

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, 2 June, 1986.

Time — 8:00 p.m.

BUDGET DEBATE

MADAM SPEAKER, Hon. M. Phillips: On the proposed motion of the Honourable Minister of Finance and the amendment thereto, the Honourable Member for Riel has 21 minutes remaining.

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

Now that we have all gone to Kaufmann's on Broadway for dinner, we can proceed with the Budget.

Madam Speaker, when we left off, I was talking about deficit, and I was mentioning that I am not convinced that the people of Manitoba want to live with a year-in-and-year-out deficit of \$500 million.

However, I know the members on this side of the House can be thankful we are not getting all the government we are paying for at this time. There are serious costs associated with the type of continued deficit we have today, Madam Speaker.

First of all, the interest burden; there is an ever-growing interest burden. If the government fiscal house is not brought into order, the result will be a significantly lower standard of living for future generations.

Madam Speaker, reduced fiscal flexibility, there is a loss of fiscal flexibility. In the past, the government had the option of undertaking costly and significant fiscal measures. Today, there is virtually no room to manoeuvre, no room at all, Madam Speaker.

The money that is used to service that debt cannot be used to finance other important expenditures.

The social safety net is in peril, Madam Speaker. If governments do not act to reduce the deficit immediately, the cost of servicing the debt will be insurmountable by the end of the decade. This will seriously impair government's ability to maintain a wide range of programs.

By not acting to control the deficit, the government is acting in an irresponsible manner in its responsibility to protect the necessary level of social programs that are necessary today.

Madam Speaker, with higher interest rates, productive private-sector borrowing is crowded out and interest rates will rise as a result of heavy deficits. Less government borrowing would mean less demand for money. Interest rates would be lower; private sector returns would be higher and risk capital would be rewarded.

Confidence is weakened, Madam Speaker. The investment community will not trust a government that continues to live far beyond its means, as this government is doing. This lack of confidence produces adverse effects on investment growth and jobs.

This government is acting, as I said, in an irresponsible manner to control a very serious problem, and should be taking measures to control the deficit.

The pace of deficit reduction strikes a balance between the need for sizable and firm action, on one hand, and the need to avoid a severe shock to the economy, on the other.

Madam Speaker, a lower deficit helps everybody. A lower deficit will mean lower interest rates. This will reduce the cost of housing, business and consumer loans, to the benefit of all. That is what they are doing nationally.

The economic strategy of this government, I believe, is unfair and not working. Jobs are not being created and the deficit keeps mounting.

The government compared the new federal capital gains exemption to our well-known tax scam. I say to this government, there is a great deal of difference. The initiative of a capital gains will help to stimulate investment and will allow, for example, farmers and small business to reap the rewards of their success and their labour. Tax scams do not. This will do more for small business than the small business loans proposed by this government. This capital gains exemption will act as a great incentive to Manitobans and Canadians to invest in small and medium-sized enterprises, creating those new jobs for Canadians and Manitobans.

Through the course of the Throne Speech, and so far in the Budget Speech, we have been criticized by the government and members who have gotten up to speak. They have criticized not only the new members but the members that have been around for a few years. What they're saying is: what can be done? Well there are simple examples of what can be done.

First of all, Madam Speaker, we can have ways to increase the efficiency by cutting out unproductive programs, reducing overlap and duplication, and introducing further cost recovery measures. The government can identify, if the members will listen, the programs and policies where further significant savings can be realized. It's all very basic. An aggressive program can be put into place to improve the government's management of its cash. There should be no compensation for inflation in the government's operating and capital budgets.

Finally, a comprehensive range of measures should be introduced to adjust the prices paid to the Provincial Government for rents, admission fees, publications and various other goods and services.

Madam Speaker, in closing, I would at this time like to commend the individual members on this side of the House for some of their very constructive criticism that has been going on on the Budget speech. I am very proud at this time to be a member of this particular side of the House. I am very proud at this time to be a member of the Gary Filmon team, and support our leader at this time, Madam Speaker. Regardless of what you want to hear on the other side, this is a team and it is a Gary Filmon team.

I agree with the amendment of our leader, Madam Speaker. This government over here has failed to develop a stronger and more secure future for the people of Manitoba.

MADAM SPEAKER: The Honourable Minister responsible for the Status of Women.

HON. J. WASYLICIA-LEIS: Thank you, Madam Speaker. I appreciate the opportunity to be able to speak in the Budget Debate, and I am particularly happy to follow the Member for Riel and the Member for Pembina who have given us such a narrow-minded approach to the problems and solutions facing us with respect to the economy and our social policies.

I want to add my congratulations to the Minister of Finance for an excellent Budget, a Budget that is responsible, a Budget that is reasonable, a Budget that is in keeping with our true mandate given to us by the people of Manitoba on March 18th, a Budget consistent with the promises that we have made to Manitobans.

It is a progressive Budget, Madam Speaker. It is progressive because of four key ingredients, four overriding principles. The first principle is that economic growth must be planned and it must be fully mindful that we are holding our resources in trust for future generations. The second principle, Madam Speaker, a very important principle throughout the Budget, is that economic policies and social policies go hand in hand. The third principle of the Budget is that it reflects the tradition of cooperation that is so much a part of Manitoba's history and a source of pride in our great province. Finally, Madam Speaker, a very important principle, an ingredient of the Budget, is that it seeks to improve the overall quality of life in our province.

Let me go through those four principles and demonstrate the commitment of this government to ensuring that our commitment to the people of Manitoba is met. The first, economic growth and development that is planned: We, on this side, believe that government has a responsibility, a mandate to play a role in economic development and economic growth. This government has not abdicated its responsibility, not abandoned the human and natural resources of our province to trial and error policies, to the precariousness of a laissez-faire philosophy that is so characteristic of members opposite. This government says that economic development and growth must promote fairness, justice and equality, and that this aspect of our work must not be treated like a train that runs along a track all by itself. It requires conscious and deliberate action.

A second important aspect of this planned approach to our economy is that we believe in growth that is qualitative, not growth for the sake of growth, but growth that will ensure job security, economic security and a future for all generations to come. As stated in the Budget itself, this Budget is a building block for the future. In conjunction with that, we, on this side of the House, recognize that fairness, equality and justice can only come with fundamental changes in the planning and the organization of our economy. It depends first and foremost on an employment policy in which every citizen regardless of sex, age, race or religion has the right to full and stable employment. Through a planned strategy of investment and development, this government provides the opportunity for economic self-sufficiency for the creation of jobs in Manitoba and the basic conditions for the achievement of fairness, justice and equality. We, on this side, Madam Speaker, value employment, value economic growth as a way for individual development and fulfilment rather than a way for big corporations, big banks, big conglomerates to get bigger and bigger profits.

Madam Speaker, we reject the notion, a notion that is often offered by members opposite, certainly members of the Federal Government, that unemployment is a necessary evil of an industrial, economic age. We reject the Conservative philosophy of reducing the deficit for the sake of balancing the books, and without a care for the loss of human dignity, the despair of poverty and the fear of being uncertain about what the future will bring.

Let me say, Madam Speaker, I'm dismayed to hear speech after speech by members opposite focusing over, and over, and over again on the deficit, with not a single word about the human consequences of high unemployment, of no economic growth, and I think it's time that members opposite started looking at the impact of their policy statements.

Members opposite would have the tragically misguided economic wisdom of the 1930's come back and haunt us. They would have yet another generation of Canadians suffer the painful fate of a lost generation. Instead of learning from history, and from the lessons of the Thirties, the Opposition is calling to cut the deficit, to reduce government expenditures, and let the private sector do what it will.

Members opposite are obviously proud of that kind of illogical policy proposal and, like their counterparts in Ottawa, are committed to the bankrupt policies of the past.

As this Budget states, Manitobans know that some deficits do not show up in government balance sheets, but rather in more jobless men and women, more poverty, more waiting lists for hospitals, more beds in hallways, more injustice and inequality.

