms of treatment because all areas are important when it comes to family violence?

Hon. Gerrie Hammond (Minister responsible for the Status of Women): To the Honourable Member, when we completed the Women's Initiative, there is an action plan in place. The Ministers are announcing the initiatives this month. We have recommended and there will be changes. There will be more money available for prevention, for women in crisis. The Minister responsible for Family Services (Mrs. Oleson) has already announced the crisis lines. She has already announced help to single parents, and there will be more announcements to come.

Public Schools Finance Board Mandate

Mrs. Iva Yeo (Sturgeon Creek): The description in The Public Schools Finance Board Act under purposes and objectives states that the purposes and objects of the board are to facilitate the financing of the Education Support Program for school divisions and to assist boards of school divisions in the economic operation of the school system.

School boards designate projects, specific projects, Mr. Speaker, specific schools that need renovating or in fact that need to be rebuilt. Can the Minister tell us why if a school that is designated as a priority for renovations in 1989 cannot automatically be declared as the recipient of funds, given that the 1988 designated facility was denied by both the Public Schools Finance Board and by an appeal to the Department of Education?

Hon. Leonard Derkach (Minister of Education and Training): I thank the Member for Sturgeon Creek (Mrs. Yeo) for allowing me an opportunity to get up this afternoon to be able to correct an erroneous report in the paper and to perhaps correct her in terms of her impressions about the Public Schools Finance Board. Perhaps she did not hear the answer yesterday because her Leader was tittering and giggling away and would not give her the opportunity to listen to the response.

Mr. Speaker, of course the Member for Sturgeon Creek (Mrs. Yeo) is referring to Winnipeg School Division No. 1. Last year, the Winnipeg School Division requested the replacement or the construction of a new school to replace Margaret Scott School. The Public Schools Finance Board, within its mandate, did a review of the school and denied the project and asked the Winnipeg School Division to submit another request. To date,

the Public Schools Finance Board has not received the request.

On May 18, the Winnipeg School Division No. 1 submitted a request to replace Robert H. Smith. That school is now being considered for replacement. When the Public Schools Finance Board has made its decision, then the Winnipeg School Division No. 1 will get the green light.

Project Submissions

Mr. Speaker: The Honourable Member for Sturgeon Creek, with her supplementary question.

Mrs. Iva Yeo (Sturgeon Creek): Can the Minister tell us how many times must a school division keep submitting new and alternative options to the Public Schools Finance Board when they, the locally elected officials, are in the best position to request specific locations?

Hon. Leonard Derkach (Minister of Education and Training): Well, I do not know, perhaps the Member for Sturgeon Creek should put her earpiece on and listen to the responses.

But first of all, the Margaret Scott School was submitted and was rejected by the Public Schools Finance Board, within the mandate of the Public Schools Finance Board. Now, the Winnipeg School Division Board has been asked for a resubmission of another project. When that has been received, the Public Schools Finance Board will consider it.

Robert H. Smith has just been submitted on the 18th of May and, when the Public Schools Finance Board makes its decision, it will let the Winnipeg School Division Board know.

Mandate

Mr. Speaker: The Honourable Member for Sturgeon Creek, with her final supplementary question.

Mrs. Iva Yeo (Sturgeon Creek): Will the Minister explain the rationale behind the right of the Public Schools Finance Board to demand that a school division designate a specific type of programming be placed in an individual school when the Minister has stated that it is up to the individual school board to make these stipulations?

Hon. Leonard Derkach (Minister of Education and Training): Well, Mr. Speaker, I am wondering if the Liberal Party is now saying that the Public Schools Finance Board and the taxpayers of Manitoba should start supporting administrative buildings under the operating grants that school divisions receive, because that is exactly the intent that was meant for St. Charles School when asked to stipulate what the use of that school would be. The Winnipeg School Division Board then indicated that this would become an administrative building. The taxpayers of Manitoba do not support administrative buildings from the taxpayers' pockets and, therefore, the Public Schools Finance Board could not approve it.

Health Facilities—Dauphin Construction

Mr. John Plohman (Dauphin): Mr. Speaker, I have a question for the Minister of Health (Mr. Orchard). Following the completion of the new Dauphin Hospital that was built in 1984 and '86 by the former New Democratic Government in this province, plans were in place to build a public health facility in Dauphin to consolidate all of the public health services in one office and to indicate the Government's priority for public health and preventative health, as well as a new 25-bed addition to the personal care home.

In the capital program that was tabled by the Minister in 1988-89, Mr. Speaker, there was no mention of the public health facility. Can the Minister indicate at this time whether he is prepared to prioritize these facilities for construction in the upcoming capital budget?

Hon. Donald Orchard (Minister of Health): Mr. Speaker, I cannot indicate to my honourable friend that I can give him that desired prioritization that he is asking for. However, I can assure him that contrary to information that he provided me by letter, the board of the Dauphin General Hospital indeed supports construction of additional personal care home beds. My honourable friend's preoccupation seems to have been offices for civil servants rather than personal care home beds.

Mr. Plohman: Mr. Speaker, the people of Dauphin are concerned about both of these facilities. Dauphin has one of the highest percentages of senior citizens, elderly people, of any community in Manitoba. Given this fact that the nursing beds are desperately needed to reduce the high cost of acute care beds, of use, will this Minister now make a commitment to ensure that those nursing beds are completed this year so that the cost of health care can be reduced and the service that the people of the Parklands Region have a right to is provided?

Mr. Orchard: Mr. Speaker, I am very pleased to indicate to my honourable friend that in my recent visit to Dauphin I had the opportunity to visit and tour two very excellent and well-run personal care homes that serve the senior citizens of the Parklands Region and Dauphin, in particular, in an exemplary fashion.

At the time of that tour, I met with members of the board of the Dauphin General Hospital, the administrator and others, and am fully informed of their desire and their priorities in terms of capital program. I have had similar discussions previous to that with members of the board of the Dauphin General Hospital. Mr. Speaker, I can only ask of my honourable friend his indulgence. When the capital program is tabled with the Manitoba Health Services Commission, he will have the answer to those very questions.

Mr. Speaker: The Honourable Member for Dauphin (Mr. Plohman), with his final supplementary question.

Mr. Plohman: Given the fact that the old facility that is in place for public health delivery has been condemned by Workplace Health and Safety, the

Minister should acknowledge that it is not just a matter of convenience for for civil servants. It is a service that is needed and an old facility that is badly needed to be replaced by this Government. Will the Minister now admit that he made a mistake in cancelling that facility last year and putting it on hold? Will he now commit to providing that facility to the people of the Parklands Region and to discontinue the legacy that was started by the Lyon Government of cancellation of health facilities in Dauphin?

Mr. Speaker: Order, please; order, please.

Mr. Orchard: Mr. Speaker, I realize my honourable friend is attempting to ingratiate himself with the individuals in Dauphin, and that naturally is his role as an MLA. As I have pointed out on a number of occasions, when we come to decisions on the capital program, we are looking at any given time in the formulation of the capital budget upwards of \$700 million to \$800 million worth of construction requests.

Mr. Speaker, even the fast- and free-spending New Democrats, when they were Government, did not accede to those capital demands. The New Democratic Government, when my honourable friend was indeed a Member of Cabinet, froze the capital budget including the Dauphin Health building. Now, we are in a very prudent way going to make capital decisions with long-term planning in place to assure that Manitobans are well-served in the health care system.

Mr. Speaker: Order. Time for oral questions has expired.

ORDERS OF THE DAY BUDGET DEBATE

Mr. Speaker: On the adjourned debate of the proposed motion of the Honourable Minister of Finance (Mr. Manness) that this House approve in general the budgetary policy of the Government, standing in the name of the Honourable Member for Fort Rouge (Mr. Carr).

* (1420)

Mr. James Carr (Fort Rouge): Thank you very much, Mr. Speaker. I am very pleased to add my comments to the debate over the Budget which ends some time later today because it is a most unusual Budget, a Budget which has been called by many a good news Budget because, on the surface, indications are that there is good news in it for Manitoba. But once Manitobans have a chance to look carefully at what this Budget really says and really means, then I think that good news is probably not the way it will be thought of.

While I was preparing remarks for this debate, I thought about how important timing and circumstances can be in political life. I was also reminded of an old maxim in political science, "That the enemy of my enemy is my friend." That truism, that reality, explains why there is a continuing and, if I may say, unholy alliance

between the New Democratic Party on my left and the Tories across the way and figuratively to my right.

It is truly, as the Minister of Natural Resources (Mr. Enns) says, a marriage of convenience. As a matter of fact, Mr. Speaker, that was in my notes. I do not know whether or not a leaked copy of my Budget speech got into the hands of the Minister of Natural Resources, but he has a very good grasp of what happens to be on my mind.- (Interjection)- The Minister of Finance (Mr. Manness) says it would be a big seller. I doubt it, I doubt it, Mr. Speaker.

Also when one listens to the speeches particularly from the New Democratic Party and reads them in Hansard, when one has not the opportunity to hear them in person, we are struck by the virulence and the attention given to the Liberal Party in this House. Now, we respected the verdict of the people of April 26, 1988, but I think that the New Democratic Party was so stunned by the election results they do not know who won. Well, Mr. Speaker, we did not win that election. We have admitted that candidly because there is no other interpretation. The Tories are governing and they are governing with the consent of the NDP.

Now when I talk about circumstance and timing in politics, we think back to events that occurred in this House not long ago when Mr. Walding, the former NDP Member for St. Vital, changed the lives of many Manitobans and certainly those who are sitting in this Chamber today by choosing to vote against the Budget of his own colleagues. What happened after that was that there was a denunciation of the New Democratic Party at the polls. The reason that the New Democratic Party was denounced with such force by the electorate was because they had lost touch with the people. They had lost touch with the people for many reasons but one of those reasons was that they had taxed Manitobans to the brink.

Hon. James Downey (Minister of Northern Affairs): They have not lost touch with their pocketbooks.

Mr. Carr: The Minister for Northern Affairs (Mr. Downey) says they have not lost touch with their pocketbooks. He is absolutely right.

It was the Kostyra tax grab, it was the collective mugging. I am quoting now Members of the Government who were then in Opposition that led the electorate to its conclusion in April of 1988, that it was time for a change and a change we have. They did not rush en masse to the Progressive Conservative Party. There was hesitation in the electorate. They had every opportunity to throw the rascals out and usher in a new Progressive Conservative majority Government. The people of Manitoba did not do that. They were uncertain, they did not want to give that kind of power to a political Party which had performed rather poorly in Government. As a matter of fact, it was the Progressive Conservative Government between 1977 and 1981 which failed to win re-election, which I believe was the first time in this century in Manitoba that a political Party was not able to gain re-election. So people in Manitoba were tired of the polarized politics of the left and the right and they were looking for a

more reasonable and less ideological approach to the affairs of state.

Mr. Speaker, when I talk about circumstance, I have to give this Government credit—by golly, it is lucky—maybe never in the annals of electoral politics in Manitoba has a Government been so lucky. We do not begrudge them that luck. The political cycle is such that you have lucky moments and unlucky ones and I think, in the course of events, they generally balance out. Let me just talk a little bit about the nature of that luck.

If Mr. Walding would not have brought the Government down, then we now would be heading towards another election in Manitoba and the New Democratic Party would be taking credit for tax cuts, no doubt. The same revenues that are flowing into the Treasury now from Ottawa would be flowing into an NDP Treasury. The same international nickel prices which have increased and enhanced mining taxes would be flowing into an NDP Treasury rather than a PC Treasury.

I would suggest, Mr. Speaker, that Eugene Kostyra and Jim Walding ought to have the Christmas card list of every Member of this Government. Their good luck can be seen in the mining tax revenue which over two years has gone up from \$27 million to \$180 million. Equalization payments from Ottawa, which are a barometer of the performance of the Manitoba economy, have gone up by literally hundreds of millions of dollars. We can take no great pride in the inflow of money from Ottawa here because it is a measurement of the performance of the Manitoba economy. The Manitoba economy has been doing poorly. That is why we have more money through equalization from Ottawa.

I also want to talk about the process that the Liberal Party followed in determining how it would react to this Budget. I want the Minister of Finance (Mr. Manness), if he would not mind, to listen to the few remarks I may have to say on the subject. This Government had five-and-a-half months to prepare a Budget. In the preparation of that Budget, it had access to thousands of public servants who serve in the Province of Manitoba. If it wanted advice, it got advice. If it wanted to bounce ideas off professional staff, it could choose to do so. The Minister of Finance has at his disposal the full powers of the Government of Manitoba. They had time, they had resources, they had expertise, and they had luck.

When we as an Opposition Party were presented with the Budget, we thought the responsible thing to do was to take the time necessary—not obviously the five-and-a-half months, that is not reasonable, but a few days—to determine if this Budget was worthy of our support or not. The critics looked at the expenditure side of the Budget very carefully, consulted members of the community who were affected by the expenditure side on this Budget. We had a few days to reflect and we determined responsibly that on balance the general budgetary policies of this Government were not worthy of our support. We were accused, and we still are accused by Members opposite, of not being able to decide, of being wishy-washy—yes they are, no they are not. They are wrong. We did the responsible thing

instead of giving some knee-jerk reaction that was not based on analysis and the facts as we could best absorb them in the time available to us.— (Interjection)— The Minister of Finance (Mr. Manness) is talking about Grant Russell. I think it is in his interest and his Government's interest not to talk about Grant Russell.

More important than the good luck faced by this Government, and I hope that if some day we become the Government of Manitoba we too will be blessed with good luck. My sense is that we will have some good luck and we will have some bad luck like any other Government does, and we will be judged not on how much luck we have had but how we have used the luck that we have been fortunate enough to have been given.

I want to spend some time now talking about how the Government has dealt with the hand that was given to it by Jim Walding, by Eugene Kostyra, and by the people of Manitoba, by the strong Ontario economy, by mining tax revenues, by the international price of nickel, by the 2 percent tax grab that was called the greatest collective mugging in Manitoba's history.

* (1430)

First, the tax cuts, we applaud the tax cuts. It was part of our policy since we entered this Chamber. Our Finance Critic (Mr. Alcock), in response to the Minister of Finance's (Mr. Manness) first Budget, actually gave him the idea that it was time to stimulate the economy by putting money into the hands of individual Manitobans to stimulate expenditures, to help the sagging retail sales market in Winnipeg and throughout Manitoba. This is an idea that we support.

We wondered during the first several days of the debate, and we continue to wonder why greater effort was not made on behalf of the Minister to allow Manitobans to be the beneficiaries of those tax cuts earlier. He says it was not possible. Let me remind the Minister that in the House in response to a question he said the deadline was some time in March, and then outside of the House in the hallway, he said, well, no, I think maybe it is some time in April, and then some time maybe it was in May. If the Minister himself did not know when the deadline was, to have the effect of those cuts earlier, then we are not surprised that he was not able to deliver.

Now the Fiscal Stabilization Fund is a way for the Government to show gently decreasing Budget deficits over time. This is a very attractive thing for a Minister of Finance to be able to do, we admit that, but it is not the reality of the finances of this province. The reality is that this year we have a surplus and next year we have a deficit, and the year after that we have yet a larger deficit still. That will not be reflected in the statements of this Government because of the Stabilization Fund.

Now, one of the province's more respected economists, Norman Cameron, has an opinion on the subject. In the House the other day, the Minister of Finance (Mr. Manness) said this particular economist applauded the Budget, and I presume this was at first hearing. Obviously, he had time to reflect because he

offered more comments on the record in an article in the Winnipeg Free Press on June 12, and I quote, "The dark side of this Budget lies behind the camouflage of the Fiscal Stabilization Fund. Last year provincial revenues actually exceeded expenditures by \$48 million, yes, a surplus. That is how good fiscal year '88-89 was for the provincial Government. Rather than allow the \$48 million surplus to show openly, however, the Minister decided not to acknowledge \$200 million of revenue, and instead reported a deficit of \$152 million. Not only did he put \$200 million of provincial revenue into the Stabilization Fund, but he deducted the same \$200 million from revenue in calculating the deficit."

Let me continue, there is only another paragraph, "Not spending the \$200 million immediately on some current program makes a lot of sense, but not acknowledging its receipt as revenue is bizarre. Private citizens are not allowed to play fast and loose with their income that way; we have to report our income even when we use it to build up savings accounts for rainy days."

This comes from one of the provinces more respected economists. He uses words like "bizarre." I, myself, have had an opportunity to consult a number of tax accountants on the issue of the Stabilization Fund, and unanimously they say it is not consistent with accounting practices. We already have evidence from British Columbia that they are having trouble with that fund for the same reason. That is what the auditor of B.C. says.

What this is, this Fiscal Stabilization Fund, is a pot of mobile good news which can be trotted out by the Government whenever the political or economic climate calls for a piece of good news. So what the Government is trying to do here is to take the good luck that was given to it by circumstances, and allow it to linger as long into the future as possible, when it suits their political agenda, when it suits their economic agenda.

