



First Session - Thirty-Fifth Legislature
of the
Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS
(HANSARD)**

39 Elizabeth II

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Speaker*



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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Fifth Legislature

Members, Constituencies and Political Affiliation

NAME	CONSTITUENCY	PARTY
ALCOCK, Reg	Osborne	Liberal
ASHTON, Steve	Thompson	NDP
BARRETT, Becky	Wellington	NDP
CARR, James	Crescentwood	Liberal
CARSTAIRS, Sharon	River Heights	Liberal
CERILLI, Marianne	Radisson	NDP
CHEEMA, Gulzar	The Maples	Liberal
CHOMIAK, Dave	Kildonan	NDP
CONNERY, Edward, Hon.	Portage la Prairie	PC
CUMMINGS, Glen, Hon.	Ste. Rose	PC
DACQUAY, Louise	Seine River	PC
DERKACH, Leonard, Hon.	Roblin-Russell	PC
DEWAR, Gregory	Selkirk	NDP
DOER, Gary	Concordia	NDP
DOWNEY, James, Hon.	Arthur-Virden	PC
DRIEDGER, Albert, Hon.	Steinbach	PC
DUCHARME, Gerry, Hon.	Riel	PC
EDWARDS, Paul	St. James	Liberal
ENNS, Harry, Hon.	Lakeside	PC
ERNST, Jim, Hon.	Charleswood	PC
EVANS, Clif	Interlake	NDP
EVANS, Leonard S.	Brandon East	NDP
FILMON, Gary, Hon.	Tuxedo	PC
FINDLAY, Glen, Hon.	Springfield	PC
FRIESEN, Jean	Wolseley	NDP
GAUDRY, Neil	St. Boniface	Liberal
GILLESHAMMER, Harold, Hon.	Minnedosa	PC
HARPER, Elijah	Rupertsland	NDP
HELWER, Edward R.	Gimli	PC
HICKES, George	Point Douglas	NDP
LAMOUREUX, Kevin	Inkster	Liberal
LATHLIN, Oscar	The Pas	NDP
LAURENDEAU, Marcel	St. Norbert	PC
MALOWAY, Jim	Elmwood	NDP
MANNES, Clayton, Hon.	Morris	PC
MARTINDALE, Doug	Burrows	NDP
McALPINE, Gerry	Sturgeon Creek	PC
McCRAE, James, Hon.	Brandon West	PC
McINTOSH, Linda	Assiniboia	PC
MITCHELSON, Bonnie, Hon.	River East	PC
NEUFELD, Harold, Hon.	Rossmere	PC
ORCHARD, Donald, Hon.	Pembina	PC
PENNER, Jack, Hon.	Emerson	PC
PLOHMAN, John	Dauphin	NDP
PRAZNIK, Darren, Hon.	Lac du Bonnet	PC
REID, Daryl	Transcona	NDP
REIMER, Jack	Niakwa	PC
RENDER, Shirley	St. Vital	PC
ROCAN, Denis, Hon.	Gladstone	PC
ROSE, Bob	Turtle Mountain	PC
SANTOS, Conrad	Broadway	NDP
STEFANSON, Eric	Kirkfield Park	PC
STORIE, Jerry	Flin Flon	NDP
SVEINSON, Ben	La Verendrye	PC
VODREY, Rosemary	Fort Garry	PC
WASYLYCIA-LEIS, Judy	St. Johns	NDP
WOWCHUK, Rosann	Swan River	NDP

LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, October 25, 1990

The House met at 1:30 p.m.

PRAYERS

ROUTINE PROCEEDINGS

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

Hon. Clayton Manness (Minister of Finance): Mr. Speaker, I beg to present the First Report of the Special Committee of Seven Persons.

Mr. Clerk (William Remnant): Hon. Mr. Manness, of the Special Committee of Seven Persons, appointed to prepare a list of Members of the Standing Committees ordered by the House, presented its First Report, which was read as follows:

Your Committee prepared the following list of Members to compose the Standing Committees ordered by the House:

AGRICULTURE (11)

Mrs. Carstairs, Hon. Messrs. Cummings and Downey, Mr. Evans (Interlake), Hon. Mr. Findlay, Mr. Helwer, Hon. Mr. Penner, Messrs. Plohman, Rose and Sveinson and Ms. Wowchuk

ECONOMIC DEVELOPMENT (11)

Mr. Alcock, Hon. Messrs. Connery, Enns and Ernst, Messrs. Lathlin and McAlpine, Hon. Mr. Penner, Mrs. Render, Messrs. Stefanson and Storie and Ms. Wasylycia-Leis

INDUSTRIAL RELATIONS (11)

Messrs. Ashton and Cheema, Hon. Messrs. Connery, Cummings and Ernst, Ms. Friesen, Messrs. Laurendeau, Reid and Reimer, Mrs. Render and Mr. Sveinson

LAW AMENDMENTS (11)

Ms. Cerilli, Mr. Chomiak, Hon. Mr. Ducharme, Messrs. Edwards and Lamoureux, Hon. Mr. McCrae, Hon. Mrs. Mitchelson, Hon. Mr. Praznik, Messrs. Reimer and Stefanson and Mrs. Vodrey

MUNICIPAL AFFAIRS (11)

Mr. Carr, Mrs. Carstairs, Mrs. Dacquay, Mr. Dewar, Hon. Messrs. Downey, Ducharme and