Madam Speaker, there is no logic to the statements of members opposite. In fact, their cries for cutting government expenditures and lowering the deficit add up to an incredibly perverse policy. That policy would have the effect of doing the opposite of what they're calling for; it would have the effect of worsening the economic situation. Unemployment would increase, rather than decrease; and this increased unemployment would result in a larger actual deficit, rather than a smaller one.

This policy is not only wrong, it is a cruel and ultimately dangerous counsel. There would be a growing number of disillusioned and embittered young people, which can cause serious, distabilizing, political and social pressures; and let there be no doubt that these policies of members opposite, politically and socially, would be a time bomb.

Surely members opposite would not permit such a problem to exist in their own family if they had any alternatives available, so why would they permit it to persist in our own society?

We, on this side of the House, would not tolerate this indifference, this destruction of an entire generation. We recognize that governments have a role to play in the economy, a role to play in stimulating the economy, and we do this by direct expenditures, in labour intensive activities, such as housing, public works, education and social programs. We do this through a commitment to tax reform and throughout it all, we recognize the self-serving and we recognize, Madam Speaker . . .

SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: Order please, order please.

HON. J. WASYLYCIA-LEIS: Madam Speaker, we recognize the self-serving propaganda about the federal deficit for what it is, a boondoggle which seeks to exclude women from our economy, maintain visible minorities as a cheap source of labour and push our pensioners further and further into poverty. We do this by making . . .

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

MR. H. ENNS: Yes, Madam Speaker, I wonder if you could call the members to order. I'm having difficulty in following the speaker.

MADAM SPEAKER: The Honourable Minister.

HON. J. WASYLYCIA-LEIS: Going back to this government's approach to the economy, being one that is planned, being one that does not create growth for the sake of growth, and one that is sensitive to human needs, in that context, we have made job creation the No. 1 priority of our government. That has been a deliberate and conscious decision to deal with the needs of Manitobans today and generations to come.

The Jobs Fund, which was established, as members know, in February 1983, was the first phase of the province's long-range economic recovery and development strategy which has greatly influenced job creation in this province. This year the Jobs Fund will direct \$197 million toward permanent, productive employment and members opposite should note that affirmative action — they should listen very carefully, they may not know this — that affirmative action requirements are a part of all Jobs Fund development agreements.

We also translate our approach to economic growth to mean special employment programs for those groups who are most vulnerable in our society. In one of those areas, we are advocating a comprehensive and integrated labour force strategy for women. We recognize that efforts must coincide in a number of policy areas in order that benefits to women are real and long lasting. Our government believes that a coordinated strategy to assist women in the labour market must address not only training and the whole area of education, but also child care, affirmative action, pay equity and so on. We are proud that Manitoba's job record has been better than the national standard over the last five years.

This approach to our economic development has also led to a financial commitment by our government to Manitoba women and families with the introduction of pay equity.

Pay equity will mean wage adjustments beginning in October, 1987, starting with the Civil Service. We look forward, we on this side at least, to more and more women benefiting from pay equity as it is implemented in the broad public sector and in the private sector.

We have developed a framework in effective legislation with firm time tables for negotiation and implementation and it is expected that women occupying lower pay occupational levels, such as clerical

positions, will particularly benefit from this measure. That is our approach, Madam Speaker, the positive influence of government, not the laissez-faire corporate welfare-bum philosophy of the Tories, which says that every sector . . .

SOME HONOURABLE MEMBERS: Oh, oh!

HON. J. WASYLYCIA-LEIS: . . . not a philosophy, Madam Speaker, which says that every sector, every aspect of our economy should be in the exclusive domain of the private sector free of any regulations, free of any direction; a philosophy which according to Tory logic says that discrimination against women by paying them lower wages should be tolerated because the right to discriminate is the fundamental right of all individuals. Madam Speaker, we totally reject that approach. Our approach has been one of a positive role for government, a planned approach that puts the needs of individuals ahead of profits.

The second key ingredient and overriding principle in this Budget, Madam Speaker, is that economic and social development go hand in hand. The Budget emphasizes over and over again that the concept of integrated economic and social development must guide us over the next decade. To quote from the Budget, "We are affirming the important principle that economic and social development do indeed go hand in hand. Meaningful progress can only be achieved with a fairer sharing and a better access to the rewards of economic development. At the very core of this government is our deep commitment to the construction of a humane society in which basic human needs are met for all people before special wants are satisfied."

That means that we cannot promote economic growth without simultaneously acting on the social policy front. To paraphrase from the Vanier Institute on the Family our society, like all other industrial societies, tends to compartmentalize spheres of activity and the opportunities and problems that become associated with them. Thus, we have economic, social, environmental, technological, political, and cultural problems in the world of the policy maker; but for the individual person seeking to improve his or her life, these problems are all part of a whole; quite simply, the whole cloth that is his or her life and the life of those with whom they are bonded. This principle, to translate it into practical policy, says that a multidimensional strategy is required if human dignity and equality is the goal.

It means planning and full employment strategies, recognizing that employment strategies and economic growth strategies are prerequisite for equality, for justice, for dignity, but that they are not sufficient on their own. They do not guarantee access to new jobs created if individuals are not trained in those fields. They do not address deep-rooted attitudes and employment practices that deny full access and participation by everyone in our society. They do not respond to the double burden of holding down a job and maintaining family responsibilities. Maybe the Member for Portage could take note of this policy and direction, as long as he chooses to make comments about my responsibility as a parent, and trying to hold down a very important job and trying to be a good mother at the same time.

SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: Order please, order please. On behalf of the Member for Lakeside, could I remind all honourable members of our Rule 44.(1): "No member shall engage in private conversation in such a manner as to interrupt the business of the House."

The Honourable Minister.

HON. J. WASYLYCIA-LEIS: I am a little shocked to hear comments coming from the other side, I believe from the Member for Portage, suggesting that women should not be working, that women should be staying at home. We, on this side . . .

SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: Order please.

The Honourable Member for Portage on a point of order.

MR. E. CONNERY: Madam Speaker, she is saying untruths. I did not say that. She cannot find that anywhere and, if you can find it, record it. I did not say that.

MADAM SPEAKER: Order please, order please. Order please! A dispute over the facts is not a point of order. If the member would like to clarify under Rule 46, he has an opportunity after the Minister's speech to do so.

The Honourable Minister.

HON. J. WASYLYCIA-LEIS: Whatever the member opposite said, I think it needs to be stated, for the benefit of all members opposite, that women in our society have the right to work and that, in fact, many women must work to sustain the family.

Madam Speaker, we recognize that an economic policy will not succeed until it has ensured full and effective use of Canada's human resources. If economic development is to result in any positive change for those who do not enjoy equality, whether they be women, visible minorities, disabled, Native Manitobans, regardless of which group we are talking about, three basic requirements must be met.

First, there must be a conscious decision to change the position of those who suffer inequality, and that must be built into the terms of reference of economic policy planning.

Secondly, the success of an economic policy must be based on more than economic factors, such as, the number of jobs created, the size of the trade deficit or the amount of profits invested in Canadian industries. Equally important, is the whole range of social indicators that would come to grips with human needs and benefits that are untouched by the calculation of goods and services produced.

Thirdly, social and economic policies must be integrated and developed simultaneously to ensure, not only the right of everyone to paid employment, but also the right of everyone to work under equal conditions.

That means ensuring that workers are not penalized because of giving birth or caring for children; that means special assistance to those who are disadvantaged in

the labour force; that means avoiding cutbacks on the backs of those who are the most vulnerable.

This Budget seeks to address those concerns, and seeks to provide an integrative approach. To single out just a few of the items in the Budget which achieve that end, I am pleased that an enhanced Child-Related Income Support Program has been included in the Budget, and that this will mean up to 2.5 million will be allocated as direct income, and special payments of up to \$360 per child paid to those farm families that qualify.