How about the question of accountability? I remember what the Premier (Mr. Filmon) said in this House a number of days ago, and I remember what the Minister of Finance (Mr. Manness) said yesterday, that these funds will be accountable through executive orders. Through Orders-in-Council, millions of dollars of taxpayers' money will be spent by this Government without the normal accountability in the Legislature. The Minister of Finance (Mr. Manness) said yesterday—

An Honourable Member: Is this word from executive Government?

Mr. Carr: If the Minister can tell me right now that the accountability of the Fiscal Stabilization Fund is identical to all other revenues of the province, then I will say good. That is a good thing. If the accountability for those funds is precisely the same as other revenues which flow into the provincial coffers, then that is a good thing. I look forward to how the Minister of Finance addresses the whole question of accountability when he makes his speech later on today.

We have similar questions about the accountability of Lotteries funds. Somehow, the Government seems

to have found a pot of gold in the never-never land of gambling in Manitoba. More and more programs are being funded through the use of gambling revenues. Now we have funds going towards conservation, health care, the arts, sports, medical research and more, mentioned in the Throne Speech. We are not saying that these deserving programs ought not to be funded.

We are concerned though that they not be funded from the unstable and regressive revenues that come through gambling. If the Government is spending more through Lotteries revenues, if the Government is funding more programs through Lotteries revenues, then how do we explain the problem of an only 3 percent increase in the rise of these revenues over the last year or so? Someone is going to have to lose. Is the Minister of Finance (Mr. Manness) going to recommend that some programs currently funded out of Lotteries revenues go back into the tax base or will there actually be cuts of provincial support to some groups who over time have relied on Lotteries funds, not for capital projects or one-time projects, for which they were originally intended, but for operating grants which sustain them year after year. I am talking about the Winnipeg Symphony, I am talking about the Royal Winnipeg Ballet, who rely on the gambling habits of Manitobans for their yearly operating grant from the province. We think that is wrong, and we have been saying so for a number of years now.

On the issue of how much more the Government is spending this year, the Minister of Finance (Mr. Manness) talks about consistency and there is no greater bridge between my remarks just finished and my remarks to come. The Minister of Finance talks about a 4.5 percent increase in expenditures, Budget over Budget, but when he is using figures to boast about how generous he is with the Department of Health, with the Department of Family Services, does he use the same figures? No. He uses the figures which are actual to Budget, which are higher, because they are underspent in some of their departments. So when he wants to be conservative he uses those figures which are to his advantage, and when he wants to be progressive he uses different figures which he thinks are to his advantage. If that is what progressive conservatism is all about, I am even yet more thankful today that I am a Liberal.

I notice no contradictions on the other side. Let Hansard record that the Minister of Finance (Mr. Manness) is smiling right now. When he wants to take credit for being generous, he gives the higher figure. When he wants to take credit for being prudent, he uses the lower figure. That is inconsistency, and that is one of the reasons that we cannot support this Budget.

* (1440)

We are here to serve all of the people, but we are here in particular to serve people who are disadvantaged, who are homeless, who are poor, who for whatever reason are not given a fair shake in life. This Budget, when we look at it carefully, fails every test of fairness and equity.

Let us start with the Seniors Directorate. May I say in passing that in his 40 minutes in response to the

Budget Speech, the Minister responsible for Seniors (Mr. Downey) did not mention the Seniors Directorate once. I do not blame him. I think the reason he did not mention the Seniors Directorate is because it goes from a budget of \$200,000 to a budget of \$207,300, \$7,000

Hon. Harry Enns (Minister of Natural Resources): A notable increase.

Mr. Carr: The Minister of Natural Resources (Mr. Enns) says a notable increase. He probably thinks it is because his budget went down, so no more resources for the Seniors Directorate. Now this is not a joke, Mr. Speaker. It is serious business because there are very important issues out there and I would like to take a few minutes to talk about some of them.

Elder abuse: the Public Trustee recently told us that incidents of elder abuse are rising. They are rising because the seniors population is growing. The Minister knows full well that it is growing more quickly than any other population in our society. We are talking about financial abuse, mental abuse and physical abuse. I think the Minister should forget the deadline he has established for himself on that White Paper. Some time in 1989 and 1990, we think he should put it on top of the priority of this Government. We think that he should exercise his considerable clout around the Cabinet table and bring his colleagues around to his view, that this is not an item that can wait a year or a year and a half.

(Mr. Deputy Speaker, William Chornopyski, in the Chair.)

Mr. Downey: Just watch me.

Mr. Carr: The Minister says, just watch me. The Minister misunderstands. We are on his side. We believe that seniors deserve higher priority from this Government and I know he does too. When he comes forward to this House with positive proposals, legislation, action, he can count on us for support if we believe that his proposals and his action are in the best interests of the seniors of this province.

How about Bill C-22, the drug patent legislation? The Minister of Justice (Mr. McCrae) in response to a letter I wrote him said, no, this Government will not intervene with the Manitoba Society of Seniors on this question because the Manitoba Society of Seniors can make its own arguments. Well there are two issues involved here. The first issue is the constitutional authority of the Government of Canada to establish a Federal Prices Drug Review Agency.

The Manitoba Society of Seniors are arguing that the regulation of retail prices is a provincial matter and that piece of legislation is ultra vires of the Canadian Constitution. The Minister of Justice says we are not going to adopt that argument. The Manitoba Society of Seniors is capable of doing it all by itself. I do not have any doubt that the Manitoba Society of Seniors has the capacity, the intelligence and the forcefulness to make its arguments known to the court, but that does not answer the question why this Government will not intervene on its behalf.

The second issue, and the one that is more important to many seniors in Manitoba, is the cost of pharmaceuticals itself. All of the evidence shows that drug patent legislation increases the monopoly available to drug manufacturers, puts the prices up. Only common sense tells us that. It has happened in the United States. We see in the departmental Estimates in Health that the budget item that deals with Pharmacare is up more than \$10 million. Why is it up more than \$10 million? Are the prices of pharmaceuticals already rising at a dramatic rate?

We know that there was an increase in deductibles twice last year and it is now tied to the cost of living, so unless the Government is planning some major new initiative in Pharmacare, and we are perfectly prepared to have a look at it, I think that there may be a very steep rise in the price of pharmaceuticals, mostly affecting seniors and the infirm in this province. The Minister ought to take the side of seniors on this issue. There are reasons for him to do so and he should fight in Cabinet so that this Government is on the record and clear, fighting that Bill C-22.

There are other issues facing seniors, Mr. Deputy Speaker, and I will have every opportunity to go through them during the weeks that remain in this Session.

A few words on Urban Affairs, we were very disappointed in looking at the Budget to see that transfers from the Province to the City of Winnipeg in real terms are down.

Hon. Gerald Ducharme (Minister of Urban Affairs): Four percent.

Mr. Carr: They are down in relation to the cost of inflation. The Minister of Urban Affairs from his seat says, 4 percent -(Interjection)- The Minister of Finance (Mr. Manness) can tell me what the rate of inflation is.- (Interjection)- A little over 4 percent, so they have just made the point for us, Mr. Deputy Speaker. Money to the City of Winnipeg is less than the rate of inflation.

There are serious problems facing the City of Winnipeg right now. There are problems of high property taxes, among the highest in the country. The Minister of Urban Affairs (Mr. Ducharme) knows that full well. He was a member of council for years, he was chairman of the Executive Policy Committee. He knows that the effect of provincial transfers to the City of Winnipeg will mean, in all probability, higher property taxes.

When you look at the elements of the Urban Affairs budget, you see that there is absolutely no commitment, in spite of the rhetoric, to riverbank development. Capital is frozen -(Interjection)- Well, the Minister of Finance (Mr. Manness) is saying spend more, yet he proudly tells us about the increases in the departments that he wishes to trot out.

Downtown revitalization is the single most important issue facing Winnipeg at the moment. The downtown of any city must be what attracts people to its core and we are in trouble. We are in trouble because there are 105,000 square feet of vacant space along the south side of Portage Avenue and up the north side. There are vacancies because when we planned the North

Portage Development we did not ask ourselves the question, what impact will that have on the south side of the street? The Minister of Urban Affairs (Mr. Ducharme) knows that to be true. Everyone knows that to be true and we are paying now, as a city, for lack of planning and lack of foresight.

We also have decided to develop the Forks. We are in favour of developing the Forks. We think it is a good idea. We think it should be developed for what it is: an historic spot, a meeting place, the birthplace of western Canada, gateway to the West. We do not need more housing in the City of Winnipeg, with a 15 percent vacancy rate in the downtown.

Mr. Ducharme: Who says housing? Who says housing is going in the Forks?

Mr. Carr: We do not need—the Minister of Urban Affairs, who says housing? He should talk to the general manager of the Forks Corporation so they can get their facts straight.— (Interjection)— Okay.

My point, Mr. Deputy Speaker, is that we have this terrible tendency in politics and current politicians are no different than past ones. You take an idea, you run with it, you want to gain political credit for it, you want there to be a monument built on your behalf, and then before you are finished you are off doing it again. This city needs one Downtown Development Corporation. It is a good idea. The Minister of Urban Affairs has had several months to look at the idea. He tabled salaries in the Legislature yesterday. I am sure the Minister of Urban Affairs, with his creativity, can find a way of saving money, increasing efficiency and guaranteeing better long-range planning for the City of Winnipeg.

If he takes this one simple suggestion, the Minister knows that tax reassessments are not fair, there has to be tax reassessment in downtown to attract people. The Minister of Government Services (Mr. Albert Driedger) should be looking for ways to relocate Government employees on Portage Avenue, the centre of the downtown of our city. It is not a wild idea, it is a good idea. There is a lot of vacant space, and I bet you he could find a real deal on a long-term lease. Yes, he can.

So we say there are ways for this Government to help. We have not seen that this Government has done nearly enough to show the kinds of leadership necessary to amass the political will to take downtown Winnipeg a step forward. Mistakes were made. We do not want to dwell on mistakes and we do not want to dwell on the past. We want to look forward.

* (1450)

Housing and the poor—I said when I began my remarks that we have an obligation in this Chamber to look out for those most in need. If you look at what has happened to the Housing budget, it is depressing. It is not depressing for me because I am fortunate enough to own my own home. I suppose that most Members of this Chamber are in the same position, but it is not the case for many homeless people and

those who are looking for basic shelter. What do we find?

The Housing budget shows no real growth for 1989-90. In fact, it will be below the rate of inflation for 1989. In real terms there will be less assistance, not more for Manitobans most in need of help. Grants and subsidies within the Housing budget will decrease by 10 percent, a 10 percent decrease, while at the same time they create a \$200 million slush fund for a rainy day. You will find that the cost in cutbacks in programs for low-rental housing, cutbacks to subsidies to lower-income homeowners who require assistance to preserve their homes. These programs, Mr. Deputy Speaker, are cut back by 10 percent, while this Government jumps ahead into risky speculative joint venture development deals, but at the same time it cuts backs on housing assistance for the poor by 10 percent. That, to me, is not a Government with compassion. That to me is not a Government who understand very well those in the society who need Government most.

How about other indicators of how this Government deals with its responsibility to the poor? How about the CRISP Program and the 55-PLUS Program, down between 1989 and 1990? Not only in real terms but in actual terms, the funds available for CRISP and 55-PLUS are down this year.

Mr. Deputy Speaker, the Minister of Finance (Mr. Manness) in his good news, blue sky Budget, refuses to meet the needs of those whose sky is not blue and whose future is cloudy indeed. He talks about saving money for when we need it, but does not appreciate the need of today that I am trying to outline for certain Members of this Government and the Minister of Finance in particular.

How about the disabled? I had the experience a week ago of spending a day in a wheelchair as part of National Access Awareness Week. Those who organized the event, Unemployment Day, asked a number of people to perform the routine of their day-to-day lives in a wheelchair. Others had different disabilities. I adopted that disability and, as a result, could not ask a question from my chair in the House that day. I could not do it because there is no access. If I wanted to watch Question Period from the gallery, I could not in a wheelchair because I would have to roll the chair into the translation booth. That is in this building, which ought to be an example for the whole public service in Manitoba. We have problems with building codes. We have problems in our own back yard, making accessible as best we can, public buildings for all those Manitobans, even those with disabilities.

What has the Government decided to do? There is a \$3.2 million cutback in Government Services. How is that cutback going to assist the disabled in this province to gain access to public buildings? Yet another example of the way in which this Government has already, in only a year and a bit of power, lost touch with the people in this society who need the most, those who live—

Mr. Enns: But what a year!

Mr. Carr: The Minister of Natural Resources (Mr. Enns) says what a year. We have already talked about his

good luck, we have already talked about the Christmas card list for Eugene Kostyra and Jim Walding. We have already talked about the fortuitous rain which has fallen on this province, and are we not thankful for it? Yet the Minister of Natural Resources has to deal with cutbacks in his own department which, by the way, surprised us. We thought that once the Premier (Mr. Filmon) had rectified the mistake that he made of last year in leaving out the dean of this House, that he would have embraced him fully and moved him to the front benches and listened to his advice based on years and years of experience. He did not do that. The Minister's own department has been horribly cut and he will have to justify those cuts during the Estimates process.

Those who need this Government most are those who have been most hurt by this Budget. We know that the Minister of Finance (Mr. Manness) is using inconsistent figures. When he wants to be generous he uses one set, when he wants to be prudent he uses another. One thing is constant, the people who need him most have been let down by this Budget and by this Government.

How about job training? In spite of the fact that this is a blue sky Budget, indicating that the future for Manitoba is a rosy one, all of the financial indicators say something else. Financial indicators say that unemployment is as high now as it has been in years, that for the first time since 1966, Manitoba's unemployment rate is higher than the national average. We see layoffs from across the province, housing starts are down. So what have they done?

At a time of rising unemployment and layoffs, we get cutbacks, the Job Training for Tomorrow Program, a \$3.2 million cut or 52 percent of its Budget. For the life of me, Mr. Deputy Speaker, I cannot come up with one single reason why that would be the case.

Skills Development is down by 37 percent, from \$8.7 million to \$5.4 million. Why, why at a time when more people in Manitoba are unemployed, when we have gone from third to fourth in our ranking across the country, is the Minister of Finance (Mr. Manness) in this Budget allowing cutbacks for those programs which enhance job training for people and skills development? It absolutely makes no sense.

So, Mr. Deputy Speaker, we find all in all that this Budget is a strange Budget. While on the surface it gives Manitobans good news, when you look behind the headline of this Budget, you see serious problems, and you particularly see serious problems for those who need this Government most.

How about the NDP? The NDP in a burst of principle has decided that it is voting for this Budget, because it contains within it tax breaks for Manitobans. This is the same New Democratic Party that voted against the Tory Budgets in 1978 and 1979, when there were tax cuts. As a matter of fact, there was a cut by two points in one of those Budgets. Did the NDP vote against those Budgets in '78 and '79? No, they voted against the Budget in '78 and '79, they are voting in support of this Budget today. Is it because of principle that they are supporting this Budget? I think not. They are supporting this Budget because of political survival.

* (1500)

It is particularly upsetting and dissident that the New Democratic Party is voting for a Budget which is so hard on Inner City residents, that does nothing to address poverty of the Inner City, does nothing to help the homeless or the disabled. Mr. Deputy Speaker, they do not need any lectures from me. They will have to live with their own consciences.

May my last remarks be these, Mr. Deputy Speaker. In Opposition, one is here to oppose, and often that means the necessity of being negative when, in my case at any rate, I would much rather be positive. We would like to be able to say that all is well, but it is our responsibility as an Opposition to point out errors in the way this Government does its business, and to tell the people of Manitoba how we think we could do better.

This is a great province. It has diversity of resources and diversity of people. It has a fabric and a sinew which is the strongest of any province in this nation. It may pride itself on the strength of its multiculturalism, on the diversity of its natural resources, and its economic strength, which we hope will be enhanced by a Government that understands that strength. We are sorry that this Budget has failed to answer the call, the call of opportunity. They had the luck and they did not use it well. Thank you.

Mr. Deputy Speaker: The Honourable Member's time has expired.

Hon. Glen Cummings (Minister of Environment): Mr. Deputy Speaker, I feel moved to rise to say a few words about the Budget that we have recently presented before the people of Manitoba because I think we are sitting on this side of the House listening to far too much criticism that is not founded in fact. We are seeing a desperate Opposition trying to put together and cobble together some concerns. They think they can cause the people of Manitoba to worry about the direction that we are now taking in this province.

It seems to me, in the short time that I have available to me, that I would like to lay out a little bit more clearly some of the concerns that we feel need to be dealt with in this province and which we are addressing.

(Mr. Speaker in the Chair.)

I said in my Throne Speech address that the Environment Department, for which I am now responsible, was moving towards a 10.6, almost 11 percent increase in expenditures. I think there has been some feeling in the Opposition that perhaps we were not really concerned and perhaps we were not really intent on dealing with the issues as they are brought forward to us, but that we are somehow putting together facts and figures in this Throne Speech that will not come through to fruition as we go through the year.

Mr. Speaker, I look at last year's Budget and look at the success we had in bringing forward the programs that were in it. There is no concern in my mind, and certainly there need not be any concern in the minds of the public in being fully satisfied that we will carry

through with the initiatives that we are laying out in this Budget and in the Throne Speech.