Findlay, Mr. Laurendeau, Hon. Mr. Penner, Mr. Reimer and Ms. Wowchuk

PRIVATE BILLS (11)

Ms. Barrett, Ms. Cerilli, Messrs. Gaudry and Laurendeau, Hon. Mr. Manness, Messrs. Martindale and McAlpine, Mrs. McIntosh and Messrs. Reimer, Rose and Sveinson

PRIVILEGES AND ELECTIONS (11)

Ms. Barrett, Hon. Mr. Connery, Mrs. Dacquay, Hon. Mr. Derkach, Ms. Friesen, Mr. Lamoureux, Hon. Messrs. Manness and McCrae, Mrs. McIntosh, Mrs. Render and Mr. Santos

PUBLIC ACCOUNTS (11)

Messrs. Alcock, Evans (Brandon East) and Maloway, Hon. Mr. Manness, Mr. McAlpine, Hon. Messrs. Neufeld and Orchard, Mrs. Render, Messrs. Santos and Sveinson and Mrs. Vodrey

PUBLIC UTILITIES

AND NATURAL RESOURCES (11)

Mr. Carr, Hon. Messrs. Cummings, Driedger and Enns, Messrs. Evans (Interlake), Gaudry, Hickey and Helwer, Hon. Mr. Orchard, Mrs. Render and Mr. Sveinson

RULES OF THE HOUSE (12)

Messrs. Alcock and Ashton, Hon. Mr. Downey, Messrs. Hickey, Lamoureux and Laurendeau, Hon. Messrs. Manness and McCrae, Mrs. McIntosh, Hon. Mr. Rocan and Messrs. Stefanson and Storie

STATUTORY

REGULATIONS AND ORDERS (11)

Mr. Cheema, Hon. Mr. Derkach, Mr. Dewar, Hon. Mr. Ducharme, Mr. McAlpine, Hon. Mr. McCrae, Mrs. McIntosh, Hon. Mr. Praznik, Messrs. Reid and Stefanson and Ms. Wasylycia-Leis.

Mr. Manness: Mr. Speaker, I move, seconded by the Minister of Justice (Mr. McCrae), that the report of the committee be received.

Motion agreed to.

TABLING OF REPORTS

Hon. James McCrae (Minister of Justice and Attorney General): Mr. Speaker, I am pleased

today to present the Nineteenth Annual Report for 1989-90 of the Manitoba Law Reform Commission.

I am pleased to table the proceedings of the 71st Annual Meeting of the Uniform Law Conference of Canada, which was held at Yellowknife in August 1989.

I am pleased to table the Annual Report for 1989 of what was then the Department of Attorney General; and I am pleased to table the Fourth Annual Report for 1989-90 of the Manitoba Law Foundation.

INTRODUCTION OF GUESTS

Mr. Speaker: Prior to Oral Questions, may I direct attention of Honourable Members to the gallery, where we have from the Montrose School, fifty Grades 4, 5 and 6 students. They are under the direction of Mrs. Judy Harapiak and Diane Zack. This school is located in the constituency of the Honourable Member for River Heights (Mrs. Carstairs).

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

* (1335)

ORAL QUESTION PERIOD

Economic Growth Community Involvement

Mr. Gary Doer (Leader of the Opposition): My question is to the Premier (Mr. Filmon). Unfortunately, yesterday we had confirmed our worst speculations in terms of the economy of this province and the revenue that is projected in this province. It is basically a recession budget that the Premier presented to us.

He has ominous and terrible signs for our economy in the revenue sheets, Mr. Speaker. The land transfer tax revenue is projected to be down 50 percent. Sales tax is a 1 percent increase, which is way below inflation. Corporate taxes are really going up at a negligible level.

Contrary to the Premier's Speech from the Throne and his utterances in the last election, Manitoba's economy is not strong, and that was proven by the revenues that were tabled in this Assembly yesterday by the Minister of Finance (Mr. Marness).

My question to the Premier is: Given that we have a recession and given that it is the people of Manitoba who will be facing that recession and

given that this is a crisis situation, will the Premier now call together the major people in the business and labour community along with Government to develop a consensus to deal with our challenges and our crisis in a fair and equitable way, rather than the way we saw with the budget that was presented by the Tories yesterday?

Hon. Gary Filmon (Premier): Mr. Speaker, you know the Leader of the Opposition always, always attempts to put the worst possible face on, manipulates the figures and so on.

The reality is that there is a recession right across the country. In Ontario they had projected a surplus when they brought their budget in last April. Last month they said they will now have a \$2.5 billion deficit. That is just after a few weeks of NDP, Mr. Speaker.

Some Honourable Members: Oh, oh!

Mr. Speaker: Order, please.

Mr. Filmon: In Newfoundland their budget in May called for a \$10 million surplus. Last month they announced that it would be a \$120 million deficit.

That is the kind of thing that is going on right across the country. The only person in Manitoba who did not know that these things were happening was the Leader of the Opposition, Mr. Speaker.

We said consistently for two years that the reason we were building up a Fiscal Stabilization Fund was because we were headed for softer economic times. We have had a plan for two years to deal with that. As a result of it, we are not going to be faced with the kind of Draconian moves that are being made in Newfoundland, where they are cutting \$65 million out of health care spending, because we have planned for it, because we have been aware of the sensitivity in the economy right across the country, and as a result the seven different forecasting agencies, who all of us, quote: right from the conference board through all the banks, the average of all of those forecasting agencies says that Manitoba will outperform the national average, that Manitoba's growth will be better than national average, that Manitoba's—*you saw it in the budget—own source revenues are up 3 percent.* That is not our problem. Our problem is that our transfers from Ottawa are down. That is the problem.