Another example in the Budget of this integrative approach is our approach to pensions and our approach to older women. We recognize that older women are among the poorest in our society. Most older women today have no independent income on which to base pensions. That is why we, on this side, feel that a comprehensive public pension system is essential. I am pleased that our government has taken a positive step in that direction. The new 55-plus program will benefit women, in particular, and I welcome this opportunity to express my support for that program.

Another example of this integrative approach is our contribution to a program that will assist single mothers in finding work experience and employment. By allocating funds to a new program, the Single Parent Job Access Program, we will begin to meet the needs of women on social assistance who are looking for the support and work experience necessary to find employment.

The third overriding principle in this Budget, Madam Speaker, is that it is built on the spirit and tradition of Manitobans cooperating and working together. This Budget is a result of consultations throughout the province, a reflection of the interests of a broad spectrum of economic and social interests. This Budget revolves around the conception of government as an instrument of and by the people. This Budget, Madam Speaker, gives Manitobans the tools to become self-sufficient, to plan for the future, and to join with other communities to advance their common interests and concerns. It recognizes that community planning is an essential ingredient for achieving economic and social progress.

Some of the tools listed in this Budget that will assist communities, as they seek to become self-sufficient, consist of the Special Farm Assistance, Small Business Loan Fund, the Home Renovation Program, the Rural Development Fund, the Community Capital Program, and so on. These measures reaffirm our commitment to working together with Manitobans to build for the future.

The fourth overriding principle and key element in the Budget is our approach to ensuring quality of life for all Manitobans, and that means a fair and more equitable society for all Manitobans. We are committed to deliberate and qualitative growth which combines economic necessity and people's needs with the demands of ecology.

Part of that means measures to protect the environment and we, on this side, recognize that investment in the environment is job-intensive and, therefore, an important stimulus for the economy. We recognize that members opposite have this antiquated idea that environmental obligations place a strain on the economy. We, on this side, reject that notion. Our

decision has been to put more emphasis on the quality of life, and to describe such a decision as socially dangerous would be just as crazy as describing the decision of a family to spend more on culture than an alcohol as economically dangerous.

Social functions, such as, health services, provide a poignant example that the transition to more qualitative growth can be an economic plus. There is little doubt today that the change from curative to preventative medicine, from healing to protection against health risks, is not only in the interests of humankind, but it is also cheaper.

Madam Speaker, our quality of life emphasis is translated into greater recognition of the significant role played by cultural organizations as employers and as trustees of Manitoba's cultural heritage, past and future. It is demonstrated through continued support to all aspects of cultural, artistic, and recreational life in this province. It is emphasized through recognition of the ethnocultural diversity and development of programs sensitive to Manitoba's ethnocultural communities.

In conclusion, Madam Speaker, this Budget represents my government's commitment to a planned approach, a planned approach to economic development, a commitment to the parallel and integrated development of economic and social policies, to the principle of community planning through cooperation and consultation and to enhanced quality of life for all Manitobans now and in the future. With these policy directions and the commitment of this government to fulfil its mandate, the vision, our vision of creating the conditions for full and equal participation in all aspects of Manitoba society by both women and men will become a reality.

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

MR. E. CONNERY: On a point of order, Madam Speaker. There was a statement made that was not true. The statement made by the Member for St. Johns that I was against women working or against her working is not true. What I said was that she would be a better mother if she was more concerned about the deficit — that was the statement that I made — and how would she explain it to her daughter in 30 years when she was bankrupt. But I'm not surprised because I faced that from the NDP all through the election, innuendo and lies.

MADAM SPEAKER: I'm hoping that the honourable member was not accusing another member of lying.

The Honourable Member for Minnedosa.

MR. D. BLAKE: Thank you, Madam Speaker.

After what we have just heard, I don't know whether I should respond to some of it or not. I think, listening to the Member for St. Johns, she has been coached by the deputy leader. If the whole world just holds hands, makes love, and the government spends money, the world is just going to go round, everything is going to be lovely. I assure her that it ain't necessarily so. During this evening's sitting, I heard a youngster cry up in the gallery and I'm sure somebody must have shown the

little tyke the amount of the deficit that he's going to be facing in 30 years. That might have brought that on.

But just to comment on the remarks of the Member for St. Johns, Madam Speaker, the members opposite, and we've heard it in so many of their speeches, seem to feel they have a monopoly on the quality of life in this great country of ours. I don't know, I've travelled across quite a few of the provinces. They don't have NDP Governments. The people seem to be happy and they're getting along fine. They haven't blown in over \$2 billion in the last four years. I don't think the people of Manitoba are any better off now than they were in 1981. They are an awful lot further in debt. There's no question about that.

But, Madam Speaker, it's a pleasure to take my turn in speaking on the Budget Debate in support of the amendment of our leader. There wasn't too much in the Budget, but I think we have a little more material in the amendment itself. I didn't have the opportunity to speak during the Throne Speech Debate, Madam Speaker. I had some surgery and was recovering, and I felt during my recovery period, if I had any difficulty sleeping, I would just read through the Throne Speech. It was great stuff to induce sleep.

Madam Speaker, let me add my congratulations with many that you've had so far on assuming the position that you now occupy in chairing the Sessions of this House. Let me assure you that I will do my best with the assistance of my colleague, the Honourable Member for Lakeside, to make your job less difficult.

I also offer congratulations to the new members and the new Ministers and wish them well in their new portfolios. Of course, the members on this side of the House, naturally, I congratulate them doubly.

During the past election, Madam Speaker, as I say, this is my first opportunity to speak, so I must say something about the election. In spite of CBC's attempt to wrestle the Tory stronghold of Minnedosa away from us, we were successful in increasing our majority. We had a good election. We had four candidates this time out instead of two, and I must say we had two public meetings with all candidates there, with excellent turnouts — quite surprising, I think, to all the candidates the crowds that did come out. We're not just too sure who they came to hear, but there were excellent crowds.

At that time, I complimented all of the candidates, because when someone puts their name up in nomination to run for public office, it's a sacrifice to them and I think they have to be commended whether they are successful in convincing the voters that they should be elected or not. Naturally, I thank the voters of Minnedosa constituency and the workers that I had for running a good campaign and re-electing me for the fifth time.

The Premier made several "soirees" into my constituency — forages — but he was actually foraging all over the place. I think, Madam Speaker, we even had the Finance Minister at that time in there on a flash visit and there were other members there. I think the Member for Inkster was probably doing his best in there with one or two friends that he has up there in the hills. But the Minister of Finance has confided in me, when they rushed him into the constituency, they sent him to a Hutterite Colony and my Hutterite Colonies don't vote, so it was kind of a wasted trip for him.

But when the Premier was there, Madam Speaker, it was during the promise-a-day part of the campaign and he was issuing press releases every little whistle stop he came to. The one in my area, they had the TV cameras set up and he was out checking a beef farm and talking about the plight of the livestock and the agricultural industry in general. I know the Premier prides himself in what little knowledge he has of agriculture, that when he was young they raised Black Angus cattle. Naturally I felt that he would be attracted to Black Angus. But, when the cameras panned the beef herd, there were a bunch of Holstein steers on feed that somebody had gathered together; I think there were six or eight. So, if all farmers were running their beef operations like that, it's no wonder that the farmers are in trouble.

We had some of the usual scare tactics that other members have referred to, Madam Speaker, that if you elect the Tories, the care home won't get built, the new school won't be built, and various things like that, but it didn't really deter the voters.

But let me get to the Budget, or I should say more purposely, the amendment, because the Budget's been thrashed around pretty thoroughly over the past week. But I think it maybe bears the reading into the record once more that the proposed motion of my leader, Mr. Filmon, proposing the motion be amended thereto by deleting all the words after "House" and adding, No. 1, the government has given no indication of a plan of action to restore confidence in agriculture and business. There is a statement that is factual, it's got some meaning to it, and there was nothing in the Budget to restore confidence in agriculture.