I think one of the issues the Opposition wants to take great glee in is the fact that we maybe do not have a lot of green signs going up. Maybe the stickers in the windows are not going to be as obvious as they were where there were make-work and short-term job creation projects going on from almost a continuous basis across the province.

This Government is approaching employment in this province with the eye of long-term and stable employment. We expect that the jobs we create will be real jobs. When we talk about a real job, we are talking about a job that is productive. A productive job creates income for the province. That income for the province allows you to do other things within the province that will create more jobs.

Mr. Speaker, Government has never created a saleable product, to my knowledge, has not improved the GNP of a country or a province through and of its own initiative. We need real jobs in this province. We need the kind of jobs that will produce products for export. We need the kind of jobs that will keep our young people in the province and in the various communities across our province.

If we want to look at what is happening in some of the other jurisdictions around our country, we need only look to the Province of Ontario to the east of us to see what happens when we have a Liberal majority. They claim that they are going to all of a sudden become the great protectors of the environment, that they are now going to prove they are the ones who will save us all from the silent spring.

I can tell you, frankly, that does not seem to be the situation we are seeing to the east of us. They are scrambling to identify and to deal with the federal Government in trying to get assistance in cleaning up some of their orphan disposal sites. Of course you could argue that they are dealing with it, but they are all of a sudden in the middle of an economic boom, and still they feel that the rest of the country should be part of financing the clean-up from the profits which they originally gleaned from those industries.

Mr. Speaker, it seems to me, because we have a province that is starting off in the position that we are presently in, we can move forward and we will make the concepts we are intending to use in the environment and in the volume of the handling of our waste, that we have a plan under our department with the funding that we are being given, that will allow us to deal with those issues as they are brought forward. Quite simply, we are talking about long-term management of our environmental needs, long-term addressing of problems that face the province from day to day and from year to year, and not allowing those problems and those hazardous situations to build to the point where they become unmanageable.

Mr. Speaker, one of the serious concerns that we all have to have is whether or not, as we deal with the growth in our province and deal with the potential for expansion of industry, expansion of business, if we have

a plan and within that plan an ability to deal with the problems that come with growth and come with the development of our province. That is the type of approach that I see within this Budget because we have seen where we have been prepared to put money where the priorities of our province are.

As I have indicated, the Environment Department has received more than fair treatment under this Budget, the Department of Health and the Department of Education. We have just seen in Education one of the largest increases in recent memory. What better way to deal with the future of our province than to make sure those who wish to expand their horizons, to expand their abilities, and expand their opportunities through education, to make that opportunity available to them in the best possible way.

Mr. Speaker, the rural part of this province is now sitting in a situation where we are going to see a 35 percent reduction in the provincial levy on education tax. There are those who would question whether or not that is an appropriate direction to move. I want to spend just a moment talking about that particular part of the Budget and that particular problem as is being faced in this province.

We look at the situation where there is a large body of opinion that taxation for education purposes against real property has now gone beyond what is recognized as fair and equal treatment. For those reasons in the previous Budget, we moved to a 25 percent reduction of provincial levy against agricultural property. In moving to 35 percent, we have again indicated that we are prepared to deal with a problem that has been identified, and has not been dealt with in an ongoing manner and in a manner that is consistent with a long-range plan.

This Government, and prior to us coming into Government, made every effort to put forward a concept that we would be dealing with this type of inequity in the agricultural area, and the type of tax burden that is being assessed there. In fact, I think this is one of the strongest pieces of proof that we have that when we make a commitment through our governmental process that we will live up to that commitment, Mr. Speaker.

* (1510)

I think we need not take any concerns from the Members opposite regarding the manner in which we have been dealing with the social services and the problems that are faced in this province. All we have to recognize is that there has been a serious deficiency in the way in which Governments in the past number of years have dealt with the social expenditures within this province. We have seen the problems that have grown gradually over the years have never been identified as being as seriously underfunded as they have been in many of the areas. We need to now recognize that by moving in a rational and reasonable manner to address these concerns that they are not concerns that grew up overnight, but they are in fact an imbalance that has been created by a number of years of very nice comments, very carefully phrased statements of concern, but then what do you do to

fund that in the end? I can tell you, frankly, that the funding has not been available to many of the organizations that are out there working to deliver services to the people of this province. We, through this Budget, have made that commitment and I can assure you that we will be living up to it.

It seems to me too often we have been looking at a situation where Manitoba has been put forward as a vulnerable, perhaps have-not province. In fact, we have put ourselves in a situation where we are have-not in terms of being able to attract people to this province when you are facing one of the tougher tax regimes in Canada in terms of personal income tax. We see now that we are prepared to reduce the level of personal income tax in this province. To me, I think that is the first indication the people of this province have had for several years that in fact they are being heard.

The reduction in the payroll tax, I cannot tell you how many times people have indicated their serious concern that this was a tax on jobs. There are those who will argue that it should be struck down completely. There are those who argue that it is the most imaginative tax that could possibly be brought forward. The truth of the matter is that it was a disincentive to invest in this province.

The Premier (Mr. Filmon) yesterday outlined a myriad of opportunities that have started to open up in this province in the last year, companies that were prepared to invest, put their money into our province, money that they expect to regain and multiply in terms of profits, but during that time they will make a margin. They will use that margin to employ, they will use that margin to build. I believe that our economy in this province will start to recover as a result of that. I think that there is a real desire from the people of this province to follow this line of dealing with the financial difficulties which the province has found itself in.

As I travel across the constituency and as I meet people in various parts of the city, they are starting to realize that the path upon which we have embarked is a reasonable path, one that is not radical, one that can be rationally explained and one that has some obvious objectives. I think the very fact that the Minister of Finance (Mr. Manness) was able to announce in his Budget that we were now prepared to have an environmental tax imposed on liquor bottles in conjunction with MLCC, that we are able to create a fund that will have, albeit not multimillions, but certainly hundreds of thousands of dollars in it which will be able to be accessed to start doing projects, to start creating initiatives, to start setting direction in terms of environmental activity in this province. That is a small but a direct and I think an obvious indication that this province has now embarked on a path that there is a plan for, that we are in fact prepared to deal with the issues as they arise and try to get ahead of the issues so that we can show the leadership that this province has come to look for, because simply there has not been the kind of direction that we had hoped over the last number of years.

We do not need a knee-jerk reaction. We do not need \$700 million added to our deficit overnight, as the

Liberal Opposition would have done on our previous Throne Speech and our previous Budget.- (Interjection)- The Member for Wolseley (Mr. Taylor) seems to deny that is a knee-jerk reaction. Well, probably that is a more gracious term than I would want to apply than what I really think it was in terms of reaction.

There was a picture on the front of the Sun a year or so ago with the previous Minister of Finance wearing a big pair of boots, and it was something to do with the Minister of Finance putting the boots to the taxpayers of Manitoba. I suspect that if the Liberal Opposition, with the additional expenditures that they were proposing at that time, would have received very much the same type of caption, probably only worse because it was expenditure without reason. If you do not call that knee jerk, then perhaps there is a more colourful term that could apply to it.

I think we have to beware of those nay sayers in this House who would indicate that the reserve fund that the Government proposes to set up for the future of this province is in any way more than an honest attempt to make sure that there is income to deal with the truly needed expenditures and cost increases that will flow in this province over the next couple of years. I think it is only prudent that when we look to our Budget that we also look to the future and do not count on somebody suddenly providing a manna from heaven in order to bail out a Government. Up until now, we have seen Governments who were prepared to go to deficit financing in order to produce their own manna from heaven, but we are now paying for that through interest costs to this province. Every day, we pay for that. It simply is no longer acceptable in the manner in which this province has to meet its costs. We are only a million people, and we have to carefully and constantly manage our finances and make sure that our expenditures are wise.

We faced a number of rather awkward and difficult situations in human services when this Government came into power, Mr. Speaker. I think that a good example of good faith and reason in the manner in which we deal with the public and with those who are the care givers in this province, an indication that is clearly shown by the manner in which we dealt with foster parents, the manner in which we have dealt with Osborne House. Those are simply two indications of a Government that was prepared to listen and then take action that would provide a demonstrable response to a genuine need.

I guess I will go back to one more topic that is near and dear to my heart before I put my last words on the record regarding this Budget. It seems to me that through the reorganization that we have seen in the last month and a half in terms of rural development, in the reorganization and re-emphasis that has been applied in that department, will provide the much needed focus to give rural Manitoba, first of all, its fair say and, secondly, its fair share of economic activity in this province.

There has been no doubt that there have been forces far beyond what any Government can control when we look at the drought that this province has recently seen, not to mention all of the other problems regarding

pricing, which simply are a global problem. Mr. Speaker, rural Manitoba is strong and rural Manitoba is resilient and what it is looking for is a reasonable approach from its Government, a Government that has some direction and a Government that has willingness to deal with their problems in an honest and forthright manner, and that is what we are committed to do.

* (1520)

Mr. Speaker, the people not only of rural Manitoba but in the city have indicated very clearly to us that they are prepared to work with a Government that is prepared to put forward a plan, is prepared to explain what is behind that plan and willing to provide the political will to follow through on initiatives that we lay out for ourselves. The fact that we have seen a Budget that is not exceeding the growth of the province which produces it, a Budget that is seen to be truly relevant to the conditions that the province finds itself in and the conditions that it expects to face in this forthcoming year leads me to believe that those who say they will vote against this Budget are doing so without having listened to the people of Manitoba.

We are seeing a situation, Mr. Speaker, where minority Government is working and is working well. We are seeing a situation where I think the people of Manitoba are saying to all of us in this House, and I appeal to those who say they do not want to vote in favour of this Budget. I appeal to you to consider what the people are saying on the street, what the wage earner is saying when he looks at the discounts on his pay cheque and says, we finally have a Government that is prepared to deal with a problem that we have identified for years. Using the term "universally"—

An Honourable Member: Royalty.

Mr. Cummings: I certainly will not use the royal "we," believe me.

An Honourable Member: No, that is Sharon.

Mr. Cummings: Yes, that may be more inclined to happen in other political Parties than it does on our side.

Mr. Speaker, I simply say to you that it is without the slightest reservation that I recommend this Budget, not only to the House, but to the people of the province. By the feedback that I have already received, I think this is a Budget that has finally answered concerns that have far too long been ignored in the Province of Manitoba. The time has come to get on with the job of building this province.

Mr. Leonard Evans (Brandon East): Mr. Speaker, I would like to join with others who participated in the debate and offer some comments on the Budget as we have it before us, and on the eve, I guess, or on the verge of the important vote that is going to take place in a very short time.

I believe that this Budget without question reflects a minority Government situation. There is no doubt in my mind, having listened to the Minister of Finance

(Mr. Manness) when he was on this side of the House making so many speeches over so many years about the problem of the debt of Manitoba, that if he had his druthers he would have loved to have brought in a Budget that had significant cuts in spending in various areas. I do not know which areas but in various areas that he could, and to bring in a large surplus in order to start paying down the provincial debt.

There is no question, Mr. Speaker, that you cannot tackle the problem of the debt without a surplus and, therefore, as I read this Budget, unless the Minister of Finance can show me where I am wrong, they will not really be paying any of the debt off or there would be nothing significant happen, because we have not had a surplus. Partly, of course, one of the reasons we do not show the surplus is because we have set funds aside in the Fiscal Stabilization Fund. I would like to say something about that later.

This Budget reflects a minority situation. As I say, if we had a majority Conservative Government, I have no question that, given the philosophy, the economic policy position that is stated by the Minister of Finance over the years and his approach to provincial finances, he would have come in with several cuts and therefore a surplus situation.

Also this Budget reflects the very significant fact that the previous NDP Government put a tax structure in place that provided a flow of revenue to this Minister, to this Government, that really is a bonanza for them. To his credit, the Minister of Finance (Mr. Manness) recognizes this. I think he said it in his speech or in some document or both that there is a certain high level of tax flow that is coming into the provincial Treasury because of increased taxes put on by the previous Government.

Why did the previous Government put on the taxes? No Party in power wants to increase taxes. That is the last thing that any Party wants to engage in but at the same time—

An Honourable Member: You sure operated contrary to that. You were contrary to that.

Mr. Leonard Evans: You say it is contrary, that it is self-interest. The fact is, it was believed that we needed the revenue. We were trying to address the question of debt accumulation, trying to get to the point where we would have a balance and perhaps some surplus. The former Minister of Finance, Mr. Eugene Kostyra, stated that in this House as well that we were trying, with that increased tax structure put in place, to move in that direction. So because of that, we have these flows of revenues for this Conservative Government.

In addition, of course, the Budget reflects perhaps unanticipated transfers from the Treasury of Ottawa. As a result, the Minister of Finance (Mr. Manness) had a relatively easy task. If the tax structure had not been adjusted, if the taxes had not been increased by the previous NDP Government, our Finance Minister would have had a much more difficult time. We might have seen cuts. We may have seen a tax rise, courtesy of this Government.

We note, therefore, that what we have is a rather modest Budget, a Budget that is moderate. There are certain revenue increases for health, education, social services and so on, and rather moderate in tone. But I submit, Mr. Speaker, it is because of the particular minority situation that we have, in addition to those revenues that I spoke of. As my Leader has said, the MLA for Concordia (Mr. Doer), we do approve of the tax break for families, \$61 million I believe, or thereabouts. It is about the same as we were promising in the last election that we would wish to have tax breaks for families. To that extent, we approve of that element of this Budget.

There are many things though that we have concerns about, Mr. Speaker. I regret that this Government looks upon job creation, and I do not mean just job creation through grants, but job creation as a whole, as a relatively low priority. I know we will all talk about the need for economic growth, but the fact is that there are certain signals out there that give me cause to be concerned. First of all, they dismantled the Department of Employment Services and Economic Security, which was an attempt not only to focus on jobs but also to focus on areas of our population where there is a lot of unemployment, namely the long-term people on welfare.

The idea was to work very closely looking at the social assistance caseload, seeing what we could do to provide training, job opportunities, incentives to people so we could remove them, so that we could improve their situation, that we could raise their standard of living by taking them off welfare, by removing them from social assistance and putting them into useful employment so that they would have a better standard of living and indeed so that we would have to pay out less in the way of welfare payments. That was one of the major reasons for putting the department together as it was put together, economic security in with employment initiatives, training programs and so on.

The department has been broken up and we have a rather confusing situation. For some time, I was trying to find out where all the various job programs were, but I would say my basic observation is that any programs to create jobs have been given a low priority. I know the Minister of Finance (Mr. Manness) and the Premier (Mr. Filmon) have railed against these make-work projects and so on, but I would say that their criticism reflects an ignorance of some of these programs and what they were attempting to do and what they did do.

The Job Training for Tomorrow Program was a program that gave money to the private sector, to the small business community in particular, in addition to non-profit organizations. These businesses had to indicate very clearly that we were talking about a permanent job, a real job, a job that was going to go on beyond the period of subsidy. In fact, they had to declare that in applying for these grants. As a result, we were talking about training people on the job. Incidentally, some of these people did not do that well in institutional settings, in colleges and high schools and so on, but they had some potential to be trained

on the job, people to be trained on the job by the business sector, by their employers, and we are talking about small business units, and to be given a permanent job, a regular job.

* (1530)

So what we did, we provided an incentive to the business sector by reducing the labour costs for small business. As a result, I think we did a fairly good job in creating some job opportunities that would not be there otherwise. You do not resolve the unemployment situation by one program such as that alone, but it helps. It helps, Mr. Speaker, and the fact that other provincial jurisdictions and indeed the federal Government is into this field would indicate to me that there is some merit in this.

I say what we have got in this Government is a clear indication that job creation is a very low priority. They have eliminated the department. They shifted some programs over to education. The amount of money has been cut in half, if not more. There is no sign of any action. In fact, the Job Training for Tomorrow Program, I believe, was frozen or was not receiving any new applications as of the middle of last year. This was told to us by the former Minister responsible for that program. To my knowledge, there is no action there whatsoever. I say that this is one avenue where we can stimulate the economy, where we can help to create jobs. As I said, that particular program was not creating make-work positions, it was assisting the private sector, and we were talking about real jobs, permanent ongoing jobs.

I note further, Mr. Speaker, going on to some other topics, that we are concerned about wise spending of money. I would say that, in my judgment, there is one area of considerable waste. I could maybe find others, but there is one area that this Government is going to spend money on, in my judgement purely a waste of money, and that is the Ottawa office that is about to be set up. I can tell you that previous Governments, not only the NDP but even previous Conservative Governments, as I recall, had considered that and rejected it because they did not consider it to be efficient. To actually deal with Government officials, Government Ministers, you have to go as a delegation, you have to go with experts, you have to go well-prepared. You could not expect someone in that office to be all things to all departments, to all officials. It could be very nice for people from Manitoba dropping in for a cup of coffee or a cup of tea or something like that, get a pamphlet or get a map. That is very nice, but really it is a waste of money. I tell you, previous Conservative Governments thought it was a waste of money and I, for the life of me, do not understand why this expenditure. You may argue that it is not that many thousands of dollars, but I suspect that once it gets going it could be rather costly and of course it is not one year but it is year after year. I simply say that there has not been a case made to justify that expenditure.