The only person who did not know that there were those difficulties was the Leader of the Opposition. Now he is broken up—

Mr. Speaker: Order, please. Order.

Mr. Doer: The Premier is the Premier of Manitoba not the Premier of Newfoundland. The last 48 hours, Mr. Speaker—

Mr. Filmon: That is why we make different decisions than Newfoundland. That is why we are in better shape.

Budget Education Funding

Mr. Gary Doer (Leader of the Opposition): Let us talk about those decisions and the priorities of the Tory Government. Can this Premier explain to the people of Manitoba why he gave an \$8 million tax concession to big corporations for training while he cut \$2 million out of continuing education, he cut money out of BUNTEP and ACCESS and all the other affirmative actions in this province? Why is he privatizing our education programs? Tell the people of Manitoba that.

Hon. Gary Filmon (Premier): I cannot believe the Leader of the Opposition trying to talk out of both sides of his mouth again. Yesterday, he said more money should be invested in training and retraining for the workforce. He repeated exactly what Susan Hart-Kulbaba had said 24 hours earlier.

I do not know which is the puppet and which is the dummy, Mr. Speaker, but that is exactly what happened. Those are the people—he spouted that out, and that is exactly what we have done. We have given the opportunity for people to turn payroll tax payments into education and training for the workplace. So it is a win, win. One, we removed the payroll tax or we reduced it for them; and two, we created training and education for people, which is exactly what he said that this budget should provide for, and it did.

Mr. Doer: Well, Mr. Speaker, this Premier is both the dummy and puppet to the big business community. It is not an either/or. This Premier has cut money from the community colleges in real terms to BUNTEP, to New Careers, to special ACCESS. I would ask the Premier to reinstate that money to those programs and take it back from the big corporate buddies that he is giving it to in this budget.

* (1340)

Mr. Filmon: Mr. Speaker, again the Leader of the Opposition cannot read a financial statement, cannot read a set of estimates. The reality is that we

were cut back on funding from Ottawa on all of those programs, the BUNTEP, the New Careers, the ACCESS, and all of that, and we increased our funding to each and every one of those programs. I invite him to debate—

Some Honourable Members: Oh, oh!

Mr. Speaker: Order, please. Order.

Mr. Filmon: Mr. Speaker, the Member for Thompson (Mr. Ashton) is not allowed to ask questions by his Leader because of his ineffectiveness. He does not need to be out there heckling. He can listen to the answer, because he does not understand. -(interjection)-

Mr. Speaker: Order, please. Order. The Honourable Member will have ample opportunity to ask his questions. The Honourable First Minister to finish his response.

Mr. Filmon: We have increased our share of the funding to each and every one of those areas, and I invite him to debate that issue when it comes up for Estimates. The Minister of Education (Mr. Derkach) will explain to him where it is in the Estimates, and what our share has been.

Home Care Program Funding

Mr. Gary Doer (Leader of the Opposition): A new question to the Premier. Health care is an obvious priority for all Manitobans, but we have been raising the issue of cutbacks in the home care programs since the day we came to this House, two and a half years ago. We note again that parts of home care have been cut back, and other parts of home care are only being increased by 1.9 percent, which is a decrease over inflation.

Now, Mr. Speaker, when you compare the effectiveness of home care over the \$700 to \$900 a day for cost in an acute care bed, or training care bed, and the fact that we have lineups in observation rooms, lineups in the hallways under this administration—I would ask the Premier for a change to answer the question—would he please explain to the people of Manitoba, why he is cutting back three successive years of the home care program which has proven to be cost effective, community based for the people of Manitoba?

Hon. Donald Orchard (Minister of Health): Mr. Speaker, yesterday when the budget was over, I urged my honourable friend, and I use the word "friend" openly, the Leader of the Opposition, to try a little honesty. Well, I wish he would do that. He

knows full well that every single year that we have been Government that the home care budget has gone up, and we have served people with more services than under the previous Government, because we believe in the home care program.

Mr. Speaker, this home care budget will again provide more services to Manitobans who need home care. I reject outright his false allegation of cutbacks.

* (1345)

Mr. Doer: This Minister plays games with numbers. Yes, the budget has gone up. No, the spending has always been underspent—\$4.8 million the first year; \$4 million last year, Mr. Speaker.

My question to the First Minister is: Will he get control of his health care Minister and start putting money into the preventative community based health care systems instead of allowing the Minister of Health to continue to cut back on our elderly in this province in their own homes in terms of home care?

Mr. Orchard: Mr. Speaker, again, I would urge a little bit of honesty from the mouth of the Leader of the Opposition. Try a little honesty. You know full well that every single year we have spent more money in the Home Care Program in the Province of Manitoba than was ever spent in the previous history of the province. Every year more dollars go to continuing care to provide services, not only for seniors, but for young Manitobans who are disabled and others who need home care services.

More services, more money—I beg the Honourable Member to try a little honesty, and I will be glad to get in and compare the record of this Government in terms of our promotion of education and health promotion and wellness programs compared to 10 years of do-nothing under the Leader of the Opposition's incompetent Government.

Health Care Drug Rehabilitation Programs

Mr. Gary Doer (Leader of the Opposition): My final question is to the Minister of Health. Last year in his budget he had \$100,000 for drug and alcohol programs for youth. He did not spend a cent of that, Mr. Speaker. He said he would, in this House. He did not spend it.