No. 2, it's abandoned its responsibility to manage wisely the financial affairs of the province. There's absolutely no question of that. We've heard time and time again in the speeches of what a mess our finances are in and what it's going to cost to finance the money we're borrowing.

No. 3, to develop a taxation system and investment climate that discourages job creation and opportunities for our youth. That's factual in spite of what members opposite say. I think they've developed a taxation system all right that some members opposite were able to take full advantage of, but that hasn't really helped the economy too much. They failed to portray accurately and clearly the long-term effects of increased debt service costs caused by continued high deficits. There's no question about that, Madam Speaker. We've heard time and time again in the past week of just what that's causing.

Madam Speaker, I want to say a word about the Budget as it relates to the highways budget. We've heard more and more about the \$12 million reduction and other reductions in it. I know the Finance Minister has indicated to the heavy construction people that maybe they will try and do something about it, they'll see if there's something they can do, but the heavy construction industry is not that hopeful, Madam Speaker. I don't think they're holding out too much hope, although we expect that something will be done.

The Minister of Highways, in his reply to the Budget, mentioned that, really, there was going to be the same amount of work done because the cost of oil and fuel was down, the cost of asphalt was down, and the contracts were all coming in under expectations and

there was going to be just as much work done as there was before.

But, Madam Speaker, when we go back on the Province of Manitoba expenditures on highways over the past 10 years or so, we find back all the way from 1973 through to 1977, to 1981-82-83, the expenditures in percentage points have decreased in the last 10, 12 years from 10 percent of the Highways Department budget being spent on road contracts down to about 5 percent in today's Budget when the percentage of total payments to contractors has gone from 51 percent down to 26 percent.

So it's no wonder the heavy construction people are coming in here with a heavy heart in trying to spur some action out of the Minister of Highways, because there's nothing that creates employment and creates jobs like road construction or other contracts in the heavy construction industry. For every 11 direct jobs it's created with \$1 million of expenditures there's 20.9 spinoff jobs for a total of 31.9 or 32 jobs. At a time when we're trying to create and to encourage employment in the province, Madam Speaker, it just seems penny foolish to try and pinch the money out of the highways budget.

We heard the Minister explain that it's gone into agriculture and we all know that agriculture does need a boost, but the jobs have to be created in the highways program because our highway infrastructure, as the Minister well knows, is deteriorating very very rapidly. We have example after example where some of the older paved roads are becoming potholed and very difficult for the grain trucks and the heavy trucks that serve the agricultural community to drive on. So they move over and are using municipal roads and the municipal roads are just deteriorating very, very rapidly. It's getting to the point now where many municipalities in my area are saying if they are going to slap on road restrictions in the spring of the year, we'll put road restrictions on our roads, and that doesn't do much to encourage commerce and to allow the farm community to get their products to market.

So a great deal of consideration, I think, Madam Speaker, has to be given to finding additional funds for the highways program, and I urge all members opposite to lobby the Treasury Benches and try and gather up some extra funds somewhere because there seems to be lots of them kicking around. No, the Minister of Natural Resources is wondering where he's going to get it. I think they probably waxed \$7 million or \$8 million out of his budget and he needs money for drainage which creates jobs.

So there seems to be a misdirection, Madam Speaker, in where the money will come from, although we're not sure what the Selkirk Bridge is going to cost yet. It will probably be \$16 million to \$20 million. We don't know. There was money for that, and we could have got by a little bit longer without that expenditure and the upheaval and the heartaches that it's causing some of the residents along the right-of-way. It doesn't look that great. But the maintenance budget is going to be down and the Minister is going to receive delegation after delegation in the next few months or when he goes out around the country, if the Session ever adjourns, and he's going to be hearing that from every municipality.

Madam Speaker, over the last while, we've heard a great deal of fodbashing, members opposite, when they

are are questioned or when they are cornered in some way for not spending money a little more in agriculture, they turn it right around and say, well, Ottawa is not giving us any money; what are we going to do about it?

Madam Speaker, Manitoba just seems to be doing so great. They talk about the investment climate, it's up here higher than it is in other provinces, and it doesn't take a genius to realize that the majority of the expenditures is in Limestone and it's all public investment, public funds. But with respect to — (Interjection) — they've been wrong before. The Member for The Pas says that's not what the Royal Bank says. They've been wrong before. However, they've been around a long time and they'll be around a long time after the NDP Government is gone and forgotten, Madam Speaker.

Let me just quote to you, Madam Speaker, one of the latest releases we had released by the Minister of Natural Resources today, Communique No. 1 from the Western Premiers' Conference just recently concluded in Swan River. It's a fine town and a fine area. I just quote one or two excerpts from it, Madam Speaker. "The Western Premiers noted the progress that had been made as a result of the recommendations from their meeting in Grande Prairie last year. As a result, agriculture policy is now receiving full attention on the national agenda. Premiers welcomed federal initiatives to date, while calling for further action."

"The Premiers said that they were encouraged by recent reductions in Canadian interest rates. They agreed that this progress needs at least some reduced pressures on Canadian farmers." "The Premiers stressed that federal lending programs that provide farmers with stable, long-term fixed interest rates are absolutely essential to the viability of western farmers."

They went on to say that "they welcomed the federal initiative by the Federal Wheat Board Minister, the Honourable Charlie Mayer, to convene the international grain summit."

"The Premiers noted that the domestic wheat price program has and should continue to provide some measure of income stability." "The Premiers welcomed the removal of farm fuel taxes by Canada, in response to earlier western requests."

"The Western Premiers again reaffirmed their strong support for the future of the Port of Churchill and for the Canada-Manitoba Agreement for its redevelopment." These are pretty positive statements, Madam Speaker, coming from the four Western Premiers. It doesn't sound like Ottawa's to blame for all of the problems. They certainly seem to be trying their best, so it makes one wonder about the credibility of the First Minister, with some of the statements that he's been making.

Maybe it's time they had a change over there in the leadership role. There's some supposition of who they're grooming; they have a new Finance Minister, a bright young star, a Quentin Durgens type, in the back row there, the Member for Concordia. The Member for St. Vital is keeping his options open, he says. You just never know, maybe there should be some consideration given to that, Madam Speaker.

Madam Speaker, I mentioned, with the fed-bashing that goes on, blaming all their woes on Ottawa when the agricultural conditions, saying, well, we can't do it; we

don't have any money. The cupboard is also bare in Ottawa, we know, but at least they're striving and they're taking some steps to gain control of their financial spending.

There's an article in the Manitoba Co-Operator, and I won't take the time of the House to quote it, but it's mentioning the Prime Minister's interest in agriculture and what he has done recently. They say that it's novel to see a Prime Minister call a news conference to talk about agriculture.

They went on to talk about the attitude of the Federal Government now, compared with what it was under the former Liberal regime, where the farmers were told what they could do with their wheat by the Prime Minister of the Day at that time; but there's no question, it may be a bandaid help, what they're offering from Ottawa, but nevertheless they're trying.

The closing paragraph, Madam Speaker, "Among the beneficiaries of Mulroney's farm attention are Wise and Mayer. These two men have already gained a lot of admiration and respect from their Cabinet colleagues for their ability to work together without signs of jealousy or competition often present in relations among Ministers whose turfs overlap. They have had plenty of battles in Cabinet, especially with the Economic Ministers, Wilson, McDougall and de Cotret, but they have had their successes." I think that's a credit, Madam Speaker, to our member responsible for the Canadian Wheat Board, who happens to be my MP and I think he's done a creditable job.

Madam Speaker, with the problems that are attributed to Ottawa, I just want to mention one or two points of interest. Comparing them to 1984, the five-year mortgage rate is down 3.75 percentage points and that's about a savings of \$124 a month or \$7,500 over five years on a \$50,000 mortgage. That's not bad. The Bank of Canada rate is down 3.66 percentage points to 8.72 percent. That's the lowest in eight years. That's not bad.