Just going on to some other topics I would like touch on, Mr. Speaker, something that is close to my heart, the Manitoba Public Insurance Corporation. The largest portion of MPIC activities, of course, involves

automobile insurance, and that is a subject we will deal with at some other time.

We would like to know, at some point, what has happened to the Kopstein Report and all the major recommendations there, and the no-fault system and so on. That is something that has to be explored. That report should not be shelved. There were some important recommendations for improvements made. I would hope that those improvements will be put into place in the months or the year or two ahead.

I am zeroing in on something that I believe is a mistake on the part of this Government. They seem to be determined to have MPIC rid itself of the General Insurance Division. I appreciate the fact that the General Insurance Division is made up of two sections, if you will: the special risk extension, which is definitely in a very profitable position, and also the personal commercial lines, which is still not "making money." Having said that, Mr. Speaker, if you look at these figures, there has been a dramatic turnaround. There has been a significant improvement in the operations of those lines. I know the employees are working hard, even though they are looking over their shoulders as to whether they are going to be put on the street without a job, but I know they are working very hard to try to make it as profitable.

When we were in Government, we said too to the corporation, look, this cannot go on. We have got to get rid of these losses; we just cannot have this operate. I believe the former Minister, the MLA for the Interlake (Mr. Uruski) did indicate quite clearly to the corporation that changes had to be made. Changes were put in place. There was evidence of improvements being made in the General Insurance Division at that time.

(The Acting Speaker, Mr. Parker Burrell, in the Chair.)

What we have now is a Government which is adamant. Even though there has been significant improvement, even though it creates jobs in this province, even though it is providing insurance to some small business who cannot obtain that insurance from the private sector, even though there are remote and rural communities that cannot get insurance from the private sector, this Government seems to be determined to shut it down. At least I have not had any signal to the contrary. I know a report is being made, it is being prepared. We have been over a half a year at it. I am very dismayed that nothing has come. I really do not expect anything to come, except I would not be surprised if there is an announcement soon that they are selling or are going to divest themselves of that division.

I hope I am wrong. I truly hope I am wrong, but I believe that could be one result and one decision made by the Government. People are very concerned. I submitted a petition of about 2,500 names. People worked very hard to get the names. They were not hard to get in shopping centres, going around businesses, and so on. The City of Brandon's Municipal Council has taken a stand on this. The Labour Council has taken a stand. I have talked to the Chamber of Commerce. I have talked to the Economic Development Board there. They are all concerned for various ways about the threat to the Brandon economy because of the potential loss of these jobs.

Surely to goodness, there has been enough economic bad news for that community in the last several months. There has been a closure of an international nursing home with 44 jobs gone. There has been a reduction in staffing at another nursing home, the Rideau Park, 13 full-time jobs and another seven or eight full-time equivalents for about approximately 20 jobs; Marr's Leisure Products, 44 jobs gone, thanks to free trade which was supported by this Government. As of January 1, leisure craft and other leisure products can come into Canada, as I understand, duty free. It is now possible to manufacture these products in the United States, ship them up without any duty.

There is a potential there that was seized upon and the company, I appreciate the fact that most of the product is sold in Ontario, 85 percent, but that is not something that occurred overnight, Mr. Acting Speaker, that developed very slowly and over a matter of years. What did change was the tariff. So we have lost an industry, there are another 44 jobs.

So I say we do not need to lose another 45 jobs or 55 jobs. We cannot even afford to lose five or 10 jobs, Mr. Acting Speaker. The community is in the doldrums because of free trade and because of reductions in nursing home beds and nursing home staffing, therefore, in the City of Brandon.

So it rings hollow when the Government across the way talks about rural decentralization, jobs in rural Manitoba, jobs outside of Winnipeg. I am not suggesting that Brandon is rural, but it is certainly outside of Winnipeg. We are talking about decentralization of jobs. This is going in the wrong direction and people are very sensitive to this.

I do not understand a Government that professes to be concerned about decentralization, jobs outside of Winnipeg can do this to the City of Brandon. Because I say, while this Premier of ours is prepared to go to Ottawa and pound the desk for Portage la Prairie, he is doing the same thing virtually to the City of Brandon. Why is he doing this to the City of Brandon?

* (1540)

He is doing this to the City of Brandon. We are going to lose jobs thanks to a decision made here, thanks to a decision made by this Premier (Mr. Filmon). He is adamant, he is going to get rid of it. It does not matter what we say, what we do. It does not matter that it is being improved. All we are saying is give the corporation a chance. We think it is going into the black. Leave it alone, give them a chance. Do not interfere, that is what we are saying. But you are going to interfere. You are going to insist that they get rid of it, even though it has had a dramatic financial turnaround, even though we have got some damn good employees, they are working hard. Their morale is low because their jobs are being threatened.

-(Interjection)- Mrs. Thatcher—at any rate, I say there is a parallel. It is just hypocritical, Mr. Acting Speaker, a hypocritical action to say I am fighting for jobs in Manitoba and go down to Ottawa and try to get the federal Government to reverse its decision on cutting back on the Portage base, eliminating the Portage base,

and then a couple of weeks later tell the Members of this House that no matter what, no matter how improved this situation is in the General Insurance Division, we are going to get rid of it.

So I say, Mr. Acting Speaker, this is an action that will not be accepted by the people of Brandon, and we are going to hear more about this in the future. I can assure you of that. But it makes me wonder why I should support the Government. The only concern I have is that I was trying to get friends, my friends in the Liberal Party, to support me in the Public Utilities Committee and I did not get very far.

I just want to comment, in my enthusiasm for questioning yesterday, I did make a mistake. I did not want to mislead anyone. The motion of course was not carried unanimously because there was a division. There were three NDP versus two Liberals plus the Minister. The now Minister of Natural Resources (Mr. Enns) was acting as Chair and he broke the tie, voted with the two Liberals and the Minister responsible for MPIC, so it was four to three. It was a clear division.

My reference to unanimity was—I did not put it right—it came back to this House as a report of the committee and it was accepted by this committee without any debate, without any division. It could have. We could have debated it, we did not have to accept the report of the committee without a debate and without a recorded vote here, according to my understanding of the rules, but I did not call for that recorded vote and we did not make an issue of it. It was accepted therefore unanimously by the Legislature, but admittedly not at the committee level.

What I find strange is the Government is committed to doing this study of the General Insurance Division. In the meantime, within an hour or two later, we have the Premier (Mr. Filmon) still telling the media that we are going to get rid of the General Insurance and, as he said again yesterday, even though the majority on the committee—and then the committee's report being accepted by the House—said we will study the options. I say the Premier either does not know what is going on or else he is prepared to ignore a majority view which was supported by two of his present Ministers.

(Mr. Speaker in the Chair.)

At any rate, I would like to make some other points about some other issues that have been raised in the Budget. The other is the matter of the health and education levy, sometimes referred to as the payroll tax. What the Minister of Finance is doing—he is very proud of it, he is very happy with it, and so on—I say he is not doing anything significant with the payroll tax.

The NDP, which brought it in not because we wanted to levy extra taxes but because we had to levy extra taxes to pay for health and education and social services or whatever. It is a very difficult decision to make. Who in their right mind wants increased taxes and who in their right mind wants to bring in a new tax? Nobody enjoys that.

At any rate, we brought it in. Quebec had had some success with it, so we brought it in and we did provide certain exemptions. Then the following year, we

provided some additional adjustments. Rather than eliminate it, we reduced the number of businesses that had to pay.

I tell you now, Mr. Speaker, categorically neither this Minister of Finance (Mr. Manness) nor any other Minister of Finance in the foreseeable future will get rid of the payroll tax because the province's Treasury cannot afford to do without the payroll tax unless there are some major cutbacks or reductions in spending or unless there is an increase in sales taxes. I cannot see any Minister of Finance wanting to increase sales taxes from 7 to 8, 9 or 10 percent although, goodness knows, it is high and double digit in eastern Canada, in the Atlantic region. We realize that. I do not think that we want to see the sales tax go up.

We have to recognize, and the Minister of Finance will probably not say this too loudly, if he ever says it publicly, that money, and I think it is still about \$180 million, even with these new exemptions or the raising of the exemption level, that the bulk of this money comes from large corporations, national corporations, federal Crown agencies, and brings in revenue that we could never get otherwise. To that extent, it is a new-found source of badly needed revenue for the Treasury of this province.

I say, therefore, I am quite prepared to bet a cup of good coffee, made in this Legislature, that this Minister of Finance (Mr. Manness) nor any other Minister of Finance in this foreseeable future will eliminate the payroll tax, the health and education levy, because it does not make sense to do so.

I would even go as far to say that there is no statistical evidence, there are no hard studies that shows that the payroll tax actually reduced the level of job creation in this province. Put it another way, there is no hard evidence that it added to unemployment in this province. In fact I think some of the figures showed unemployment getting better after the payroll tax was imposed. I am not making the case one way or the other except to say there is no clear evidence that the payroll tax did slow down the rate of job creation. You may think that it should do so from a logical perspective, but the fact is there are so many factors that influence business decision making, that influence a businessman, an employer's decision to hire more workers. It is not only on a minor tax, it is profit opportunities out there, it is other costs, it is the conditions of the market and so on.

There are so many factors at work, it is very hard to isolate it. No one yet has written a report on this to prove to me or anyone else that the payroll tax has hurt the Manitoba economy. In contrast, however, it has brought in badly needed revenue, so this will be one promise this Conservative Government will not keep.

(Mr. Deputy Speaker in the Chair.)

I have bet a cup of coffee on it. I am quite prepared to pay my cup of coffee if I lose that bet, but I will gladly provide an additional cup of coffee to pay off this bet with whoever, with the Speaker or the Minister of Finance (Mr. Manness) that he will not eliminate the payroll tax.

I would like to make a comment also about the HydroBond issue. I think \$300 million is the amount that was raised—33,000 Manitobans, I believe, purchased these. I think it is commendable. Governments in the past have talked about it. We have issued—I do not know what we call them—saving certificates or bonds or whatever. Our NDP Government actually had an issue of certificates to raise savings for Manitobans, and so on.

* (1550)

The fact that it was sold so quickly though makes me wonder whether the rate of interest was set at too high a level, that maybe we paid a trifle bit—I do not know how much, maybe we paid a half of one point or three-quarters of one point, I do not know. Maybe we paid a little bit too much in the way of an interest rate for this. Otherwise, I simply say it sold so quickly, it was such a good deal, the interest rate was so high that they were sold very, very quickly.

I would like to know, and I do not have that information, what would it have cost the Treasury if the Government had borrowed abroad? The reasons Government had borrowed abroad, not only the NDP but previous administrations and not only in this province but other provinces, the reason you borrow abroad is the interest rates are lower. You do take the chance of fluctuating exchange rates so there is some risk involved, obviously there is some risk. The point is that over the years Governments have done that with the best of intentions to save money for the taxpayers, to save interest payments. I would like to know what would have been the cost to borrow outside of Manitoba as opposed to borrowing as we did?

I appreciate the fact that the interest payments are made to Manitobans. That is good, no one will argue with that. Although I am not so sure, Mr. Deputy Speaker, whether those people who own those bonds at this time will always be residing in Manitoba, or whether the bonds can be transferred out of the province somehow or other, someone buying them and giving them to a cousin or say, a grandson or granddaughter living elsewhere as a present, for instance, or whatever. You can imagine ways and means by which financial securities may be transferred or spread around the country.

The other concern I have about the HydroBond issue, for a while I began to think it was more of a PR exercise than a legitimate sale of bonds, because for the amount of advertising, when you think when that the issue was put out, it was sold quickly. I would submit, Mr. Deputy Speaker, that the Government probably spent too much money on promoting the issue.

We want to be careful with our money, I agree. Let us not waste money. I think, and I do not know what the numbers are, but I suspect we spent too much money on advertising this. It became a big promotion meaning buy Manitoba bonds, it is a nice slogan, very nice, everyone can agree but really, were we in a PR exercise or were we really trying to sell bonds? I do not think we needed nearly as much advertising. The bonds sold immediately. The rate of the interest was so attractive there was no problem.

Again the total debt—this is related to Hydro—it is still a very small amount when you look at the total outstanding debt of Hydro which is about \$2.6 billion. The \$300 million is fine, but it is still only a small fraction of the total debt of Hydro. Let us not get carried away that all of a sudden we are financing Hydro development with the Manitoba savings. I do not think there are enough savings in the province to pay for some of the major Hydro developments in the past or indeed that could occur at some future time—not within a period of time, not within the short period of time. If we could do that, I say, good, great. It would be good, but I do not know whether that is possible given the fact that there is such money, so many dollars, it is a fairly short period of time to pay for the development.

On the matter of rural economic development, Mr. Deputy Speaker, I wanted to say that while it is fine to have a new department, as far as I can see it is really the Department of Municipal Affairs with a new title, there is very little new money in it and I do not see any meaningful programs. Now if I am wrong, please tell me, but I do not see anything really meaningful in the department. I am not trying to take away from the Minister, his Deputy or the staff or anything. It is almost like setting up the Seniors Directorate. That is the name, it is nice, and it sounds great.

Everybody can agree we should zero in on programs for seniors but nothing happens, except you get a lot of frustrated seniors because they thought something meaningful was going to happen. I suspect, although I do not know whether rural Manitoba is very excited about the fact, that there is a new department, or an old department I should say with a new name, whether they are really paying that much attention and whether we are going to raise expectations to the point that they cannot be fulfilled.

While I would certainly support, and I think every Member of the Legislature would support diversification, jobs throughout the province, I do not see how anything, at least at this point I do not see anything meaningful that is being proposed or being brought forward that will do something to, for instance, stop the exodus of people from rural Manitoba. When Manitoba's population declines, it is essentially a decline in rural Manitoba. It is not necessarily a decline in Winnipeg. It may be a slowdown of Winnipeg's population growth but, when we drop our population as we did last year, it is a reduction of people living in the countryside, not only on farms but particularly the small villages, the small towns. This is where we see the drop in population. We see these towns disappearing before our eyes.

I will have more to say about population decline in a moment, but under the topic of Rural Economic Development, I cannot think of anything more meaningful than if a major water and sewer program were announced. I do not know whether it would be through that department. It could very well be, but I know that there are certain towns and cities outside of Winnipeg that are having great difficulty in financing water and sewer facilities that are badly needed. I think Teulon, certainly Dauphin and, of course, Brandon.

Brandon is looking at a bill I guess of around \$20 million for a new sewage treatment facility. The city

does not have the financial capacity to do this. Yet they are ordered to proceed forthwith by environmental authorities and they are in a bind. On the one hand, our legislation, our agencies protecting the environment saying you must do this for environmental purposes, and on the other hand the city council ask, but where do we get the money? How can we possibly ask property taxpayers to foot this kind of a bill? I believe the mayor has stated himself that there is no way the city can go ahead on its own and will not go ahead on its own. I think he even said, they will have to throw me in jail. I think that is what he said. I do not know how serious he was about it. I believe he said something to that effect.

Now I would say if this department, if this Minister got up and said, we are developing a rural water and sewer program, we have real money here, we are going to help Dauphin, we are going to help Teulon, or whatever community that has problems, fine, but there is nothing. There was supposed to be some federal money about this. I recall when I was the Minister, my understanding was our Government was on the verge of signing an agreement with the federal Government - (Interjection)- Well, I can tell you the officials met with our officials. All the paper work was done.

Mr. Jake Epp was supposed to deliver. I can tell you, I do not have documents in front of me but I recall very vividly being told by officials that there was going to be an announcement very imminently. All the paperwork had been done. The bureaucrats on both the federal and provincial sides had agreed. All the details had been worked out and it was just a matter of sort of a public announcement with Mr. Jake Epp and our Minister at the time, I believe it was the MLA for the Interlake, and we would proceed, and that was good. At any rate, nothing has happened. Mr. Epp did not deliver and I do not see anything or hear anything so far from this Government.

So if you want to do something meaningful for rural development, just do not change the name of a department and say we are now concerned about rural development. I say, put some program money in place and do something. I cannot think of anything more significant than water and sewer, because that is the basis for population growth, that is the basis for industrialization. You want more industrial jobs, more economic growth, then provide adequate infrastructure.

It will be interesting to see if and when we will get anything, and if and when we will get anything out of the federal Government on this. I think the idea was to get federal money. I am not going to hold my breath on it with the particular Government that we have in Ottawa. I say, if Ottawa will not come across, then the province should go alone and provide some cost-shared program money to the municipalities. I think we cannot let these municipalities down.- (Interjection)-

The Minister maybe was not in the Chamber when I said this or maybe he was not listening perhaps. I said I was advised by senior officials that we were on the verge of signing a document with the federal Government for water and sewer, including the sewer facility in Brandon. Now that is what I was told. I have not got documents with me, but I remember being told

categorically two or three times by senior people. My understanding was we were on the verge of doing this.