My question to the Premier is: Why is he allowing his Minister of Health not to spend money in

community based preventative drug and alcohol programs, and will he order his Minister of Health to put that money into the communities for drug and health education for our youth instead of allowing him to underspend it as he did last year again?

Hon. Donald Orchard (Minister of Health): Mr. Speaker, I want to deal with that question very seriously. Yes, we have \$100,000 sitting at the disposal of the AFM for use with community based prevention, education and other initiatives throughout the length and breadth of this province, that sponsor groups may well access that \$100,000.00. The rules are much the same as we used in the health promotion project, wherein we put a modest sum of money aside, and we funded those proposals from the community with matching money or services to be parallel with it.

Mr. Speaker, that enabled us to turn \$140,000, for instance, in health promotion into nearly a half million dollars of wellness promotion programs throughout the length and breadth of this province with the co-operation of various groups and organizations.

We intend to do the same with the youth drug initiative. That will complement the newly to be constructed adolescent female treatment centre that will be part of our regime of treatment for youth suffering from the addiction problems of drugs and alcohol.

Budget Retail Sales Tax Revenue

Mrs. Sharon Carstairs (Leader of the Second Opposition): Mr. Speaker, it is clear that despite the Premier's words, the only one who manipulates the facts is the Premier himself.

Point of Order

Mr. Speaker: Order, please. The Honourable Government House Leader, on a point of order.

Hon. Clayton Manness (Government House Leader): Mr. Speaker, on a point of order, I would ask the Member to withdraw that spurious allegation, that indeed any Member of the front bench at any time manipulates any figures. That is a strong allegation to make with respect to a Government official, and I would ask her to withdraw that.

Mrs. Carstairs: On the same point of order, Mr. Speaker, the Premier himself just used the word. I

am not going to apologize when the Leader of the Government uses a word which I am not allowed to use some 45 seconds later.

Mr. Speaker: Order, please; order, please. I remind Honourable Members, and I have told you once before, we are not at a tea party. I would ask Honourable Members to pick and choose your words very carefully. The Honourable Government House Leader did not have a point of order.

* * *

Mr. Speaker: The Honourable Member for River Heights, put your question now, please.

Mrs. Carstairs: Mr. Speaker, in the two and a half years of this Premier's administration, the only one who consistently uses condescending tones is the Premier of this province.

Mr. Speaker, my question is to the Finance Minister. In his speech yesterday, he indicated that retail sales will increase by 4.5 percent, and yet when one looks at his revenue projections, they do not reflect a 4.5 percent increase at all. In fact, even if one factors in the so-called saving that people are going to have because he does not impose an additional tax, one still does not come up with 4.5 percent.

* (1350)

Will the Finance Minister tell this House why he gives one figure on retail sales revenues projections and quite a different one when it comes in terms of the forecast for this province?

Hon. Clayton Manness (Minister of Finance): Mr. Speaker, I would expect that the Leader of the Liberal Party would know full well that sales tax revenue is but one component of the total Manitoba tax collection basis. I would imagine she would know that we have revenue collection in the sales tax area of roughly \$600-plus million dollars.

I, at this point, and indeed the department officials feel, given the knowledge that we have of second quarter estimates plus monthly estimates thereafter, that indeed we are moving nicely towards 4 percent growth for the year.

Let me also say, though, that we are giving away a significant portion of that with respect to the new announcement made with the \$30 million for a full-year value of applying the retail sales tax along with the proposed GST.

So, Mr. Speaker, the Member, I think if she put

any rudimentary analysis to the figures would be able to come up with those numbers herself.

Mrs. Carstairs: Mr. Speaker, it is very simple. If retail sales go up, so too does the tax revenue.

Budget Education Funding

Mrs. Sharon Carstairs (Leader of the Second Opposition): I have a new question to the Premier. In the throne speech the Premier said we need effective and well educated people if we are to produce reliable high quality goods. He repeated that message in his reply to the Speech from the Throne.

Given that information which he announced, can he now explain to the people of the Province of Manitoba why special skills training, operating expenditures—that is the group that delivers skills training—has been cut by 15.3 percent, and if one adds in an inflationary factor, 19.8 percent?

Hon. Leonard Derkach (Minister of Education and Training): Mr. Speaker, I could just advise the Leader of the Third Party that indeed those technical types of questions we can answer fully in the Estimates process, which is coming up very soon, and I look forward to it.

Mr. Speaker, in a general sense, the Leader of the Third Party should know that under the Job Training for Tomorrow Program, which is still in effect this year, there was a scale down of money that was going into the program according to the agreement that was set not by this Government, but indeed by the former administration. So when we get into the Estimates process, I would be happy to supply the very specific answers to their question.

Budget Agriculture Marketing Funding

Mrs. Sharon Carstairs (Leader of the Second Opposition): You cannot brag about programs you are going to initiate in the throne speech and then cut them in the budget 10 days later if you are going to be considered to be credible.

Mr. Speaker, can the Premier tell the House today how he can stand up in this House Monday night and talk about the need for marketing agricultural products when they cut the marketing department by some \$830,000, a 6.3 percent cut?