The chartered bank rate is down 2.25 percentage points. — (Interjection) — Well, that's now. This is a week old; it went down steady. The five-year Farm Credit Corporation loans are down 3 percentage points, and by 1990, the financial requirements to the government will have been cut by two-thirds, so there's progress being made and there's a strong attempt being made to gain control of the spending.

A MEMBER: What has Billy done?

MR. D. BLAKE: That's right; I'll get to that.

With all this progress, since the election of the Conservative Government, there's been 630,000 new jobs, including 416,000 in the past year. The unemployment rate is down from 11.7 percent to 9.6 percent. Youth employment has risen by 98,000 since the election, compared to a net loss of 285,000 under the Liberals.

Women's employment has climbed by 319,000; the number of unemployed women has fallen by 85,000, compared to an increase of 243,000 under the Liberals. So I just caution members opposite that maybe we should be just a little bit careful in criticizing the feds for everything, because they're at least making some attempt to get a handle on the spending of this country,

get a handle on the deficit, because we know what it's costing us to finance borrowing of this government, of our government in Manitoba.

You compare that to the massive amounts that they're borrowing federally and it's just shocking, really. I think it's one dollar in three that the government takes in to . . . my colleague says it's mind boggling and there's no doubt that it is. I think he attributed that to the former Premier, Ed Schreyer. Things weren't getting out of hand, really quite as much when he was there, although he was staring to run the deficits fairly high.

A MEMBER: Schroeder's the one who initiated it all.

MR. D. BLAKE: We had a small break for four years to try and get things back under control, but these fellows are back in there again and they're going to have to live with it. There's no question about it. Manitoba will continue to grow. Our farmers, in spite of the difficulties that they have, I think, will continue to make their mark in our province.

There was one quotation that I wanted to just put on the record, and these would be 1984 figures. On paper, the average farmer had an average equity of \$416,945 per farm. However, the paper value of a farm does not buy groceries, furniture and children's clothing; but the same year, the average income of the average Canadian farm was \$15,596.00. So that means that a farmer could divest himself of his farm equity, his machinery and invest the money and at least make twice as much as that anyway by investing in long-term government bonds, so there's no doubt that agriculture has to receive top billing so we can maintain that important segment of our economy that makes Manitoba tick so well.

On the Budget, Madam Speaker, the good of the Budget — it doesn't take very long to cover that — holding a line on all major taxes affecting small business. Well, they've done that all right I suppose, with no increase in the sales tax, but they did nothing on the 1.5 payroll tax, which is a disincentive for people in the small business community to hire people.

The increased farm support is welcome — small as it is, it's welcome — because that's a vital component in our economy.

There is some aid on technical transfers. We're not just too sure how that's going to work out; it's a fairly sketchy program.

The labour-sponsored Venture Capital, we're not too sure how that's going to work, there may be some benefits to small business in there, but the Small Business Loans Fund will probably be used by some people in the business community but we don't really know how that is going to work because during the campaign the Premier mentioned that there were only as few as 300 or 400 businesses that may benefit from it, in spite of the fact that we have more than 30,000 businesses in Manitoba. So that's not really going to help that much.

There was no letup in small business taxes and particularly the payroll tax. There was no letup in excessive government spending. There has been no letup in excessive government spending — the Minister of Highways says, ah, come on — well, there's a letup in spending in his department, there's no doubt about

that. They hived God knows how many million dollars out of his budget — \$12 million at least — that's what we know about. So he is making his attempt. I don't think he had much choice. I think they just took it away from him and he didn't have the clout in Treasury Board to get it back.

However, the other tax increases, I suppose there are some smaller ones there, but the most troubling aspect of it is the runaway buildup in the total debt, Madam Speaker, and you will find article after article from the business community that will reinforce that concept.

Madam Speaker, I wanted to say a word before I close about the Minnedosa constituency. You know we are a rural agricultural community, I suppose would be the best way to describe it, but we have a considerable amount of small business scattered throughout the area. I suppose the health care facilities are one of the biggest employers — that and the schools are the biggest employers in a great number of rural areas because they are very labour-intensive and we need those facilities scattered throughout.

There are plans virtually completed for an addition of some care home facilities to the small hospital at Erikson, which is very, very welcome there. It will help them maintain their medical staff, their doctors, and provide a facility that will allow people to stay in the areas where they have been born and raised, or have raised their families, and staying in that environment is always good for the elderly people.

Our gasohol plant, which is one of the plants in Minnedosa that has full employment. We have the Morris Rod-Weeder plant, but it's seasonal. When they receive orders for agricultural products, which has been in a very bad downturn lately, they . . .

A MEMBER: When was that plant started?

MR. D. BLAKE: That plant started, Madam Speaker, under the good old free enterprise system, people with initiative and drive and a rural community that wanted to attract some industry to provide those jobs. It employs 70 . . .

A MEMBER: Don't compete, take it over, that's the theory they had.

Don't give them any more ideas, they'll take something else over.

SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: Order, please. Order please.

MR. D. BLAKE: It employs, Madam Speaker, 70 or 80 people when they are in full production. If they could get into a full year's production they would employ maybe 120 to 130 people, which is a pretty good-sized little plant for a rural community.

To my knowledge, there is no child labour employed there, in spite of what the Attorney-General might say from his seat. They are very highly-skilled farm people that take part-time work off the farm and they don't have to go through an extensive training program to learn how to weld, or whatnot; that comes naturally with rural folk. They are pretty handy and they can adapt to pretty well any situation, Madam Speaker.

But the gasohol plant is one of the bright spots. It employs 30 to 31 people on three shifts, it's going at full capacity. They produce an excellent product, far better than the one that was being produced in that distillery beforehand. They should have been burning some of that instead of drinking it, and now we're burning the full production, providing fuel in a fuel-hungry economy, Madam Speaker, providing fuel for our vehicles.

It's an excellent product; it burns clean with less pollution. I can urge everyone to use E-10 gasohol, Madam Speaker, it's an excellent fuel. It provides good employment and it has been a great boon to our little economy there.

There is some talk, I might say, of an expansion to the plant. The former Minister of Finance had probably had some communication with the officials of that plant, looking at an expansion. I hope he has passed all of his notes and his recommendations on to the new Minister of Industry and Technology because any addition to that plant would certainly be welcomed within Minnedosa and there would be no problem in providing the additional labour that might be required; another 10 or 12 jobs would be most useful to that area.

Madam Speaker, the Rivers community is now in my constituency. We, naturally over the years, have felt heavy-hearted with the loss of the air base there. Since then, the base has been sold and it has pretty well been torn down but there is some small industry out there: Black's Manufacturing Plant and Tim-Br-Fab; there's a grain merchant in there now, so there is some development. But to see a whole town with schools, churches, hospitals, 400 houses, to see it all torn down and wasted, with the best runways I guess in Canada — Western Canada at least — laying idle, it's shameful that we weren't able to find some industry that would maintain that base.

Madam Speaker, I know there are many others in the opposition benches that are anxious to get into the Budget Debate so, with that, I will close my remarks. I understand we are going into a Supply Motion very shortly and we will have an opportunity then to question the government to some depth.

Thank you very much.

MADAM SPEAKER: The Honourable Minister of Natural Resources.

HON. L. HARAPIAK: Thank you, Madam Speaker.

I am pleased to be able to participate in this Budget Debate. I am also pleased to be able to follow the Member for Minnedosa. I was somewhat surprised in hearing his initial comments that he totally misunderstood the presentation from the Member for St. Johns.

To assist in understanding my presentation, I want to make a very concise statement. I will be speaking against the amendment and I will be speaking in support of the Budget.

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

I also wanted to draw to the attention of the Member for Minnedosa, lest he feel somewhat over-confident that he held that particular Tory stronghold, that not all Tory strongholds did stay by.