Mr. Deputy Speaker, I wonder if you could tell me how much time I have left.

* (1600)

Mr. Deputy Speaker: The Honourable Member has about five minutes remaining.

Mr. Leonard Evans: Only five minutes. My God, I had another two hours.

Okay, I am not going to say a thing about the Fiscal Stabilization Fund, beyond it is almost like mirrors and really it is nothing significant. I talked to the Provincial Auditor and it is really meaningless. The bottom line, all it is, is money that is not spent and it is really a bit of hocus-pocus, a financial hocus-pocus, Mr. Deputy Speaker.

The greatest failing I see in the Budget and the approach of this Government is that they have no conception of economic development of Manitoba. They have no industrial development plan, they have no idea of where we are going. This province, I am sorry to say, is stagnating; the population is dropping. Last year alone, in two successive quarters, the population dropped. There is a mass exodus of people. There is one quarter we lost as many people equivalent to the Town of Swan River. In the third quarter alone of last year, we lost 3,689 people on interprovincial migration. That is like losing the whole Town of Swan River.

The industrial base is eroding. Week after week, we have heard of industries closing down and all the other data that we have, Mr. Deputy Speaker, indicates a very weak economy. Housing starts were down last year; they are down this year. The latest figures we have show Manitoba's housing starts in urban centres are down by 28.7 percent, and that is very significant.

Our rate of job creation just is not, Mr. Deputy Speaker, the number of jobs has hardly grown at all and the latest figures we have out of Stats Canada shows a very minimal change. May of '88, we had 498,000; May of '89, 501,000, barely a change. As a matter of fact, that increase is the second lowest of any province in terms of job creation, and it is well below the national average, similarly with some of the other economic statistics.

There is just a very sad tale being described by these economic statistics. So this Finance Minister and this Government is not meeting the challenge. It has no industrial development plan. I know what his philosophy is, sit back and let everything take place, let the market take place. I submit, Mr. Deputy Speaker, if we continue to do that we will see further erosion. We are going to see further population decline and, ultimately, we will have a lower base from which to collect the taxes.

So, in conclusion, as my Leader said, we will be supporting the Budget, even though we have a lot of concerns and qualifications about it, even though I have some major concerns about MPIC. I think the people want to give the minority Government a chance, and

I think if there was an election now we may end up with another minority Government anyway.

On that basis, I want to reiterate that I am not at all totally satisfied with the Budget. I am particularly concerned about economic decline but nevertheless, as my Leader stated, we will be consistent with our position on this matter.

Thank you very much.

Mr. Kevin Lamoureux (Inkster): Mr. Deputy Speaker, first of all, I would like to acknowledge the second term for the Speaker and say that he has done a fine job thus far and I hope that he continues. I would also like to take this opportunity to congratulate you, Mr. Deputy Speaker (Mr. Chornopyski). I do not know of anyone else in this Chamber who would have made a finer or a better Deputy Speaker.

I would also like to congratulate Mr. Enns on his appointment to the Cabinet. I think he is very competent.-(Interjection)- I should say the Member for Lakeside. I am sure he will do or at least try to do the best job he can.

I have three major areas of concern on this particular Budget: the tax rebate, which is something that the NDP brought in; the debt, there should not have been one last year, as far as I am concerned; and what I like to refer to as the Manness illusion.

Let us talk about this Tory slush fund or, as they like to refer to it, the Fiscal Stabilization Fund. Last year, we should have had a \$48 million dollar surplus, but what happened? Instead, we have a \$152 million dollar debt from last year. Why, I ask? They wanted to have a \$200 million Tory slush fund and that is the reason why we have a debt from last year.

Mr. Deputy Speaker, \$50 million has already been spent. They have already reduced the projected debt from \$152 million from last year to this year's projected debt of \$87 million.

The Leader of the NDP (Mr. Doer) concurs with this slush fund, for whatever reasons I do not know. The legislation that is being brought forward will enable the Cabinet to deposit and withdraw all the funds. As far as I am concerned, it makes it a lot more political than if we had not had the fund in the first place. This reinforces something that they have done with MIC, where they had lost their funding component and are now an advisory group. Yet I still do not believe that the Minister responsible is using them as she should possibly, as an advisory group, seeking their opinion and listening to what they might have to say.

Mr. Deputy Speaker, we know why the Government has been able to put forward a Budget of this nature. It is called good luck, which in no way should be determined as good Government.

Let us look at the good luck—the mining tax. We are fortunate here in Manitoba that the nickel prices have been going up. I am glad to see that Thompson, a rural, vibrant community is now able to expand. They owe that to the nickel prices, but the thing is that we should not be banking on the ever-increasing nickel prices.

Another good luck came in with the equalization payments. Mr. Deputy Speaker, time after time we hear from the Government benches that the Leader of the Opposition (Mrs. Carstairs) and other Members, my colleagues, refer to the Province of Manitoba as a have-not province. The reason why we say we are a have-not province is because if you take a look at the equalization fund, if we were not receiving the equalization payment, then I might concur with them and say that we are not a have-not province in the monetary terms.

It is something that we should not be proud of, receiving money through the equalization payments. I would like to be in the position in which we did not have to receive any equalization payments. All I can say is, thank God that we have it. It is one of the federal programs that ensures equity among the 10 provinces.

In regard to the NDP tax grab, I can recall the Opposition, the then Opposition saying how bad and atrocious, the mugging of the poor, line after line that came out criticizing the amount of taxes that the then NDP administration was imposing onto all Manitobans. Yet on the other hand, they have been reaping the benefits of it.

I look at the tax breaks this Government is proposing and we support that. We believe that Manitobans do deserve a tax break. The question that I ask, it is unfortunate that they are not receiving it starting July 1. We have heard reasons why we are not receiving it. I do not personally buy those reasons. We could have had those tax breaks in by July 1. Manitobans could have been receiving their money they so hard earned. If the Minister of Finance (Mr. Manness) would have been working back right after December, he could have come through on that. It is unfortunate that he did not.

Mr. Deputy Speaker, we look at Manitoba's declining deficit. I am looking at the Winnipeg Free Press, Tuesday, June 6, and I see a nice graph. On the graph it shows the province's accumulated, not accumulated, but their annual debt going down in a very nice consistent manner. I must say the curves do look nice, but we have to realize that the only way that this Government is able to show that general decline in curve is because of the Tory slush fund. They can call it whatever they want but I know and I am sure all Manitobans will realize exactly what it is, and that is what it is, a Tory slush fund.

Hon. Donald Orchard (Minister of Health): Kevin, you used to be such a nice young man.

Mr. Lamoureux: I still try to be a nice young man, Mr. Orchard.

Mr. Deputy Speaker, I also notice that tax increases went to tobacco, fuel, water power rentals. This seems to be a standard thing. My colleague from Assiniboia (Mr. Mandrake) had made reference, and I think it is good thing and the Government should be looking at it, and that is the 1 cent that you are going to be increasing on a cigarette should be put back into the educational process so that the young people of our province are aware of the dangers of smoking. This

should really be more emphasized. We need to pay more attention on our youth and letting them know that this is dangerous for their health.

* (1610)

We had the fuel tax increase. Again, this is something that a lot of Manitobans expect, I guess, in the year of the Budget. There is another thing that we should be keeping in mind. These fuel taxes also hurt all Manitobans directly in the pocketbook. It also hurts our small companies, companies like our couriers, the taxi companies, and so forth. One cent a litre and the amount of mileage that they put on means a lot to them, and it increases ultimately their rates, and ultimately we pay again.

The water power rentals, once again, this is something that I believe that we will end up paying for as consumers.

Mr. Deputy Speaker, I would like to look at the Department of Housing and look at some of the details of what the housing programs will likely suffer, while the Tories are grabbing \$200 million for a slush fund that is in the best interest of no one but the PC Party election readiness planners. This Budget will slash spending in housing grants and subsidies by 10 percent. We, in the official Opposition, want to know exactly how the Minister of Housing (Mr. Ducharme) will proceed with the dismantling and reduction of housing assistance programs that will be made necessary by these cutbacks?

Will the shelter allowance, for example, for our elderly renters be reduced or wound down? In '87 and '88, more than 3,000 Manitobans aged 65 and over, and more than 400 aged 55 to 64 received this assistance under the program. How will these people be affected by the net 10 percent tax or cut if this is the place where it is going to occur? It has to occur from somewhere because we know in the operations, in the grants and subsidies, it has been slashed by 10 percent. Will some of them lose their support completely? Will they all lose 10 percent? These are the questions that really need to be asked, Mr. Deputy Speaker.

The Minister of Finance (Mr. Manness) says he has delivered a good news Budget, but the bad tidings for lower-income Manitobans are there for all to see. This Government talks a great deal about the importance of the family and family values, but this Budget makes it clear that lower-income families are not included in the Tory vision of a family.

The Shelter Allowances for Family Renters is one of the programs in peril as a result of this Budget. In '87-'88, this program helped nearly 2,000 families whose rental costs exceeded their 25 percent of their income. The budget category covering this important program is also targeted for that 10 percent reduction. This is not good news for low income families. It is bad news.

The Housing budget also contains bad news for the elderly and the infirm. Among the targets of this Tory Budget is the Elderly and Infirm Persons Housing Grants Program. This program provides capital support grants for builders of housing units for elderly and the infirm.

These grants totalled almost \$200,000 in '87-'88. These and other programs are threatened as a result of the 10 percent cutback in the grants and subsidies that this Minister of Housing has invoked.

Mr. Deputy Speaker, I would like to comment on the Ladco deal that took place back on May 25, when the Minister of Housing (Mr. Ducharme) made an announcement. Shortly after hearing the announcement, I commented in somewhat of a positive fashion on it and I wanted to maybe bring a couple things to light.

First of all, there is a high-risk factor. We did have a meeting with the departmental officials and they had concurred that, yes, there is a risk factor and this is maybe not the best time. I should not say the department did not say that, but I believe that this may not be the best time to enter into a venture of this nature. I guess what most upsets me about the Ladco deal is the proposal call itself. We had the Minister of Housing (Mr. Ducharme), through a meeting with the Homebuilders' Association, request them to put out a memorandum to all of their membership. I think that is good that took place, but I think what the Minister of Housing was missing out on is that should have also been advertised.

The Manitoba Homebuilders' Association circulating a memo does not guarantee that all Manitobans in the province are equal in order to put in a bid, whether they want to purchase the land as land speculators, or if there are some small companies that might want to put in a bid, whatever it might be. It should have been advertised, at the very least. To say the very least, I am somewhat upset that it was not.

We went over, Mr. Deputy Speaker, and I thank the Minister of Housing (Mr. Ducharme) for inviting myself and the critic for Housing from the New Democratic Party (Mr. Cowan) over to his office, where we went over the proposals. He showed us the other two bidders and again I appreciate that.

The one surprising thing after the meeting that I found was unacceptable, and I did contemplate on putting out a press release myself but I thought, well no, maybe I should not stoop that low. What I am referring to is what the Housing Critic of the New Democratic Party had come out and said in a news release. At no time did I admit in that meeting, and I notice the Minister of Housing is here and if I say anything incorrect I am sure he will correct me on this, that the Leader of the Liberal Party (Mrs. Carstairs) or myself were wrong in the actions that we had taken in regard to Genstar and the consortium for their call of proposals.

In fact what had happened, and I thought I was very clear in that meeting, was I had said that obviously there must have been some type of a misunderstanding and I was willing to accept what was before me and that was two dated proposals, albeit at different times and much later than I thought it might have been, but I accepted that. I believe the people who had talked to us were not intentionally trying to mislead us, much like I was not trying to mislead this Chamber, Mr. Deputy Speaker. I, personally, have too much respect for this Chamber and I would not do something of that nature.

I feel somewhat offended that the Housing Critic of the NDP (Mr. Cowan) would say something of that nature.

Another area, if I can briefly go over, is something that I have found to be probably the most frustrating thing as an MLA since being elected, and that is Workers Compensation. This is going to be really brief, as I see a five coming up in front of me. The Workers Compensation, I have been getting on average, I would say, one call every two weeks and they are very concerned with the process. I, for one, believe that there should be an arm's-length approach with the Workers Compensation Board, but I also believe that it is the responsibility of the elected officials to ensure that all claimants are given a reasonable time to see their claims being processed.

(Mr. Speaker in the Chair.)

Mr. Speaker, I have seen in my constituency people who have waited endlessly, months after months after months, to go through one appeal mechanism. It is unacceptable. We need to do something about that. These are Manitobans. These are people who are being very sincere. I am not saying that every one of the cases that is brought to me is right and that it needs to be reversed, no. I am just saying, give them the process. They are entitled to that. As the elected officials, we are here to ensure that they are given that process.

To conclude, I just wanted to take out two quotes that I found quite humorous when I was doing some reading the other day. These are quotes from the Premier (Mr. Filmon). One of them is during the provincial campaign leadership debate of April 22, 1988, on CKY TV: "I can call Brian Mulroney on the phone at any time and know that he will listen." If the Premier had the opportunity, I know for a fact that he would like to withdraw that remark because we in this Chamber really know what the situation is like and what type of relationship our Premier has with the Prime Minister.

Another quote that I would like to comment on is one that the Premier (Mr. Filmon) had stated in regard to the Port of Churchill on July 29, when he was quoted from the Winnipeg Free Press: "The Prime Minister has taken a special interest in the Port of Churchill and has promised quick action. We expect some promising announcements forthcoming very shortly. I voiced Manitoba's concerns and he has now taken the matter into his own hands." I would argue that maybe the Premier might even want to retract that somewhat.

I do have to say one thing. I am glad to see that the NDP, and it is unfortunate that we did not have the invitation—I am sure we would have been more than happy to attend the NDP to help or assist in putting some pressure, but I am glad to see that Churchill looks as if they are going to be getting something this year. They deserve it. It is important. It is an important dynamic that the Province of Manitoba has.

* (1620)

On that note, Mr. Speaker, I would like to thank you for giving me the opportunity to speak on this Budget.

It gives me great pleasure—I should not say it gives me great pleasure because, after a lot of serious consideration—(Interjection)—after a lot of considerations—the Minister of Finance (Mr. Manness) says I said it right the first time. Well no, because the tax breaks I favour. I find it very disheartening that you did not have it effective July 1. You could have had it July 1 and you did not. Another thing I find very disheartening is the Fiscal Stabilization Fund, as you like to refer to it. It is not that. It is a Tory slush fund. All things considered, I will be voting against this Budget and thank you for the opportunity to speak.

Mr. Reg Alcock (Osborne): Mr. Speaker, I would like to thank the Minister of Finance (Mr. Manness). We were running a little ahead of time and he agreed to let the Member for Inkster (Mr. Lamoureux) get up and say a few words. I would like to thank him for that.

I would like to start by simply reading something that was stated in this House back on March 17, 1988, by the then Opposition Finance Critic who rose on a matter of privilege and said that "For the past six sitting days, the Opposition has been documenting the distortions and misrepresentations of the information provided within the 1988 Budget. In doing so," he stated, "we have called into question the credibility of the Government, the Premier and the Minister of Finance." It comes to mind how little things have changed in the past year.

When the Budget Address was delivered last week, my first response was that this is a Budget drafted by a Government which does not intend to put a third Budget before this House prior to an election. It is less a fiscal plan for the province. This Budget has simply become one more election readiness. I think that is particularly unfortunate because I believe, as the Minister of Finance (Mr. Manness) in the past has expressed, that the Budget is the most important document which we review in this House. It is the one piece that comes before the House that gives substance to the plans, the aspirations and the images that the Government would like to put forward to the community. Unlike the Speech from the Throne, it contains decisions, not promises, action and not simply images. At least, that has been the history. Now we have a Budget which extends the hypocrisy of the Throne Speech into the financial decisions of this province.

Mr. Speaker, after many years of sustained growth, North America is facing an economic adjustment which will at best be reflected in the slowing of the rate of growth and, at worst, a period of recession.

In the short term, there is some reason to be optimistic in this province. As rain continues to fall, we may indeed see sufficient improvement in agriculture to offset the continuing decline in other sectors of our economy. However, a rebound in agriculture will only serve to mask more fundamental problems.

Bankruptcies are up, net migration is up, some 9,500 people have left this province in the last year. Unemployment is climbing. Month after month, we see that rate rising above the national average and Manitoba's position in this country is slipping. Retail

sales are down in real terms. Housing starts are significantly depressed. One more ethereal indicator is the level of optimism in our community is also declining.

I think it is important when we look at the drought that we were through last year and the impact of that drought on our province. It is important to note that the impact of the changes in the federal Budget on this past April 26 will be greater than the entire impact of the drought last year and that impact will be repeated year after year for the next three years. This is a time when we need some economic leadership which is credible, and at the present time we are not getting it. We are not getting it in Ottawa and we are not getting it here.