Hon. Glen Findlay (Minister of Agriculture): Mr. Speaker, what the department does in terms of

marketing product is not always reflected in the budget figures that she sees on a piece of paper. It is the combined effort of some 650 people in the department. It is not a matter of spending money in a particular allocation in the budget manual that determines what efforts we put as a department into marketing, either as a department or collectively working with the agriculture industry of this province. In the Estimates process we will give her further detail on the missions that have been involved in marketing agricultural products around the world from Manitoba.

* (1355)

Economic Growth Stimulation

Mr. Leonard Evans (Brandon East): I have a question for the Minister of Finance. The small increase in Government revenue predicted in this budget, Mr. Speaker, reflects the weak economic performance of the Province of Manitoba under this Conservative Government. It would even be weaker, the increase would even be lower if this Government did not have the rainy day fund which was made possible by revenues from the previous NDP Government's budget.

My question to the Minister is: In predicting revenue growth in '91-92, as he has in his document, of less than 3 percent, is this Government admitting to continued weak economic growth in 1991 or, Mr. Speaker, has this Government given up on stimulating the provincial economy to allow business expansion and job creation?

Hon. Clayton Manness (Minister of Finance): Mr. Speaker, I really thought the Member was going to rush to his feet to congratulate us for saving Manitoba taxpayers \$30 million with respect to the application of the retail sales tax or at least compliment this Government, indeed to some degree the NDP for the support provided with respect to the setting up of the Fiscal Stabilization Fund.

Mr. Speaker, I can say as the Premier has said, this was all in the long-term plan. We saw a softening of the economy coming and we felt it would be better to have that money in savings ready for the day that we have.

Now with respect to '91-92, at this point I am hoping, like I hope the Member for Brandon East

(Mr. Leonard Evans) is hoping, that we are in for a soft landing in the recessionary sense, that what we are talking about is not going to last beyond the second quarter of 1991 and that indeed the economy will grow well in the latter part of 1991, and that will reflect itself by way of increased revenues to the Government. Mr. Speaker, that is what we anticipate at this point in time.

Mr. Leonard Evans: Well, will this Minister, Mr. Speaker, concede that his Government has not been able to stimulate the Manitoba economy by its fiscal policies? Where in this budget can the Minister clearly indicate that their fiscal policies will effectively promote the necessary economic growth so we can have full-time jobs instead of part-time jobs; so we can have investment in manufacturing instead of disinvestments; so we can stop industrial erosion? Just how are you going to do this with your fiscal policies?

Mr. Manness: Mr. Speaker, I refute everything the Member has said. Our plan is working. It is working because indeed the growth in this province is 2 percent, a full 1 percent above the national average, and that is occurring because our taxation regime is falling down to the midpoint as far as all the levels across Canada. We have a lower cost of living. Indeed, people, investors, outside capitalists are looking into Manitoba as a future area where they may wish to expand.

That is our approach as compared to the NDP approach. If you want to look at the NDP approach, the best place to look is the front page of the Free Press today where it showed the graphs of deficits in red. That is the difference in philosophy as between ourselves and the NDP.

Mr. Leonard Evans: This Minister effectively turned a surplus into a deficit using the rainy day fund approach.

Payroll Tax Elimination

Mr. Leonard Evans (Brandon East): Well, Mr. Speaker, my final supplementary is: Will this Minister now admit that a Conservative Government cannot live up to its commitment made over the years to eliminate the payroll tax and that this tax is here to stay, or will this Tory Government continue to build up false expectations?

Hon. Clayton Manness (Minister of Finance): Mr. Speaker, we have brought down three budgets, and

in every one of those budgets we have worked toward the commitment of undoing and removing the payroll tax. I would not suggest for one moment that we would not rather have taken a larger step in this budget, but the realities of the day and particularly the reality of \$540 million of interest bills has prevented it, and we all know where the finger should be pointed with respect to the interest bill that this province is facing.

Hazardous Waste Management Corp. Funding

Ms. Marianne Cerlill (Radlsson): My question is for the Minister of Environment. With the Solvit explosion and the report from the Advisory Council on Handling of Dangerous Goods and other incidents, the Minister is aware like all Manitobans of the dangers posed by the unsafe storage, disposal and management of hazardous waste.

Considering that in 1988 his predecessor recognized the value of the Hazardous Waste Management Corporation, will the Minister consider reversing his decision to gut \$500,000 from the corporation and re-establish it as the leading agency for the disposal of hazardous waste?

Hon. Glen Cummings (Minister of Environment): The Manitoba Hazardous Waste Corporation is the leading agency and has the responsibility for working with the industry and with all of the players in Manitoba in designing a system within this province. If the only measure that the Member uses in terms of whether or not it is successful is how much money is spent, then it is a poor way of assessing the valuable work this corporation is doing.

Ms. Cerlill: The agency is gearing up; it should not be suffering a loss in funds. Yesterday we saw that they have cut \$500,000 from the Manitoba Hazardous Waste Management Corporation.

* (1400)

Ducks Unlimited Environmental Licensing

Ms. Marianne Cerlill (Radlsson): Today he is announcing the granting of a licence to Ducks Unlimited. Mr. Speaker, many people believe that this granting of a licence was a foregone conclusion. Can the Minister explain why he did not consider a mediation process that he said he would in a letter that I will table, and why is he issuing this licence?

Hon. Glen Cummings (Minister of Environment): There were literally weeks of work that went into the Clean Environment Commission process. It brought the parties together in a public process to present what alternatives they might have, to present what concerns they have, to present what other suggestions there might be. The Clean Environment Commission process was very open. It provided the opportunity for all of the players to make their concerns known. It even went the additional step of taking into consideration a report that arrived late that was commissioned by federal authorities and incorporated that into their work as well, as did my department.