There was the notable exception from Swan River . . . I want to indicate clearly that I have the full confidence in the Budget proposed by the Minister of Finance, and I want to congratulate the Minister of Finance in striking that sensitive balance between meeting the needs of the people in Manitoba and, at the same time, recognizing that we do have — (Interjection) — absolutely correct as the Member for Minnedosa indicates, we are sensitive to that need. There's an indication in the Budget that the Minister of Finance was conscious of the public desire to deal with the question of the deficit and, at the same time, provide services to the people of Manitoba.

This Budget, I feel, clearly reflects a commitment on the part of this government to agriculture, one of the mainstays of the economy of the Province of Manitoba. As well, it reflects a commitment to health care and education and training. It also makes provision for adequate levels of social services and, in addition, it provides for economic initiatives. There was reference to the amendment by the Member for Minnedosa, which indicates that there was no plan of action for agriculture. That is hardly consistent with the facts. The Budget clearly indicates a 21 percent increase in the expenditure in agriculture; a clear commitment and a clear indication of confidence that this government has for the agricultural community. Let me mention, specifically, some components of that program: \$6.5 million to strengthen the Farm Aid Program; increases in the capital funding for Manitoba Agricultural Credit Corporation which, despite the comments that have been made from time to time from members opposite, Manitoba Agricultural Credit Corporation has done an excellent job in serving the credit needs of the farming community of Manitoba. The demands on that organization are increasing day by day and it makes it difficult, in many instances, for — (Interjection) —

MR. DEPUTY SPEAKER: Order please.

MR. D. BLAKE: Yes, I just wondered if the member might clarify the record of the Manitoba Agricultural Credit Corporation. Who was chairman during that period of its growth? If you'd just clarify it for the record.

MR. DEPUTY SPEAKER: Unless there is a point of order, the member has no right to interrupt members speaking on the floor.

HON. L. HARAPIAK: Mr. Deputy Speaker, I want to make it clear that I made no reference to individuals involved in the delivery of that program. I was referring simply to the statistics which will bear out clearly that the needs of the farming community are being well met; and those demands are increasing, as I indicated on the day-by-day basis, because some of the other institutions which have been a traditional source of credit to the farming community seem to have less of a sense of confidence in the farming community and, as a result, are curtailing their availability of credit and the demands on the Manitoba Agricultural Credit Corporation are increasing.

I want to make it clear that the efforts of this government, on an ongoing basis, and those efforts

that are embodied in the Budget are not a total solution to the problems facing agriculture. I recognize fully, and as members on this side of the House and members on the opposite side have expressed, agriculture is facing a very difficult time. Farmers and their families are caught in the situation of declining commodity prices and rising input costs. We are faced with having to compete in an international community, in a sense to compete against the treasury of the U.S. and as well, with the European economic community thereby making it very difficult for the Canadian farmer to receive a fair return for his product in that international market.

But the problem facing farmers and their families is not just a problem of economics. They face a very difficult situation in terms of stress on the farm operators and their families. So, the real toll that is being taken cannot be measured simply in terms of statistics.

As well, I would like to point out that this issue goes beyond the farm gate and it, in fact, strikes at the heart of rural communities. I feel confident that this Budget represents a clear vision on the part of this government to see that we lend support to this sector and that we indicate a willingness to work cooperatively with other levels of government and other institutions to ensure that we achieve a turnaround in this very vital sector.

The other areas that I want to draw reference to, the area of health care which has always been a tremendous source of pride for this government — the increase of 6.4 percent and a total budget of \$1.2 billion clearly, as well, indicates a preparedness on the part of this government to ensure that the services, that the people of Manitoba have become accustomed to receiving are going to be maintained. In particular, I would like to point out a 15 percent increase or a \$3 million increase for the care of the elderly at home, an excellent initiative which will ensure to the extent possible that elderly will be able to live in their own homes near their families to the greatest extent possible. There is a clear commitment that when the time comes where these families or these individuals require care in elderly persons' housing or personal care, that too will be provided. Clearly, we want to retain to the greatest extent possible a semblance of family life.

A 6.5 percent increase has also been presented for the expenditures of the Manitoba Health Services Commission indicating a \$50 million increase for hospital programs and \$6 million for personal care. — (Interjection) —

Education will, as well, receive an increase in funding of 5.1 percent for a total Budget of \$697 million; a 19 percent increase in the amount dedicated to Student Aid. Going beyond the point of secondary schools, there will be a 3.8 percent increase to universities. These figures, again, indicate clearly that this government is confident in the future and we are confident in our investment in the development of our young people; people who are pursuing a higher level of education, preparing themselves for a meaningful role in the work place.

In targeting the areas of expenditure, the areas that I have referred to, there have been significant increases. There has been an attempt to maintain and enhance the programs to ensure quality living for people in all areas of Manitoba. At the same time, we are conscious on this side of the budgetary constraints and conscious of the concerns that the people of Manitoba have for

the deficit. As a result of trying to balance those concerns, it was necessary for some areas to make a sacrifice to ensure that those programs — where implementation could not be delayed, we had to ensure that those would go on.

As the Member for Emerson indicates, what happened to Natural Resources? I make no apologies for the fact that there will be a reduction in the capital projects in Natural Resources. This was essential. It was a conscious decision on the part of the Government of Manitoba to ensure that health services were maintained. It was necessary to find the extra funds for agriculture. It was necessary to find the extra funds to meet the continuing increases in the cost of education. There were areas that will have to be deferred.

I will be dealing more specifically with the Department of Natural Resources later, and I think it will indicate clearly to the Member for Emerson, the critic for Natural Resources, that what he says is not reflective of what is truly in the Budget.

(Madam Speaker in the Chair)

There has been considerable talk in this Chamber on the matter of the deficit. The Budget indicates a clear attempt on the part of this government to contain the deficit expenditures. The level which is indicated in the Budget at 2.6 percent of the gross provincial product is the lowest level in five years. So yes, there is a deficit, but it has been contained, and it is at the lowest level relative to the gross provincial product in the last five years.

Members opposite would seem to suggest that the only solution to dealing with the deficit is to cut expenditures and increase taxes. They say that in one breath, but you also hear members opposite saying, don't cut my programs. I can look across the benches and think of at least five ridings from which people have said, don't cut the programs that affect me. Yet, in the overall, there seems to be some suggestion that we should be cutting.

What we, on this side, believe is that though we do have to give due care and attention to expenditures, we do have to look at ways in which we can increase our tax revenue. We should also keep in mind that, if the level of economic activity in the province increases — and it has increased very significantly over the previous term — with an increase in the gross provincial product, provincial revenues will increase and, with those increased provincial revenues, there will be a reduction in the deficit.

As examples, I think we should keep in mind the benefits that will come from hydro-electric development, and keep in mind as well that the private sector investment in this province over the previous years has been at a higher level than it has been in some of the neighbouring provinces. So the private sector clearly has confidence in the future of Manitoba.

I want to talk briefly about some comments that were made by the Leader of the Opposition in his address to the Budget, and I want to indicate that it was one of the more interesting speeches that I heard in the Budget Debate — interesting not for its lesson in economics, but more for its lesson in contradictions.

The Leader of the Opposition was critical of the government for not spending enough in some areas, critical for taxing too much, critical for the deficit. He

also indicated that you don't spend what you don't have. Now, I find that somewhat interesting, a comment of that sort coming so often from the benches opposite, a group of people who purport to be the spokespersons for the private sector.

I have an admiration for the private sector. There is a real role for the private sector, but many of the achievements of the private sector have come about because of debt. They have utilized debt. They have not been afraid to invest in the future and they have been prepared, as many people opposite would be in their own businesses, to carry through — and I would ask some of the members opposite who are involved in the farming community that, in a given year, if the farming operation warranted it, they operated at a deficit because they had confidence in the future. They had confidence in the future of that farming operation. So I find it somewhat inconsistent that the people who recognize a role for debt in the private sector would be so critical of the government for recognizing a role for debt in the public sector.