Federally, we have an example of a Government which told us in the fall of last year, if you recall the pre-election period, that the deficit was under control. The same Government promised Canadians many improvements based on Mr. Wilson's view of our economy, but as soon as the election had been won we immediately began to hear a radically different story. Instead of being down, the deficit was now up. The promises which were made in September, October, November were no longer operative. The benefits of free trade are less apparent and the negative adjustments due to harmonization are unfolding precisely as the Opposition Party said they would. In his April Budget, Mr. Speaker, Mr. Wilson attempted to mask his duplicity by telling us that if we followed his vision we would find prosperity around the corner. Unfortunately for all of us, once again he has been proved wrong.

There was a workshop held recently, jointly sponsored by Price Waterhouse and Prairie Research Associates. It was an attempt to review what was happening economically in this country and to look at how Manitoba businesses might prepare themselves for the next few years. In that workshop, the economic predictions made by the federal Minister were reviewed in great detail. One by one, they were discredited. Dr. Norm Cameron, who our Minister of Finance (Mr. Manness) credits as being a source and a resource to him, led the workshop. He made the point that to meet the targets for economic growth, unemployment and interest rates which the federal Minister of Finance has said, it would require a 180 degree turn in the current Bank of Canada policy.

Dr. Cameron states that the only scenario which allows those targets to be met requires a double-digit increase in the money supply and the inflationary push that this would provide to our economy would be such that it is simply not credible to assume that the Governor of the Bank of Canada would allow this to happen. Despite this, the federal Finance Minister continues to promote his discredited version of the future and at his side, wearing the same pair of rose-coloured glasses, is our Minister of Finance (Mr. Manness).

Mr. Speaker, in Manitoba we do not have the same kind of control over our economy. We are captive to national fiscal policy, much in the same way that Canada is tied to the U.S. economy. We do not set our interest rate. We are victim to changing interest rates, right now being artificially raised in order to cool down the

Ontario economy. We do not set the exchange rate and we must live with the effects of a higher dollar and its depressive effects on our economy, as nationally we move to harmonize our economy with the U.S.

Let us just for the moment ignore the evidence that surrounds us and let us concentrate on the predictions that our Minister of Finance (Mr. Manness) has made. Let us assume that we reach the 3.5 percent growth this Budget forecasts which, in annual terms, when you consider last year's growth rate, would be just under 2 percent per year for the past two years, somewhat less than is optimistic, but lower than this year's prediction of 2 percent. I think I should also note that his current prediction of 3.5 percent is down from 4 percent which was the prediction contained in the Throne Speech.

Hon. Clayton Manness (Minister of Finance): No, that was the Conference Board estimate.

* (1630)

Mr. Alcock: The Finance Minister (Mr. Manness) makes the point that was a Conference Board estimate, one that his Government saw fit to put forward in their Throne Speech, the same Conference Board which he took some delight in saying did not know what they were doing when they presented a report on the GST which was not consistent with his own wholehearted support for that particular tax. We will come back to that in a minute.

Mr. Speaker, the problem with these growth rates of under 2 percent is they are so fragile that a relatively small shock in the economy will send us into negative growth very quickly. What happens then? The question then becomes what is this Government doing to prepare Manitobans for this uncertain future? Let us examine the statements of the Minister of Finance. He has repeatedly promised us greater openness, greater accountability and he has delivered neither. Instead he chooses to play a game of hide-and-seek with the numbers in the hope that he can turn lead into gold. He runs costs into the previous year to inflate the deficit, then he deliberately incurs debt in the past year in order to provide himself with an election readiness fund, while at the same time taking credit for the boom in nickel prices, the Kostyra tax changes, federal equalization and, most recently, the rain.

His own very optimistic forecasts for the future are proven to be false as soon as one delves into the underlying numbers. Did he hold spending down to 4.5 percent as he claims? No. Do his limited numbers for next year support his optimistic forecasts of economic growth? No. Can you have faith in his new-found social conscience, as evidenced by the above average increases in health care and family services? No, not if you examine last year's record. Money that was allocated by this Legislature to the Department of Health last year went unspent, while waiting lists for surgery increased, while people in the Municipal Hospitals were forced to wait in substandard conditions yet another year.

Given this record, how are we to believe that they will follow through with the spending plans that they

have before us now? Suspicion grows further still when you note that they have increased the lapse factor by some \$20 million, coincidentally the amount by which funds were allowed to lapse in the Department of Health last year.

Mr. Speaker, the Finance Minister's credibility is further tarnished by his denial of the relationship between his new tax on gasoline, a tax which weighs more heavily on rural Manitobans, and his commitment to Repap to spend a similar amount on roads for that company. Once again, his ideology comes through. You know, it is just a coincidence but he seems to maintain the belief that Manitobans should pay to make his giveaway possible.

What of the Finance Minister's commitment to multiyear Budgets? The Auditor has recommended for several years that we adopt a multiyear financial plan. He states in his most recent report that a multiyear financial plan is essential to legislators, the media and the public when they attempt to understand the implications of current fiscal plans for the budgeted deficit in relation to future years.

This Minister of Finance, when in Opposition, believed that. In fact he moved a motion charging the then previous Finance Minister with "responsibility for preparing and presenting a multiyear Budget, forecasting the revenues and expenditures for the province for the next five years, beginning with the 1988 Budget."

He presented the 1988 Budget that was passed by this House and he did not meet his own deadline. His excuse was that he did not have the time and at the time we accepted that, but he has now had an entire year. In January in a meeting of Public Accounts Committee, he spoke strongly of his commitment to a multiyear Budget, stating that he is actively including another year's forecast in some detail.

That detail consists of a few general lines in the Budget Address which includes lines like "about," "just over," "in the range of." The whole exercise makes a mockery of the Auditor's recommendations and comes nowhere near meeting the test that the Finance Minister (Mr. Manness) was prepared to set for his predecessor.

Mr. Speaker, what of unfunded pension liabilities, another subject which the Minister of Finance (Mr. Manness) had much to say about when he was in Opposition—no mention of it at all. When the Member for Transcona (Mr. Kozak) reminded him of his statements during Public Accounts, his response has been to refuse to convene another meeting of the Public Accounts Committee, although I am not certain that is as big a problem because when we do have meetings he simply walks out if he does not like the questions.

The problem I think that we are facing right now, and I would like to come back to the federal Budget just for a second because I want to talk about two or three things in it that caused me particular concern. It really starts off with one of differences. The differences between rich and poor in this country are widening, not narrowing. The differences between have and have-not provinces and have and have-not regions in this

country are widening, not narrowing. The recent federal Budget adds to that with its cutbacks in the WDO, in ERDAs and regional development programs.

The two things that I want to reference right now are the changes relative to Established Programs Financing and the clawback that has been announced in the recent federal Budget. We see in our provincial Budget not only a smaller increase, as has been the case in the past few years in Established Programs Financing, but in fact a net decrease in the amount of money being provided in support of health care, a net decrease to our revenues to support health care at a time when health care costs are rising and in fact probably need to rise more given some of the difficulties that we are currently facing.

It is astounding for me to think that at some point in the future we could be at a point where the federal Government is no longer supporting our national health care. That is where we are headed. The Province of Quebec has already done studies which suggest that by the year 2000 the federal Government's contribution to health care services in that province will be insignificant, and we are headed down that road here.

When you look at the clawback, coupled with the changes that the federal Government has made in the support for medical services, one's fear begins to increase. The clawback at first glance is a relatively innocuous first step. It, on the face of it, looks like it would make some sense to allow those people who have more money than others to pay a little more or to receive a little less back in some social benefits. However, I side with those who believe that it is the thin edge of a very large wedge that destroys our health care system, that it changes our relationship as Canadians with our Government, that no longer are we all equal, no longer do we all receive the same benefits. All of a sudden, we move to two classes of Canadians, those who can and those who cannot afford the basic services, those who do and those who do not receive some benefits from our Government. I think that is simply an unacceptable position. We have seen the reduction in the coverage in health programs throughout other parts of the world, most notably in Australia. I think we have to be very vigilant and ensure that does not happen here.

Before I finish with the federal Budget, I simply wish to reference the goods and services tax which is coming and the recent study which, while this Government is prepared to support the Conference Board when they mentioned a 4 percent growth some four or five months ago, they are not prepared to accept their report released four days ago which indicates that this new goods and services tax will reduce net job creation by some 72,000 jobs in its first year, will take an additional \$5.5 billion out of the pockets of Canadians—that is nearly a quarter of a billion dollars out of the pockets here—that it will take a billion dollars out of tourism revenues at a time when we are attempting to stimulate and increase tourism in this province.

We spent some time before the Session up North meeting with people in a number of northern communities. I am reminded of a meeting with the Greenstone project in Flin Flon and how hard that

community is working to develop the tourism resource and to encourage people to move up there. This change is going to impact directly on their ability to attract both Canadians and certainly people from outside the country. Now it will be cheaper and more inviting for people to travel south rather than to explore our North.

Mr. Speaker, let me come back to the Budget and talk for a minute about some of the things that this Finance Minister (Mr. Manness) puts forward with such pride, the increase in health care being one that starts off his list in his presentation. I think it is the shambles that our health care system is in that causes all of us in this House, with the possible exception of the Minister of Health (Mr. Orchard), such great concern.

We have an unprecedented number of grievances in the department. The staff morale is low, doctors are moving out, we cannot hold qualified staff in our teaching positions and, once again, each time I stand in this House, I have to reference the Municipal Hospital. It is simply unacceptable that we leave those people in that facility without moving more quickly to address the needs that have been so long identified. There is a plan in place, it has been costed, the work is done. It is awaiting the go-ahead from this Minister of Health (Mr. Orchard) and yet he continues to refuse to give it. People and the staff in that building have waited an entire year longer than they had to, and they continue to wait, Mr. Speaker, and that is simply not acceptable.

* (1640)

The second thing, Mr. Speaker, is the increasing waiting period for surgery. It is interesting to me, I received a letter the day before yesterday from a gentleman who lives in my riding who just had a by-pass. In fact, he did not have a by-pass or a triple by-pass, he had a five by-pass. He was extremely sick and he sat for a great many months waiting to get into the hospital. He was taken by ambulance to the hospital to be stabilized on three occasions, and finally received the operation which has restored him to some semblance of health.

He writes to talk about the anxiety, the anxiousness of the doctors who are involved in performing these operations, their statements that they can proceed, they can do more of them now, people do not have to wait. He makes the point, Mr. Speaker, that people do not have to die, that it is simply a lack of will, nothing else, that has made those waiting lists extend the way they have.

Mr. Speaker, let me go on and talk a bit about education. I did promise the Minister of Finance (Mr. Manness) that I would let him up at 10 to 5 p.m. and I would ask you just to let me know when we get to 10 to 5 p.m.

Education and training is another area that has been referenced in this speech. I simply want to make two points about that. Again, it has to do with the duplicitous approach of this Government to decision making. On the one hand, we stand up in this House and we say to the Minister of Education (Mr. Derkach), why is it that a non-elected body like the Education Finance Board interferes with decisions of an elected body like

Winnipeg No. 1 School Division. When we first asked that question, the Minister of Education stands up and says well, you do not want us to interfere with that, it is up to Winnipeg No. 1 to make their decisions. They put forward their decisions, and the Education Finance Board will take its lead from that. That is simply not the case, Mr. Speaker. That is simply not what has been happening, and that has come out as we have stood up and talked over and over and asked question after question. The Education Critic (Mrs. Yeo) for the Opposition, I think, has done a commendable job at finally pulling out with this Minister the real story with the Public Schools Finance Board.

Let us turn our attention briefly to the Universities Grants Commission. The Universities Grants Commission, which this Minister stands up and defends as being sacrosanct and something he cannot interfere with, he cannot direct the Universities Grants Commission. He can direct it if it has to do with the School of Management or Dentistry but he could not, of course, direct it if it has to do with training child-care workers. It is precisely this kind of self-serving duplicitous attitude that undermines any credibility that this Government might ever have.

Mr. Speaker, I do want to speak just briefly about Family Services, and I have two things I want to say. I was surprised, although I suspect by now I should not be surprised by anything the Premier (Mr. Filmon) does, but I was surprised by his promoting his work that his Government has done on behalf of foster parents.

He spoke yesterday about how they had initiated this brave new program which has bettered the lot of foster parents in this province. Mr. Speaker, we do not have to think back very long to remember that this Government treated the foster parents in this province like the enemy. It was this Government that worked so hard through late night surveys and through threats and attempts to pry apart the members of that association from their association that was brought to its knees by those foster parents who were absolutely determined that they were going to get the better treatment that they so richly deserved. But now that has been transformed into some sort of exciting new initiative on the part of this Government and this Premier.

I cannot, however, speak about Family Services without speaking briefly on the other side of that particular coin. I may not have an opportunity given the timing of debate over the next week or so to speak on Bill 46, as I am not the critic for Family Services, but I do want to put one remark on the record.

Last year the Minister of Family Services (Mrs. Oleson) brought forward a Bill that was designed to change the reporting procedures for third party child abuse, assaults. There were some problems with that Bill. I will say to the credit of that Minister and to the credit of the Government they were willing to take that Bill back. There has been a lot of work done on it by a number of people in the community. I have had a chance to meet with the Minister. She has been extremely supportive of an all-Party effort to see that we produce a better Bill. I have been through the draft that is coming

forward, and I think it is a better Bill. I wish to congratulate the Minister on taking that step, in stepping back from some of the ideological battles that go on in this House.

I do want to speak briefly about the City of Winnipeg, because increasingly as one wanders around this city, one cannot help but be saddened by what is happening in the core area of this city. You need only to walk down Portage Avenue and look at the condition of the buildings on the south side of that street to get some sense of the malaise that this city is suffering from.

I went on the weekend over to the Forks and there you have a sense of the other side of the coin with new building, new retail space and some talk of new housing. The problem though, Mr. Speaker, is where are the people going to come from to fill this? Where is the urban policy that is bringing people together to support those parts of the city that already exist? Instead we have a Minister of Urban Affairs (Mr. Ducharme) who appears to be committed to increasing the urban sprawl and to starting housing projects that draw people from the centre of the city and approving the creation of more retail space at a time when we simply do not have the population base or the economic strength to support it.— (Interjection)— Ninety-five hundred.

Mr. Speaker, one thing that I would like to call upon that Minister to do, we learned the other day that the federal Minister responsible for the Western Diversification Office has indicated that there will be money or there could be money available for the renewal of the Winnipeg Core Area Agreement. What he said was that there needs to be the will on the part of this Government, that this provincial Government needs to prioritize the Core Agreement. If it comes forward and says that it is prepared to make that its No. 1 priority, we will see a renewal of that very important agreement. I would urge the Minister to do that. I think it is desperately needed right now. It is needed far more than a few more beautiful homes in the suburbs or quarter-of-a-million-dollar condos.

Mr. Speaker, the only action we have seen from this Minister of Housing (Mr. Ducharme) is to give away a bunch of land in the south end so that he can build more houses and increase the urban sprawl, not decrease it. The only thing we have seen in Housing is the attempts to build more very expensive condos for his friends.

Mr. Speaker, I do want to talk just briefly about the economic and resource development envelope of this Government. It is interesting when you read that the first thing that you notice is that the total amount of financial support for that collection of responsibilities is down. Now, at first that rather surprised me given this Government's commitment to the private sector, but it became a little clearer as I sat and listened to the Minister of Finance (Mr. Manness) talk about job creation and talk about their vision, their vision of how you manage an economy. Their vision of how you get involved in an economy is different from that of the previous Government, and he took some time to describe that to us.

I think what he is saying is true except what is missing in that discussion is that it is not a case of two different

visions. It is a case of one vision and one complete lack of vision, that this Government, the only vision it seems to have is to not have one, to step back in a completely laissez-faire manner and let the market take care of itself.

It is more than that. It is rather incredible when you look at what they are doing, or what they are apparently allowing to happen with MTS. Here is a Government that has railed against monopoly power and has railed against allowing Government-funded organizations to compete with private sector companies. They seem to be willing to allow MTS to use its monopoly power, its extensive infrastructure to begin to compete with private sector firms in the sale of fax machines and potentially stepping back into computers and others.

The other example, Mr. Speaker, is the continuing saga of Mr. Fred Brick who month after month comes forward asking for assistance from this Government, assistance that this Government can give. I supported the NDP's Bill last time. I am prepared to support it again. I am prepared to see that Bill go forward to committee. I asked for that the last time. I think it is absolutely criminal to see a Government that purports to be supportive of local business stand by and watch what is happening to this couple who have worked so hard to provide a quality service in this province. They are being pushed out of business by a large non-Manitoba firm and this Government sits by and simply refuses to act.

Let me speak just briefly about funds, because funds are something that we are going to be talking about a fair bit in this House over the next little while. We have heard from the Government that they do not feel the MIC, a body of people elected from their communities, are an appropriate body to administer Government funds. If those funds should be responsible or it should be the responsibility of the Legislature, it should be accountable to the Legislature.

We have seen similar kinds of actions on the Victims' Assistance Fund, and yet at the same time we have an announcement of the creation of another fund which will be delivered to the private sector, so that there are people out there who can deliver Government funds in some sort of independent fashion. I am reminded, Mr. Speaker, when I think my way through that one, of the statements of the Minister when we debated The Crown Corporation's Accountability Act, that it is not a matter of the structure, it is a matter of who you have. The Minister spoke the last time about getting the right people, as opposed to people, involved in that particular discussion.