I think that is a very clear path toward decision making in this province to allow all the parties to be clearly heard and make sure that the environmental concerns are dealt with.

Ms. Cerlill: I am tabling another letter which shows that his decision was a foregone conclusion and another letter from his own advisory council which advises against the project. Will the Minister please tell this House that he will reverse the decision to issue this licence to Ducks Unlimited?

Mr. Cummings: Mr. Speaker, these types of questions being brought to the floor of the House about this project show the amount of disdain that the people on that side have for the process of the Clean Environment Commission, set up under an Act that was created by that political philosophy when they were Government of this province. We adhered strictly to the letter of responsibility that we had regarding the right of the public -(interjection)- Again, Mr. Speaker, the Member for Thompson (Mr. Ashton) wants to put his wisdom across the floor, but not on the record. -(interjection)- Wisdom was a poor choice of words; I am sorry.

Mr. Speaker, I invite the Members, if they have specifics, if they have concerns, if there is something wrong with a licence that the department will issue that they use the appeal process and state what those concerns are. Let us hear what their concerns are.

Goods and Services Tax Retail Sales Tax Application

Mr. Reg Alcock (Osborne): Mr. Speaker, I would like to ask the Minister of Finance a little bit more about the retail trade in this province, given that he has managed to turn a 4.5 percent projected

increase into a 2 percent decrease in real terms. He indicates in the budget, though -(interjection)- Well, actually, I am just trying, if I may, as the Minister of Health (Mr. Orchard) has suggested, to inject a little honesty into this discussion.

On page 7 of his own budget, speaking on the GST, he says, should it come into force, our Government will apply the provincial retail sales tax alongside the GST. I would like to ask the Minister of Finance if he is planning to apply it to the same base as the GST?

Hon. Clayton Manness (Minister of Finance): Mr. Speaker, retail sales tax is as it applies to the Manitoba base. Those are the goods under the present law of Manitoba, which is the Manitoba base.

Mr. Alcock: I am very pleased to hear that the Minister is not intending to do as Quebec and some of the Maritime provinces have done and that is change the base and apply to goods and services as well as simply sales. I appreciate his response.

An Honourable Member: Do you think we can hide something as important as that?

Mr. Alcock: Mr. Speaker, the Premier has asked do I think he would hide something as important as that, and I would like to answer his question—

Mr. Speaker: Order, please. I have recognized the Honourable Member for Osborne for a supplementary question. Kindly put your question now, please.

Mr. Alcock: Thank you, Mr. Speaker. Can the Finance Minister tell us whether or not he will be removing the cascading relative to Manitoba Telephone System bills?

Mr. Manness: Mr. Speaker, I am buffaloeed by the question. It just sort of—I can hardly believe it. Most of that \$30 million, the biggest single component contributor to that \$30 million forgiveness, is on the telephone bill. If he wanted me to quantify it, I think it is somewhere around \$12 million or \$13 million where we are taxing tax on tax. The rest of it, of course, is on, to use an example, an \$800 refrigerator where the present federal sales tax is buried, we are roughly taking \$40 tax on tax on that item. Now the price on that item is probably going to drop \$40 because of the \$30 million granting of sales tax revenue because we decided to tax alongside.

So, Mr. Speaker, that is the component, and some

idea and example of the components that go into the \$30 million offset.

Mr. Alcock: Then can the Minister state to me today, state to the House today, that he will not be applying the GST or harmonizing the retail sales tax with the GST, that we will not move to one tax in this province next year?

Mr. Manness: I have a copy of the budget. I think I should send it over. We will table it and ask the Page to take my copy over to the Member.

Mr. Speaker, the Government is not planning in any way to harmonize with the GST and, indeed, if it were planning that, that would be the major import of a policy decision that will be fully stated to the people of this province.

Budget Impact Northern Manitoba

Mr. Jerry Storie (Filn Flon): Mr. Speaker, my question is to the Minister of Northern Affairs, sometimes referred to in my part of the world as the "north wind." There are few people in the province who are going to be more devastated by this budget and this Government's action than the people in northern Manitoba. Yesterday and today, the Northern Association of Community Councils is holding their annual meeting to discuss issues important in northern Manitoba.

I am wondering if the Minister of Northern Affairs (Mr. Downey) has had an opportunity or will take this opportunity to explain to this House and the people of northern Manitoba why he allowed a reduction of some \$900,000 in the budget of Keewatin Community College which provides services to northern Manitoba? Why has he allowed his own department to cut local Government development by some \$400,000.00? Why he has allowed the Northern Patient Transportation Program—

Mr. Speaker: Order, please. The question has been put.

Hon. James Downey (Minister of Northern and Native Affairs): Mr. Speaker, I just came with a number of my colleagues from the Northern Association of Community Councils panel discussion, which I say was most interesting and I would say most productive and positive. There were not any of those questions that came from them. In fact, in most cases, particularly when it came to service delivery and work that was done by this

Government, there was a very positive acknowledgment of it. We thank them for that.

Mr. Speaker, dealing specifically with the education questions, I am sure that the Minister of Health can answer those. The Member refers specifically to some money spent as it relates to community infrastructure. One thing we will not be doing is spending like he did a half a million dollars on a trailer park that there is not a trailer in now at Sherridon. We will not be spending money like he did at Pikwitonei, a half a million dollars for a sewage lagoon that has never had a pipe hooked up to it except him.