I noticed when the Leader of the Opposition was making his comments about the use of debt, it struck me that the Member for Minnedosa was somewhat uncomfortable. I also want to point to the fact that tonight, after the Member for Minnedosa had made his comments which were critical of the government for utilizing debt, he then went on to say that the farmers could be better off if they sold their land and invested in government bonds. Again, another contradiction.

The Royal Bank of Canada Outlook — and the Member for Minnedosa, I'm sure, would appreciate this expression of confidence on the part of the Royal Bank. I want to quote an excerpt from the Budget, and it's from a document published by the Royal Bank of Canada, an Outlook document. It says: "We expect Manitoba to lead the nation in terms of real growth during the decade to 1994."

Initially, I was somewhat concerned about those comments, the comments of the Leader of the Opposition, but then I came to realize that he was not serious in his criticism. He was enjoying some of the luxury of being in Opposition, and being able to criticize without having to put forward some constructive alternatives. I want to indicate that I hope they enjoy that for some time. I was going to suggest that they enjoy it in perpetuity, but I am a practical person so I will just indicate that I hope they have that for a considerable period of time.

I want to make it clear, Madam Speaker, that I am concerned about the deficit. We, in looking at the question of the deficit, must balance that concern with the concern to provide services to the people at this time, to address the issues of the day. Would the members opposite have us spend less on agriculture? No, I don't think so, because I hear them saying we should in fact have spent more. Would they have us spend less in the area of health? No, I think I hear them saying that we should not. In fact, that we have been complimented for our expenditures in those areas.

So I want to indicate to them that I am concerned about the deficit and I do not, and I don't think any members on this side, support the position that we can go on year after year without some attempt to address the deficit. But given the conditions that exist at this time and given the confidences we have in the

future of this province, we are prepared, as wise managers of resources, to make that decision, and we will in future years see the reduction of that deficit. We are prepared to invest in public sector projects, to invest in the public good, just as the private sector is prepared to incur debt and make investments.

But one of the things that I would like to point out, that is often true for members on this side, that a person in making an investment can be motivated other than — and let me say not against but other than — for the purpose of profit. We recognize a role for profit, but not every decision that we make, and particularly in the role of government, the role of the government is not to measure the success of a government, it should not be measured by the question of profit, but the success of a government should be measured in terms of its effectiveness in providing services to the people that it represents, to people it serves.

The other area that I would want to make a brief reference to, Madam Speaker, is the one of making comparisons of debt. I appreciate the concern that members opposite have for debt and the deficit, but to make a clear statement on that, what should happen is that there should be a comparison of what is happening in Manitoba with other jurisdictions.

I want to point out and have placed on the record, that if we look at the whole matter of provincial debt in Canada, the provincial share of that debt here in Manitoba is going down. So if members opposite are saying that we are doing a less than effective job of that, I think at the same time some questions should be raised elsewhere. Now it is true, as they say, but this is Manitoba. We don't operate in isolation.

I should also indicate that here in Manitoba we spend less on a per capita basis than at least seven of the other provinces. So if there is a concern about the level of expenditure, it is well managed relative to the other provinces in Canada.

I wanted, as well, to make a brief reference, Madam Speaker, to a statement made by the Member for Emerson and the critic for Natural Resources. When he addressed the Budget, he indicated that we, on this side, were timid, we were not willing to take positive steps. I suggest to the member opposite, that is his view only, perhaps shared by some members on that side, but certainly not shared by people on this side of the House. We have a majority in this House. The people of Manitoba have indicated clearly who it is that they want to govern this province for the next four years. We are not in a position — or there is no need for members on this side to be apologetic or timid at all. We are not afraid to take the measures that are necessary to govern effectively in this province for the balance of this term. I think clearly the initiatives in the area of agriculture, health and education are an indication that we are not intimidated; we are prepared to deal with the issues of the day.

More specifically, I want to make reference to the area of Natural Resources and as has been indicated by members opposite, and as I have openly acknowledged, there has been a reduction in the budget for the Department of Natural Resources. Some of the capital projects will be impacted to varying degrees, but it should be as well indicated that the operating budget for the Department of Natural Resources has not been decreased. I have full confidence that within

the Department of Natural Resources, given that we have a capable and dedicated staff, staff members who are innovative and have a strong desire to serve the public, we will manage the resources of the province effectively and we will deliver the programs that the people of the Province of Manitoba expect from the Department of Natural Resources, facilities and programs which will enable Manitobans to enjoy the province for recreational purposes. There will be opportunities for people in the province to enter into commercial activities, relative to Natural Resources and, as well, we will ensure absolutely that the resources are well-managed so that they can be enjoyed by future generations of Manitobans.

We will work in cooperation with other levels of government and we will work with the public and the private sector to address the needs of those people who have consumptive interests as well as non-consumptive interests in the resources of this province.

In closing, Madam Speaker, I would once again like to compliment the Minister of Finance for his excellent effort in the preparation of this Budget. It is a moderate and progressive Budget. It is sensitive to the needs of Manitobans and responds to the question of the deficit which is of concern to Manitobans and it responds to and recognizes the economics of today. It is an expression on the part of this government of the confidence that we have in this province and in its people.

Thank you.

MADAM SPEAKER: The Honourable Member for Ste. Rose.

MR. G. CUMMINGS: Thank you, Madam Speaker.

First, let me make it perfectly clear, I believe the Minister of Finance has put together a very skillfully-worded project when he came up with the Budget Address.

What we have seen, I'm afraid, is an acceptance by the government across of the principle that a certain level of deficit is appropriate for our province. Madam Speaker, a certain level of deficit that is close to one-half billion must be combined with encouragement to give our economy a life of its own. We should not develop an economy that is based on tax supported incentives, an economy that becomes too dependent on government interference. What we are getting, I believe, is a provincial economy that is becoming heavily dependent on government spending. I know that many of the members opposite feel that this is good. I believe that many of them believe that what we have seen in the last few years is an alternative that is a system whereby we will promote and improve this province.

I have to say that for the reasons I have hoped that I would be able to lay out before you in a few minutes, but I think we are on a path that is not the choice that this province should be headed down.

We talk about a buoyant economy in the Province of Manitoba, and statistics are brought out regularly to show that the economy of this province is moving along well; that the economic indicators seem to say that this province is moving ahead in a way that would be unexpected in other areas of this country. But at what cost, Madam Speaker? By what comparisons?

Is it possible that we are producing an artificial economy in the Province of Manitoba? Is it possible? When we say that the economy of this province is buoyant, why, at the same time, do we have to continue plugging in additional deficit funding? If it's buoyant, then the time has come for the government to clip some of the coupons, as it were.

The Member for Swan River just drew the analogy about the importance of, and his respect for free enterprise in the private investment system. If that is the case and if that is truly the principle that's being applied to the Budget and to the financial structure of this province, then when do we clip those coupons? If, in fact, things are as buoyant as the government is saying, why don't we accept some of those profits now?

I maintain, Madam Speaker, that the reason we cannot and will not do that is because we have supported this economy to the point where it is artificially supported and would collapse without that government intervention.

There's an old farmer out in my area who's probably wiser than most of us in this room, who, when asked what he would do if he won a million dollar lottery, said, "I'd just keep on farming till it was all gone."

Madam Speaker, I'm afraid that that may very well be the feeling of the Government of the Day. We have ample borrowing power in this province, but we are lowering it consistently with the increasing deficits. Several members of the government have said, how can the members on this side talk about controlling of the deficit, let alone decreasing it, when at the same we are concerned about individual programs? The answer is, quite simply, that we don't agree with the government's priorities.

We talk about areas that we want to see protected; we talk about areas where we see important responsibilities of the government to do what is necessary, and I refer to agriculture specifically. Then that means a restructuring of priorities. I'm afraid that it seems to me that this government has not been willing to restructure its spending habits, in the event that someone, somewhere, within the electorate of this province, would start to question why their area was overlooked. Why was their particular concern not given some incentive or given some government funding?