* (1650)

Finally just very quickly, the Fiscal Stabilization Fund, I do not know how much needs to be added to it. The only purpose that the Fiscal Stabilization Fund serves is the political objectives of the Government. There is no financial reason for having it. It does not produce the kind of savings that the Minister promotes it is producing.

An Honourable Member: Hiding his deficit, that is what it is doing.

Mr. Alcock: That is the only thing that is being done, to mask the fiscal position of this Government.

In closing, I would like to say that this Government has only one plan that is immediately discernible, only one thought, and that is the next election. They go blindly on, pretending that the private sector will take care of everything. In the meantime, they put the people of this province at risk. They deny our children needed help, they deny our youth an opportunity to join the work force, they sit by while our health care system deteriorates, and their action on seniors has been laughable at best. This sort of management did not receive my support last year and will not receive it this year. Thank you very much.

Mr. Manness: Mr. Speaker, it is a pleasure to rise before the vote, as per the rules, at 5:30. Let me say for the record that it is a pleasure to speak on this occasion, not only on the Budget but to bring greetings and I guess compliments to you for having survived your first Session in 1988. Let me say you are growing into your position well and I expect that you will be in that Chair for many years to come, Mr. Speaker, providing judgment and officiating over the activities in this House.

Mr. Speaker, let me begin by thanking all Members of this House for their contribution on the Budget Debate. I have had an opportunity, and I have listened to most of the presentations. Those that I have not been in the House to listen to, I have certainly taken the time and the effort to read as I have found their contributions within Hansard.

I guess there are a number of themes that come across, because it is not often that one has an opportunity to address a historic Budget, in many respects. When I say "historic," I mean in terms of a Budget that has reduced taxation, reduced the deficit, reduced the debt of the province, all within the context of maintaining and enhancing public services. In that regard, this is a historic Budget. The Leader of the NDP (Mr. Doer) would agree with me, and I think that it is noteworthy that he does.

Mr. Speaker, the first impressions, the Official Opposition, if you listen carefully to all their remarks, I guess the best way of capturing their remarks would be this, in saying, spend, spend, spend and spend some more. That is the underlying essence of every one of their presentations throughout all of their contributions to the Budget Speech.

The NDP, in my view, provided more meaningful attacks, but it is based on their philosophy which, of course, we disagree with and we have for years. That is what I have heard, basically, throughout all of the Budget presentations.

Four themes, I think, came to light through the last number of days of Budget Debate, first of all, the disarray of the Liberal Opposition. That shines forth like a beacon. Obviously, they have had great difficulty determining really the path that they want to follow and, Mr. Speaker, I will talk about that.

Secondly, was the spend, spend, spend more approach of the Official Opposition because that has come to light too.

Thirdly is the differences between both Opposition Parties and the ruling Government as to economic plans and how it is that Government should set into place decisions and objectives that provide for the greatest opportunities, the greatest economic development.

Fourthly, it is the Fiscal Stabilization Fund that has become an issue which I hear many Members addressing.

Of course, fifthly is what we call the good luck factor because I have heard it, Mr. Speaker, up to here. For the sake of Hansard, that is over my head, with respect to the so-called good luck fortuitous circumstances this Government happens to find itself in at this point in time. I would like to address all five of these issues if I can, Mr. Speaker.

First of all, the Liberal confusion: first reaction to the Budget, 3:30 p.m. on Monday past, the Leader—well, let us say roughly 4, it was around 20 to four. The Leader of the Liberal Party (Mrs. Carstairs) goes out and says in the hallway, basically it is a good Budget but we will have to take time to digest it.

Mr. Speaker, that second day, that second reaction at 6:15, somewhere around that time, the reaction is good but there has not been enough spending directed toward certain areas. Tuesday, the Leader of the Opposition addresses the Budget, and I have gone through her speech many times, but fails to bring forward either an amendment, a non-confidence amendment, but seems to be saying, we like it but we do not like it.

Wednesday comes the big gamble, because Wednesday is the day when they figure they have got some reason to disclose to Manitobans as to why they are going to be against this Budget. Of course, that reason was that I had not provided to Manitobans the tax relief that we had promised, basis July 1. As a matter of fact, it was the basis of a long exchange—and I am not going to go into it in great detail. I think, in essence, the Leader of the Opposition said, and I quote: ". . . because of their sloppy management, taxpayers cannot get their money for 1989 until next spring. The explanation, that the federal Government needs to be informed sooner, simply does not wash with the information we were given this morning."

I call that the big gamble, Mr. Speaker, because that was going to be the basis to explain to Manitobans how it was in the first time in history when you brought down a Budget, a Budget had come forward to Manitobans where the taxes were going down, the deficit was going down, indeed debt was going down and spending was going to be maintained and enhanced, you had to have a reason to vote against a Budget like that. Well, the reason was going to be that we did not provide the tax relief soon enough, through sloppy management, using the words of the Leader of the Opposition (Mrs. Carstairs), that we did not provide that benefit July 1. That has been proven without doubt that we could not do it.

Now the Members would say, well, you should have known in February that you were going to have the surplus funds. You should have had that Budget written

in February and, therefore, you could have been provided for. If the Budget had been prepared in February and March, the House would have come in, in March. The Budget was prepared more quickly as to when we recessed from the Legislature to when we came back in a narrower time frame than has occurred before. It took five months, five-and-a-half months, to do so. That was a relatively short time, but at no time did we make the final decision with respect to budgetary taxation moves until roughly 10 days before the Budget came down, far outside of the parameters of change that the Leader of the Opposition (Mrs. Carstairs) was going to use as the big gamble to show Manitobans why it was that she was going to vote against the Budget.

* (1700)

Mr. Speaker, what happened that Wednesday at 1:45 p.m. of course became the big slip-up. The big slip-up was that the Leader of the Opposition (Mrs. Carstairs), in rushing to defend her argument, threw in, and I guess in a sense implicated a Premier, an innocent new Premier of the Province of Newfoundland, and said that he was her source. Well, we know what happened after that.

Thursday at 1:30 p.m., the Leader of the Opposition of course apologized, because the day before, in desperation and frustration and in fear, she attacked the highest civil servant within this province, Mr. Speaker. Again I am just going through the Liberal confusion, Friday at 7 a.m. in the morning, the Liberal's Caucus, what do they do? What decision do they take with respect to the Budget?

I believe that the Member for St. Vital (Mr. Rose) would like to have supported this Budget. I believe the Member for St. Norbert (Mr. Angus) would like to have supported this Budget. I believe the Member for Fort Garry (Mr. Laurie Evans) would like to have supported this Budget, and I believe the Member for St. James (Mr. Edwards) maybe might have liked to even have supported this Budget because their constituents would like to see tax reductions.

But, Mr. Speaker, the press conference came and of course the Leader of the Opposition (Mrs. Carstairs) was announcing to Manitoba as a whole that they were going to vote against it. This week, in Question Period, one set of questions dealing with the Budget in spite of the fact that the Leader of the Opposition served notice that there were going to be questions on the Budget every day, this week one set of questions on the Budget directed towards me as the Minister of Finance.

So, Mr. Speaker, I say, sheer confusion. Never have I seen in all honesty such a pathetic attack on a Budget by those people who want to vote against it in the eight years that I have been here. But what have the Liberals been saying with respect to their comments in trying to criticize the Budget? Some of course have mentioned the Fiscal Stabilization Fund, and I will talk about that a little bit later. Some have indicated their support for tax cuts because of course that is the politically expedient thing to do.

But every one of the speakers on the side opposite, after they have given some passing lip-service to their support for tax decreases, have spent the rest of their speeches talking and admonishing us for not spending more in a number of areas, every one of their presenters. This is what the Leader said, and again I paraphrase this. We were criticized for the reduction or the small increases in spending for these areas: for seniors, for agriculture, diversification, roads and rural services, water strategy, tourism, Inner City education, hospital funding, community health care, job training, northern employment, natural resources, volunteer programs, housing, Legal Aid, day care training, group home inspection, etc., etc.

Mr. Speaker, if it had ended there, but every other Member of the Liberal Caucus when they rose directed two-thirds of their time towards attacking the Government for not spending more. How is it then that the Leader of the Opposition (Mrs. Carstairs) can be so inconsistent and so contradictory when she says also, and this was a Globe and Mail quote, "The Tories have done nothing to control Government spending. The actual spending increase is 6.1 percent, not 4.5 percent claimed in the Budget."

How can you possibly square those two statements? How is it you can attack us on one side and say that we have not spent enough in 20 areas, and in the next statement say that we have done nothing to control Government spending? I do not know how you can do it.

An Honourable Member: Priorize.

Mr. Manness: Oh, we hear the word "priorize." Now I want to know that every time the Member for Wolseley (Mr. Taylor) rises in his place we are going to ask him which priority he would see reduced, what area of spending would he cut.

Mr. Speaker, we have heard this statement ad nauseam in this House. You cannot have it both ways. In a case like this, when Manitobans recognize this as being a good news Budget, one that they would love to see repeated year after year after year, I think it behooves the Leader of the Opposition (Mrs. Carstairs) to bring some consistency into her attack.

I will go on. The Leader of the Opposition said this when we talk about the tax relief, and again all the Members opposite talked about their support for the tax relief that this Government has provided to Manitobans. She said in the Free Press, "They are a very obedient crew," in saying Government followed her suggestion that there be tax relief for families. This Government has always supported, always been in support of tax relief. It has been the essence of our arguments for years. For the Leader of the Liberals to say that we are delivering on her approach, on her promise to the people of Manitoba, I say really is to frightfully mislead our citizens.

There was no part of this Budget that this Government was more proud of than to be able to announce the reduction of taxes to Manitobans and yet, going back, this is what the Finance Critic said in Question Period.

He said, "Knowing that there would be such a surplus, how does the Minister justify not moving on needed services, allowing waiting time for surgery to double, allowing Klinic to go unbuilt? Why has the Minister not moved earlier on those needs?" How do you justify those two positions? Can there not be any consistency whatsoever from the Opposition bench? They will be judged ultimately as to how consistent they are.

Mr. Speaker, in closing, on this second point, I only invite all Members of this House to read the representations offered by Members of the Liberal Party. I ask everyone, and you will see how each and every one of them has asked this Government to spend more, yet at the same time applaud it for reducing taxes. I say to the Members opposite, be responsible, be honest with Manitobans and be consistent. My goodness, it is expected of all of us.

Mr. Speaker, I would like to talk about the third area and that is the differing views that we have on economic development and the proper course to follow in ensuring that the economy ultimately provides the needed profits that can be taxed by Government so that services can be provided to Manitobans.

We have the Liberals who want to criticize our forecasts of the gross domestic product growth forecast. I can remember a year ago when the then critic, the MLA for Transcona (Mr. Kozak), said to us he did not agree with our 2 percent forecast of growth. Let me say for the record that had there not been a severe drought in 1988, taking away 1.5 percent growth, that we would have achieved and surpassed the 2 percent figure. The forecast that was presented to Manitobans last year was a very conservative one and would have been fully attained and passed had it not been for the most severe drought this province has ever seen.

Mr. Speaker, let us talk about this year, 1989, the 3.5 percent figure. Given the fact that we have had the rains that we needed so badly over the last week, covering such a large cross section of this province, given the fact, and I will quote them shortly, that the manufacturing area is moving along well and indeed that many of our sectors within our economy are at or surpassing their forecasts of growth today, as I stand here, the 3.5 percent figure—and mind you this is almost halfway through the calendar year—is achievable. I do not want Members opposite to criticize us for beefing up that forecast and taking it outside the realm of possibility because we have not done that. We have looked at all the forecasts and we have picked the mid-range. We have picked the mid-range forecasts. Today, as I stand here, the 3.5 percent forecast of economic growth within the province stands.

* (1710)

I cannot help wonder why it is that Members of both Parties, as soon as unemployment numbers come forward or that there are some bankruptcies within households, that the Leader (Mrs. Carstairs) or the Finance Critic (Mr. Alcock) from the Liberal Party jumps and he berates us for not having any plans. Why is it that he did not stand in his place two days ago and

ask us questions on manufacturing shipments, because I think we should read these into the record? The value of manufacturing shipments, and this is for March '89, were up 9 percent to \$580 million from March '88, and up 12 percent in the first three months. Manitoba has the second-highest increase at 12 percent among provinces, with New Brunswick having the highest. Manitoba's growth rate in the first three months is more than double the 5 percent increases in British Columbia and Quebec.—(Interjection)—

The Leader of the NDP (Mr. Doer) says, well, it was higher last year. He is right to a point. He makes the point, last year we were second and one other province was first. This year, we are second and a different province is first. Manitoba always stays in the top rankings, two, three, and four. That is the stable base that provides the great opportunities and the great potential for this province not only in the years past but the years to come. Why do the Members of the Opposition not stand in their place at times and ask us questions about some of the better figures, to be consistent?

Mr. Speaker, we were elected to provide a better way. I think we have demonstrated to Manitobans, over the course of being in Government for one year, that we do have a different way and, in our view, a better way. Indeed, as more Manitobans come to watch our activities and the way we manage and the way we govern, I think are coming to believe that our way is better.

I am not going to dwell upon the Repap divestiture or the ManOil divestiture, but I think they are beginning to realize that this is a Government that takes action. This is very interesting. I am having a hard time discerning the differences between what the Liberals are asking us to do within the area of stimulating the economy from what the NDP did for six-and-a-half years.

I am having —(Interjection)— Oh, there is the MLA for Transcona (Mr. Kozak) talking about tax cuts. I understand that. We agree with that and we have provided that. He is being consistent with the statements he has put on the record many times, but I listen to all his colleagues and I am trying to get a deeper insight into what it is they mean when they talk about economic development.

I am having a hard time differentiating it from the old Jobs Fund approach of trying to buy economic activity and economic statistics. I am having a very, very hard time. Unless Members opposite are going to give me clearer insight as to what they mean by economic development, I tell you, their solution is no different than the NDP. If Members are saying that this Government disagree strongly with the NDP, they are right, we do, because what we have after six years of NDP rule is something that Manitobans do not want.

Manitobans do not want \$550 million directed towards interest. They do not want the highest taxation regime in the nation, and they do not want a situation where businesses are not coming here to create jobs. I serve notice on the Liberals, whereas I understand the approach for economic development of the NDP

and disagree, I understand it. I serve notice to the Liberals, I do not understand what their approach is. We are going to put them on notice as to give greater clarity to what it is they mean, because to this point in time they have provided none of that greater clarity.

(Mr. Deputy Speaker in the Chair.)

Mr. Deputy Speaker, I guess Members opposite may wish to attack us for putting more emphasis on the private sector through tax relief, but I guess we believe that people in our society ultimately will have more freedom through less Government. As I say, and I will say it again, the Manitoba economy halfway through this calendar year is well on its course, is well on the course towards 3.5 percent growth, and it is well on its course to setting that very strong foundation that is needed for the decade of the 1990s.

Mr. Deputy Speaker, the fourth area, that is the Fiscal Stabilization Fund, and I will only address this briefly because we will have an opportunity, once Bill 27 is debated in greater detail, to provide greater insight at that point in time. Listen to what the Leader of the Opposition (Mrs. Carstairs) says, " 'Watch the shell,' the shell says to the watching crowd, 'Now you see the deficit, now you do not.' " Then the Finance Critic for the Liberal Party (Mr. Alcock) says, "The Fiscal Stabilization Fund is simply an attempt to obscure the real financial picture of this province and to provide the Minister with an election-readiness slush fund. This slush fund will do nothing to help Manitobans."

I want to tell Members something about these equalization payments, although I continue to tell anybody who will listen that the circumstances in which we found ourselves were not only because of revenues, but were also as a result of some major decisions that we took on the expenditure side. I will come back to that.

Let us dwell on the area of equalization. What does a Government do when you are 11 months through a year and, all of a sudden, the news comes down from Ottawa that you will be receiving, not in the fiscal year, not early in the next fiscal year, but a third of the way through, i.e., July 1989, a payment from the federal Government which is a result of the final revisions of the '86-87, '87-88 equalization formats, and that amount is close to another \$60 million, \$70 million. What does a Government do?

The revenue does not come in but the fact that Ottawa has notified you that it might be coming in, under the present accounting rules, you are expected to show it as revenue coming in for '88-89. We have the strictest accounting rules anywhere in Canada, as provided for in this Financial Administration Act, and that is good. That has been brought into place by numerous Ministers of Finance who wanted to ensure that Manitobans had an open accounting provided to them. But they always contemplated that the news that came to Government would be basically negative news and that Governments might be tempted to hide those facts. Never was it contemplated, when the rules in The Financial Administration Act were developed and passed by this House, that there would be additional revenues coming in such a fashion.