I can assure you that the northern communities will be far greater looked after by this Government than it ever was by an NDP administration.

* (1410)

Budget Impact Northern Manitoba

Mr. Jerry Storle (Flin Flon): The Member's erroneous information that he puts on the record will not do anything to alleviate the fear that Northerners feel as a result of this budget.

My Speaker, my question is to the Minister of Energy and Mines. In the budget we see the continuation of a surtax on mining. Mining in this province has brought revenues to the Government of more than \$300 million in the last couple of years.

Some Honourable Members: Oh, oh!

Mr. Speaker: Order, please. Order. The Honourable Member for Flin Flon.

Mr. Storle: Mr. Speaker, I understand why the First Minister (Mr. Filmon) is so sensitive. The fact of the matter is this First Minister has taken its \$50 million surplus and turned it into a \$400 million deficit while cutting programs all across northern Manitoba.

My question was to the Minister of Energy and Mines, Mr. Speaker. My question is: Given the revenue that has come from the North, when can the people of Snow Lake expect some commitment from the Province of Manitoba in terms of their airport, the people of Leaf Rapids in terms of developing their airstrip, the people of Lynn Lake some fairness in terms of the layoffs that—

Mr. Speaker: Order, please. The question has been put. The Honourable Minister of Energy and Mines.

Hon. Harold Neufeld (Minister of Energy and Mines): Mr. Speaker, in terms of the airstrip at Snow

Lake and the airstrip at Leaf Rapids, I will leave that question to be answered by my colleague, the Minister of Highways and Transportation (Mr. Driedger). That does not fall under our purview.

As far as the people of Lynn Lake are concerned, Mr. Speaker, I think they were more than fairly dealt with. We spent in excess probably of \$2 million in relocating. We got them, the workers, approximately \$1.6 million in monies they would never have received had it not been for action taken by this Government.

Lynn Lake, Manitoba Recreation Centre

Mr. Jerry Storle (Flin Flon): My question is to the Minister of Energy and Mines again. Mr. Speaker, the Minister of Energy and Mines may have been or should have been involved in a meeting with the Community of Lynn Lake and the mayor, asking for immediate support to maintain a recreation facility in the Community of Lynn Lake.

Will the Minister now acknowledge that the revenue that is being generated in northern Manitoba through this mining surtax and mining taxes in general, should be used to support the development and alleviate the problems being experienced in northern Manitoba today?

Hon. Harold Neufeld (Minister of Energy and Mines): Mr. Speaker, I will never acknowledge that monies raised in a specific area should only be spent in that area. If that were the case, all monies raised in Winnipeg should be spent in Winnipeg.

Some Honourable Members: Oh, oh!

Mr. Speaker: Order, please. Order.

An Honourable Member: Just because they do not know how to . . .

Point of Order

Mr. Speaker: Order, please. The Honourable Minister of Energy and Mines.

Mr. Storle: Mr. Speaker, on a point of order—

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

Mr. Storle: The Minister of Northern Affairs, Mr. Speaker, is making threats to the people in northern Manitoba. I ask him to withdraw those remarks.

Some Honourable Members: Oh, oh!

Mr. Speaker: Order, please. The Honourable

Minister of Northern and Native Affairs, on the same point of order.

Hon. James Downey (Minister of Northern and Native Affairs): On a point of order, I have never made a threat to the people of Manitoba. I will make the comment very clear that it is unfortunate they do not know how to vote, Mr. Speaker—

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

Mr. Steve Ashton (Thompson): Mr. Speaker, on a point of order.

Mr. Speaker: On a new point of order? -(interjection)- Order, please. On that point of order?

Mr. Ashton: On a point of order, Mr. Speaker.

Mr. Speaker: On a point of order—

Mr. Ashton: I would ask, Mr. Speaker—

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

Mr. Ashton:—that the Minister withdraw that threat against Northerners, because they did not vote for this incompetent Government . . . they are going to get cutbacks from this Government . . .

Mr. Speaker: Order, please. The Honourable Member for Flin Flon did not have a point of order. -(interjection)- Order, please. The Honourable Member for Thompson, on his point of order, did not have a point of order.

Budget Education Funding

Mr. Dave Chomlak (Kildonan): My question is to the Minister of Education. The Government has indicated in its Main Estimates an expenditure of \$541 million support to schools. Being generous, this approximates an increase of approximately \$37 million from last year to our children's schools.

Our calculations indicate that of this approximately \$5 million is aid to private schools and \$23 million is transfers of the ESL from rural lands to consolidated funds. This leaves less than \$10 million of new money to our children, or less than a 2 percent increase to public schools. Will this Minister indicate whether this is in fact the case?

Hon. Leonard Derkach (Minister of Education and Training): Mr. Speaker, I wish that the official Opposition would finally get some research that in fact puts some accuracy into the questions that they ask, because it was very evident that we have supported public education in this province by well over the rate of inflation for three budgets in a row.

That was our commitment. We have lived up to that commitment.

As a matter of fact, we have built more schools in the last two years than the former administration did in their tenure in those years that they were in Government. As a matter of fact, they had frozen the building of industrial arts facilities, which now we are building. So in a total sense, we are contributing far more to public education than was contributed by—

Mr. Speaker: Order, please.