Madam Speaker, when we look at the rationalization of spending in the province, any province, the Member for Swan River again made the reference to government and private business. There's considerable difference between when a private entrepreneur borrows money and invests it in his business, he invests it with the intention that it will return additional income down the road. He invests it with the idea that it will build up the productivity, that it will build up the base of his operation.

Unfortunately, it's been my experience that governments — any government — has a tendency to have a different definition of productivity. Productivity in government may be judged on the ability to deliver a system. It may be judged on its ability to maintain services in various areas, but it's very seldom judged on its ability to produce long-term benefits that will return additional profits to the province or to the Government of the Day.

It seems to me that many of the people who advised this particular government, and I look back to the

Throne Speech, and the Minister of Finance mentioned that he talked to thousands of Manitobans from Minotnas to Beausejour, from Gardenton to Cross Lake. I can't say that I can match that, but I talked to hundreds of Manitobans during my campaign and their primary concern was budgetary responsibility from their government. I suggest that what we are seeing here in this Budget does not live up to the standards of those people with whom I discussed this problem during the election.

Madam Speaker, this government seems to have put itself in a position where it's quite prepared to spend the future and pillage the future of our children. I've talked about artificial economy. I maintain that that is, in fact, what we have. The fact is that in the last five years our deficit has grown dramatically, so I could accept a dramatic growth of our deficit if we had a reason that would explain that these monies were going back into our economy in such a way as to produce longlasting benefits, not only for this generation but for generations to follow.

Our direct and guaranteed debt, I'm sure as many members have mentioned in the last few days, is now totalled to be \$7.4 billion. This cannot solely be attributed to a loss of responsibility by the government in Ottawa. It cannot be attributed to a loss of income to this province. It can only, I believe, be attributed to a dramatic increase in expenditures that have now got to be sustained; plans that I believe have left us in such a state that the government feels it now has to continue to borrow to maintain the artificial economy of this province that it has created.

If you want to play with figures a little bit, we can say that, individually, we owe about \$7,000 in debt in this province. I'm afraid, however, that the public is being lulled to sleep, Madam Speaker, lulled to sleep by some of the programs that are providing action in this province that I consider to be bordering on quite dishonest.

I look at the Manitoba Properties Incorporated, and without questioning whether or not that is a suitable vehicle for raising money in this province, I would simply point out that the so-called rent is really an interest charge that we are hiding from the public of this province. We also probably should take a careful look at where those borrowed funds lie in relationship to what we could borrow money at on the bond market.

It would surprise a lot of the population of this province if we looked at the cost of servicing the debt. Figures that get thrown around a lot and probably have relevance to the average person when he looks at paying his bills from day to day, is that two-thirds of what he pays in sales tax is going to pay the interest on our debt. When you look at the retail counter and hear the amount of complaining there is about sales tax, I think a lot of people might be quite happy to pay less. The only way they may be able to do that is if we had less debt to service.

In the last five years, Madam Speaker, we've put together a debt total that is probably equal to triple the total in the previous 112 years. That's quite a record, but it's not a record that I'm particularly proud of.

It's no wonder that we saw during the election that the government was unwilling to release the Third Quarter Report. I don't want to dwell on the fact that I consider that is being deceitful and deceptive. It's no

more — it's no more deceptive than the point I made a minute ago about Manitoba Properties Inc. — but this government has simply not been willing to bite the bullet. It continues to respond to pressure groups in various corners of this province in a manner that I consider not to be a planned and positive approach to the development of government expenditures in this province, but more an approach whereby the wheel that squeaks the loudest will be greased with a few dollars.

I'm afraid, Madam Speaker, that while there have been a lot of jobs of a short-term nature that have been created through the Jobs Fund, I have to look at the Jobs Fund and I have to wonder why it is being put in such a hallowed position as it is. I can give you an example. When we look at expenditures in municipalities, many of the municipalities say that they are pleased to receive funding through the Jobs Fund. I suggest that the reason that they are pleased to get that funding is because they are probably being underfunded in the first place and the money is being funnelled off into the Jobs Fund so that the political gain that comes from the publicity that goes with putting together that kind of a program and hanging a Jobs Fund sign out front is the kind of thing that this Fund has been set up to do.

Madam Speaker, I quote from the Provincial Auditor's Report. It says: "Last year, we expressed concern about the possible lack of legislative control over certain job-creating expenditures approved in a separate appropriation designated Jobs Fund." Then it goes on to say: "Our recommendation has not been fully adopted. The 1985-86 year funds were again approved in a separate appropriation designated Jobs Fund, although some additional information has been provided."

I could quote further, but the gist of the comments seems to be that there is a lack of legislative control because the Fund is dropped into various departments at the discretion of the Cabinet, I presume. That seems to me to be an unfair way to spend the funds of this province not in the most planned way but possibly in a way that creates the best image for the Government of the Day.

When we look at the cost of creating a job under the Jobs Fund, it would appear that it's about 30,600-and-some-odd dollars to create those jobs. In other words, if those jobs are not productive jobs, we may very well have paid out a considerable level of salary to simply get people off of unemployment rolls. In other words, the money could have, in fact, been directed into areas that would produce long-lasting and productive jobs in this province, and I don't believe it was and I'm afraid it will not be.

Madam Speaker, we talk about private industry, private investment and free enterprise being compatible with this government and being compatible with the Budget of this government. If that is the case, then why is it projected at this time that the private business investment coming into this province for the coming year could, in fact, be reduced by 4.2 percent or more? Why is private investment suddenly backing off after having spent a considerable amount of hard-earned cash investing in this province as recently as a year ago?

It could be that they're beginning to find out what is really going on. It could be that they're beginning

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to be concerned about the budgetary responsibility. It could be that they're concerned about the way in which our taxation system seems to be headed.

We talk in the Budget Speech, Madam Speaker, about the protection of the ordinary Manitoban, about how the ordinary Manitoban has been not well-treated in the federal Budget. Of course, I think that's taking considerable liberties with the interpretation of some of the economic programs that were put in place in the federal Budget.

But who do we think pays the interest at the banks, Madam Speaker? Who pays the costs to insurance companies and other large corporations when their goods and services are purchased? Is it not, by and large, the ordinary Manitoban, if there is such a thing? In other words, while there is no direct taxation on the ordinary Manitoban — and I almost choke on that word — there is no direct taxation pointed out in here; there is an indirect taxation on the average Manitoban that he is going to feel as a result of this Budget.

It would seem to me, Madam Speaker, that if we are going to raise funds in that manner, we should at least have the ability to say where the money will eventually come from. In fact, a sales tax is probably a more honest way of raising funds; at least, the people then know that they are paying the costs of the Government of the Day.

Madam Speaker, obviously, a topic that's close to my heart is the agricultural area. I am concerned that the Minister would be as pleased as he is at the increase

in the agricultural budget. It's a significant amount of money and, in light of what I said in my speech in reply to the Throne Speech, I would be remiss if I did not compliment him for having done better than I would have expected given the makeup of the present government. But when we look at the fact that the majority of the increase in spending in the agricultural area is probably non-budgetary sources, in other words loans to the agricultural community, then we have to take a look at what the real effects of this additional spending are going to be in the agricultural sector.

We hear a lot of talk from the members across about the fact that other levels of government are not addressing their responsibilities. When we look at a drop of 1 percent of the interest rate and if you look at the fact that many farms, and the majority probably of the farms in this province, borrow around \$100,000 in operating — let's use that figure as being slightly above average — but for every 1 percent drop, that's \$1,000 that goes directly into the hands of that operation, and that's a significant amount of money.

MADAM SPEAKER: Order please.

The hour being 10:00 p.m., I am interrupting proceedings according to the rules. When this motion is again before the House, the Honourable Member for Ste. Rose will have 21 minutes remaining.

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