* (1720)

Other provinces have ways of handling those unexpected extraordinary revenue flows. The Province of Manitoba does not, because that was never contemplated. What we are attempting to do here is to say to Manitobans through their elected representatives, please provide a reserve, a savings account mechanism which is strictly controlled by this Legislature, not at the will of the Government to dip in through the fiscal year, at will, not to do that, but through the Budget, once a year, to take an amount out and show it as additional revenue, into the Budget. That is what is being contemplated here and the Members have fun with this, making it appear like it is a slush fund, that Government, every week, and Cabinet, can dip into it and take it out a little bit more. That is not what is in place, Mr. Deputy Speaker, that is not what is being contemplated. Nobody in their right mind, no Auditor, no Provincial Auditor in their right mind would accept such an approach, and we will not either.

So let that be on the record, but worse than that, these equalization estimates, they will continue to fluctuate, and what do you do? What does a provincial Government do when such a major portion of its revenue is forecasted outside of the province and which is now being seen, over the last two or three years, to have been unreliably forecast? How is it that you budget? I say there is no other alternative, there is absolutely—if you are concerned about long-range planning, fiscal stability, you have to set up this type of a mechanism to take in account extraordinary income.

I say that the province needs a reserve when they are not in control of their own forecast and estimates and, within the area of federal transfers, we are not in control. So it is only right that the Government have a mechanism in place so that when the large revenue flows come in one year and not the next or that two years come in, one year and none the next, the province has to be in a position to moderate and smooth out those flows. Therefore, the Stabilization Fund is needed. It will not be abused—abused, I should say. Money coming out will only do so as revenues are disclosed, within the Budget.

(Mr. Speaker in the Chair.)

If I have to drive my point home anymore, all one has to do is look at the 1991 Budget, the estimate, pardon me, the '90-91 estimate. That forecast shows a deficit of between \$250 million and \$290 million and part of that reason is that one looks at the revenue growth figure, the revenue growth figure is only at 2.7 percent. As you can remember the other day, the Leader of the NDP (Mr. Doer) said, before the Budget came down, that revenue generally grows at 4 percent, but in '90-91 it is only at 2.7 percent and that is not Manitoba revenues. Manitoba revenues are growing in '90-91, but federal revenues, particularly because of the fact that they cash flowed so much of it in this past fiscal year '88-89, will no longer be there in '89-90 and '90-91 at the rate of 4 percent growth. So, Mr. Speaker, good budgeting says that you take some of that unexpected revenue that came in '88-89, and you apply it to years forward.

Let us talk about the good luck factor. You know, I guess this is one of the things that I personally resent the most. All that Members have to do opposite is ask the Ministers of the Executive Council how it is that the decisions have been forced at times upon them, how it is that Government has said no to their requests, forcing our departments to stay within the Budget. It would have been much easier for those of us who sit on Treasury Board to say yes at times, much easier. We worked within the Budget and it is, I think, a credit to every Member of this Government because in doing so we affected real savings, real savings in the terms of 1.5 percent.

Yet, Mr. Speaker, when the Members opposite talk about good luck, \$18 million directed toward firefighting; \$18 million to fight the worst drought in the history of this province; \$6 million to cover election expenses that of course provided the way for all of us to be here; \$20 million to correct Education year-end adjustments that were supposed to have been cleaned up years ago under the former administration; \$10 million to honour our commitment to the Northern Flood Agreement, and the Members talk about good luck. We found ourselves committing an additional \$60 million to \$80 million in areas that were never, ever budgeted for by the former administration, and yet we had to do immediately upon coming to Government. Do you call that good luck?

An Honourable Member: It is to them.

Mr. Manness: Bad luck is right, exactly, bad luck. Yet, we did meet those expenses and we still came up with a surplus.

Mr. Speaker, good management, that is what we have demonstrated over the last year, good management within the area of debt servicing. Why do the Members not ask us some questions as to how much money we have saved in bringing home the Canadian dollar, how much money we have saved in swapping out of particularly Swiss franc issues and turning that to U.S. dollars, and then tying that to the London overnight bank borrowing rate, literally millions and millions of dollars. Good management, and it is being realized within the community.

The Finance Critic from the Liberal Party was correct in a couple of his remarks. He says we cannot set our economic course completely and he is correct. I would have to say that 70 percent of the economic activity of the Province of Manitoba is as a result of what happens nationally. Of course what happens nationally is dependent on our trade, so much dependent on what happens within the continental context.

Mr. Speaker, in spite of that, I will not accept his criticism that we have not presented our finances fairly. The Members talk about the fact that we really had a surplus. Yes, we had a surplus. I said so in the Budget. I could make the case that we did not have a \$48 million surplus last year, really we had \$100 million surplus because, of course, we took \$56 million of that and directed it to the buy-out of ERSA.

So, Mr. Speaker, if one wanted to be brutally honest, we had \$100 million surplus in 1988-89, but we

presented every number—every number that is known within the Department of Finance has been presented in the Budget provided to Manitobans, and that is why we will be taking that document to the rating agencies. We do not have to worry because we know that we presented everything honestly. So for the Member for Osborne (Mr. Alcock) to say and the Leader of the Opposition (Mrs. Carstairs) to say somehow we are playing around with numbers, that we have not presented fairly and honestly the figure, I think is totally unfair.

Mr. Speaker, where do we go from here? Where is the province going from here? In my view, the economy is growing steadily, healthily but surely. It is growing in terms that Manitobans understand, that Manitobans want. It is growing in historical sense, slowly and steadfastly and yet soundly. It is setting the base for moving into the next decade, a decade of prosperity, particularly if we are Government. We are growing, we are approaching, but we have not yet turned the corner. Still the debt in this province is \$10.5 billion. Interest payments are \$560 million a year. Personal income tax is still the second highest in Canada. Corporate income tax is the highest in Canada. The payroll tax is still the second highest.

So, Mr. Speaker, again when I present Estimates for 1990-91, and showing deficits as between \$250 million and \$290 million, I ask Members why do they attack us for not spending yet even more? Why do they attack us for not increasing tax reductions beyond the level that we did? Why do they attack us for setting up the Fiscal Stabilization Fund? Because Members opposite are more concerned about blatant politics than they are about whether or not we ultimately, as a province, turn the corner towards providing the great stable base that this province needs to provide jobs and, therefore, ultimately services for all Manitobans in the future.

Mr. Speaker, I am encouraged by the literally thousands of Manitobans who have come forward over the last eight days and told Members of this Government that it not only provided a good Budget, but it is governing well. We will continue to govern in this fashion. We are proud to present this Budget. Hopefully, Members of this House will see fit to support it. Thank you.

* (1730)

Some Honourable Members: Hear, hear!

Mr. Speaker: Order, please. 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 motion will please say yea. All those opposed will please say nay.

In my opinion, the Yeas have it.

Mr. Alcock: Yeas and Nays, Mr. Speaker.

Mr. Speaker: Call in the Members.

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

YEAS

Ashton, Burrell, Connery, Cummings, Derkach, Doer, Downey, Driedger (Emerson), Ducharme, Enns, Ernst, Evans (Brandon East), Filmon, Findlay, Gilleshammer, Hammond, Harapiak, Harper, Helwer, Hemphill, Maloway, Manness, McCrae, Mitchelson, Neufeld, Oleson, Orchard, Pankratz, Penner, Plohman, Praznik, Storie, Uruski, Wasylcyia-Leis.

NAYS

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

Mr. Clerk: Yeas, 34; Nays, 21.

Mr. Speaker: I declare the motion carried.

The Honourable Government House Leader.

Hon. James McCrae (Government House Leader): Mr. Speaker, by leave, would you be so kind as to call Bill No. 28?

Mr. Speaker: Order, please. Is there unanimous consent to bring forward Bill No. 28 for second reading? (Agreed)

SECOND READING

BILL NO. 28—THE PUBLIC INQUIRY INTO THE ADMINISTRATION OF JUSTICE AND ABORIGINAL PEOPLE

Hon. James McCrae (Minister of Justice and Attorney General) presented, by leave, Bill No. 28, An Act to establish and validate The Public Inquiry into the Administration of Justice and Aboriginal People; Loi portant sur la création et la validation de la Commission d'enquête sur l'administration de la justice et les autochtones for second reading and referred to a committee of the House. (Recommended by His Honour, the Lieutenant-Governor.)

MOTION presented.

Mr. McCrae: Mr. Speaker, I thank all Honourable Members of this House for their consent to proceed with this matter in an expeditious way.

As Honourable Members are aware, the Court of Appeal ruled last week that the Aboriginal Justice Inquiry was improperly constituted because the Order-in-Council creating it and setting out its terms of reference and powers had been passed in English only. The inquiry is scheduled to begin hearings into the Helen Betty Osborne matter next Monday. The hearings, obviously, cannot proceed unless the commission is re-established.

Furthermore, passing an Order-in-Council in both languages would not have been effective as the Commissioners of Inquiry would not have had the necessary time to re-issue subpoenas that are necessary to ensure the attendance of witnesses. In these circumstances, a Bill validating the actions of the inquiry is necessary. For that reason, counsel for the inquiry has worked with Legislative Counsel Office and with the Civil Legal Services and Constitutional Law Branches of the Department of Justice to produce this Bill. The Bill, Mr. Speaker, has been reviewed by the Commissioners and they have approved it.

The Bill goes somewhat further than a simple validation and re-establishment of the Commission of Inquiry. The Bill will also, in the opinion of the Government's legal advisers, prevent the Winnipeg Police Association from mounting a successful challenge to the conduct of the J. J. Harper Inquiry. The Bill before the House now makes specific reference to the inquest conducted into the death of J. J. Harper, pursuant to the provisions of The Fatality Inquiries Act, and authorizes the commission to inquire into all matters on which evidence was led at that inquiry.

* (1740)

I understand, Sir, that all Parties are agreeable to this Bill proceeding through the House and receiving Royal Assent today. I believe this shows the importance that all Honourable Members of this House believe the work of the Commission of Inquiry has, not only for the aboriginal peoples of Manitoba but for all Manitobans and, may I suggest, for all Canadians.

I thank Honourable Members on both sides of the House for their co-operation.

Mr. Paul Edwards (St. James): Mr. Speaker, I understand, and this side of the House, the Opposition, understands the need to move swiftly with this piece of legislation, given the recent decision of the Manitoba Court of Appeal. I do feel it is important to put some very brief comments on the record at this time, and I will keep them brief.

We received a letter, as did the Premier (Mr. Filmon) today, from counsel for the Winnipeg Police Association which expressed in some three pages some very serious concerns. He asked that we take the opportunity to review those concerns, which I did.

Subsequently, I am pleased to say that I was able to make contact with a member of his office to discuss those concerns, go over them in some detail and also to make clear our position with respect to the need to move forward with this inquiry with all dispatch.

There is no question that this Act is very broad and gives very broad powers to the commissioners. We take a lot of comfort in the specific naming of the commissioners in this Act and we have an enormous amount of confidence in them, Associate Chief Justice Sinclair and Associate Chief Justice Hamilton. We know that they have completed a significant portion of the investigatory work of their inquiry and we greatly look forward to their continued efforts and indeed the report which we all eagerly await in 1990.

I might mention that it has come to my attention, and I am sure the Minister's attention, that this inquiry is being watched far beyond our own borders. This inquiry, it is hoped and I think anticipated, will have an enormous impact for all Canadians, and in particular of course all aboriginal peoples in their relationship with justice systems throughout this country.

I just raised that to highlight the importance of this inquiry, certainly to this side of the House. While we note the inconvenience and the efforts that will have to be made by the constable involved, by the family members and friends of Mr. Harper in reopening that particular aspect of this inquiry, there is a very much larger purpose being served by this overall inquiry. We are completely confident in the commissioners to handle the discretion which is given to them in an appropriate way. The Order-in-Council was very broad and gave them that mandate at the beginning and we think it is entirely appropriate that they have it now.

Mr. Speaker, we are pleased to accede to the Minister of Justice's (Mr. McCrae) request to deal with this promptly. We called for that when the Court of Appeal decision came down and we are very pleased today to see a piece of legislation before the House with this speed. Thank you.

Mr. Elijah Harper (Rupert's Land): I am very pleased that this legislation is brought forward to rectify the situation that we were in. I am sure that a lot of aboriginal people are not aware of the legal processes. Sometimes they seem to have the effect of restraining or have the effect of not recognizing our legitimate concerns and our rights. There was certainly some doubt cast when the decision was made by the court in saying that the whole Aboriginal Justice Inquiry was invalid.

I was very concerned when this decision was announced. As you know, we had worked long hours, and during our term of Government we initiated the inquiry. Certainly the actions of the Government—I commend their actions in rectifying this situation as soon as possible. I think it only restores, or tries to restore, the faith and also the looking toward this Government and this Legislature to rectify many of the inequities and also the injustices that have been done against the aboriginal people. I hope that we will be able to continue recognizing some of those injustices and bring them forward to this Legislature for recognition.

I am pleased that this piece of legislation was brought forward. I also consulted my people and also the Assembly of Manitoba Chiefs, their legal adviser, to see if they are satisfied with this procedure and also the draft legislation, and I am glad to say that they are also pleased and that this inquiry will proceed.

QUESTION put, MOTION carried.

Mr. McCrae: Should it be necessary, Mr. Speaker, I would ask the indulgence of Honourable Members, should these proceedings extend past the hour of six o'clock, not to see the clock.

Mr. Speaker: Leave? (Agreed)

Mr. McCrae: Mr. Speaker, I move, seconded by the Honourable Minister responsible for Native Affairs (Mr. Downey), by leave, that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee of the Whole to consider and report of Bill No. 28, An Act to establish and validate the Public Inquiry into the Administration of Justice and Aboriginal People; Loi portant sur la création et la validation de la Commission d'enquête sur l'administration de la justice et les autochtones, for third reading.

MOTION presented and carried and the House resolved itself into a Committee of the Whole to consider the report of Bill No. 28, An Act to establish and validate the Public Inquiry into the Administration of Justice and Aboriginal People, with the Honourable Member for Burrows (Mr. Chornopyski) in the Chair.

COMMITTEE OF THE WHOLE

BILL NO. 28—THE PUBLIC INQUIRY INTO THE ADMINISTRATION OF JUSTICE AND ABORIGINAL PEOPLE

Mr. Chairman (William Chornopyski): The Committee of the Whole will come to order to consider Bill 28, An Act to establish and validate The Public Inquiry into the Administration of Justice and Aboriginal People.

Does the Honourable Minister of Justice (Mr. McCrae) have any comments?

Hon. James McCrae (Minister of Justice and Attorney General): Mr. Chairman, I have no lengthy comments. A draft of the Bill was made available to the critics for the various Parties in the House earlier today. The Bill was distributed at the earliest possible moment for review by other Honourable Members. The Bill is before Honourable Members for their consideration.

Mr. Chairman: Is the committee ready for clause-by-clause consideration?

Clauses 1 and 2—pass; Clauses 3 to 6—pass; Clauses 8 to 10—pass; Clause 7—pass; Clauses 11 and 12—pass; and the Schedule on pages 7 and 8—pass; the Preamble on pages 1 and 2—pass; Title on page 1—pass; the Bill as a whole—pass.

Is it the will of the committee that I report the Bill? (Agreed)

Committee rise. Call in the Speaker.

* (1750)

IN SESSION

COMMITTEE REPORT

Mr. William Chornopyski (Chairman of Committees): Mr. Speaker, the Committee of the Whole has considered Bill 28, An Act to establish and validate The Public Inquiry into the Administration of Justice and Aboriginal People, and has agreed to report the same without amendments.

I move, seconded by the Honourable Member for Seven Oaks (Mr. Minenko), that the report of the committee be received.

MOTION presented and carried.

THIRD READING

**BILL NO. 28—THE PUBLIC INQUIRY INTO
THE ADMINISTRATION OF JUSTICE AND
ABORIGINAL PEOPLE**

Bill No. 28 was read a third time and passed.

Mr. Speaker: I am advised that His Honour, the Lieutenant-Governor, is about to arrive to grant Royal Assent to Bill No. 28. I am, therefore, interrupting the procedures of the House for the Royal Assent.

* (1755)

ROYAL ASSENT

Sergeant-at-Arms (Mr. Cliff Morrissey): His Honour, the Lieutenant-Governor.

His Honour, George Johnson, Lieutenant-Governor of the Province of Manitoba, having entered the House and being seated on the Throne, Mr. Speaker addressed His Honour in the following words:

Mr. Speaker: May it please Your Honour:

The Legislative Assembly, at its present Session, passed a Bill, which in the name of the Assembly, I present to Your Honour and to which Bill I respectfully request Your Honour's Assent.

Bill No. 28—An Act to establish and validate The Public Inquiry into the Administration of Justice and Aboriginal People; Loi portant sur la création et la validation de la Commission d'enquête sur l'administration de la justice et les autochtones.

Mr. Clerk: In Her Majesty's name, His Honour, the Lieutenant-Governor, doth assent to this Bill.

His Honour was then pleased to retire.

Hon. James McCrae (Government House Leader): Mr. Speaker, shall we call it six o'clock.

Mr. Speaker: Is it the will of the House to call it six o'clock? (Agreed)

The hour being 6 p.m., this House is now adjourned and stands adjourned until 1:30 p.m. tomorrow (Thursday).