Mr. Chomlak: Mr. Speaker, insofar as the Minister has not refuted my facts, and insofar as there is a 2 percent increase as a result of the GST on public schools, what assistance will this Government offer to school boards that are going to be in serious trouble because the special levy has never been higher and taxpayers are going to pay the price of this incompetent Government's -(interjection)-

Mr. Speaker: Order, please.

Mr. Derkach: I refute every comment that has been made by the Member for Kildonan, because we have indicated very clearly that our support to the public education system is going to be at least at the level of inflation, in a monetary sense, and it has been over that in the last three budget years, Mr. Speaker, and it will continue to be supported in a very respectable way.

I can indicate to the Member opposite that we are committed to a sound and solid education program in this province, and that has been made evident by the contributions we have made to the public education system of this province.

Mr. Speaker: Time for oral questions has expired.

NON-POLITICAL STATEMENTS

Mr. George Hickey (Point Douglas): May I have leave to make a non-political statement?

Mr. Speaker: Does the Honourable Member for Point Douglas have leave to make a non-political statement? Leave.

Mr. Hickey: Jason Tuesday, who is a son of Percy and Jane Tuesday, who is an aboriginal, graduated from Sisler High School in June 1990, at the age of 15 years old. Last night he was presented with the Children's Foundation Award for Ma Mawi Wi Chi Centre Incorporation. This award was established in honour of Elijah Harper and was presented in order that he may further his education. He is presently attending the University of Manitoba,

Faculty of Science, and is now 16 years old. I think he is a great model to all of our aboriginal youths in Manitoba.

Mr. Speaker: Does the Honourable Member for Flin Flon (Mr. Storie) have leave to make a non-political statement? Leave.

Mr. Jerry Storie (Flin Flon): Mr. Speaker, the—and I am sure the Minister of Northern Affairs (Mr. Downey) will join me in this—Northern Association of Community Councils is celebrating a very important anniversary in the last two days. An anniversary of an organization that was formed to bring northern communities together to help them solve problems for them and their communities.

Mr. Speaker, like the Manitoba Association of Urban Municipalities and the Union of Manitoba Municipalities, this organization gets together on an annual basis to resolve their problems, to discuss informally the problems that they face and the solutions that are proposed. I know that although the province does not formally recognize the Northern Association of Community Councils as it has the Union of Manitoba Municipalities, for example, they are nonetheless an important organization to the Province of Manitoba. I would like to, on behalf of the New Democratic Party, I guess, pay my respects to the many men and women from northern communities who volunteer their time to be part of their Northern Community Councils.

* (1420)

Mr. Speaker, like many municipalities across the province, these people are paid very small honorariums for the hours and hours and hours of sacrifice they make on behalf of their communities. The men and women that I am talking about not only make sacrifices in terms of the meetings they attend for their communities, but by the very nature of the geographic location of their communities make literally days of time sacrificed to travel to meetings, to attend meetings to represent their communities.

The Northern Association of Community Councils and its representatives have always made welcome representatives from this Legislature at their meetings. They invite us to attend to listen to their concerns, whether or not, Mr. Speaker, we represent those particular areas. It is an organization that is celebrating its anniversary, an important one. I hope that all Members of the Legislature will not only join me in recognizing the important work that this organization does,

recognize the contributions of those people, but will take the opportunity to see for themselves the concerns of northern people through this very important organization.

Thank you, Mr. Speaker.

Mr. Speaker: Does the Honourable Minister of Northern and Native Affairs (Mr. Downey) have leave to make a non-political statement? Leave.

Hon. James Downey (Minister of Northern and Native Affairs): Mr. Speaker, I appreciate the opportunity to have this time to again, as the Member for Flin Flon (Mr. Storie) has done, reflect upon the many people who have contributed their time to put forward, to lead their communities to greater autonomy and greater services for those communities.

Let me say most sincerely, that I have enjoyed extremely the opportunities over the last two and a half years to work as their Minister and to, what I would say, accomplish many things that have helped them, and we will continue to work in that regard.

Let me further say that particular individual and the retirement of Ed Campbell, who I have worked with over the last two and a half years today, and their election of a new president, I think, is extremely important. I want to say this as well because I am pleased that there are two women running for the presidency, as well as two men. I think that augurs well for the leadership that the women have shown in northern Manitoba, and I compliment them for their attempt to become involved at the helm of a very important organization.

Mr. Speaker, I can assure you that they will get the continued support and effort from this Minister and this Government that they have had over the past two and a half years. I look forward to their support and co-operation.

ORDERS OF THE DAY

BUDGET DEBATE

Mr. Speaker: On the adjourned debate, on the proposed motion of the Honourable Minister of Finance (Mr. Manness), that this House approve in general the budgetary policy of the Government, the Honourable Leader of the Opposition.

Mr. Gary Doer (Leader of the Opposition): Mr. Speaker, the echoes are starting in the Chamber already, and perhaps we can refresh ourselves in a

few echoes that we have heard in this Chamber in the past. Maybe it would be a nice place to start. I can hear an echo in this Chamber about a year ago, where a person stood up in this House and actually said that Michael Wilson was the most honest and best Finance Minister ever, ever we had in this country.

(Mrs. Louise Dacquay, Deputy Speaker, in the Chair)

Now who do you think said that, Madam Deputy Speaker?

Some Honourable Members: Len Evans.

Mr. Doer: No, it was not Len Evans. Who do you think said that?

An Honourable Member: Kevin.

Mr. Doer: No, it was not Kevin Lamoureux.

An Honourable Member: Roland Penner—

Mr. Doer: It was not Roland Penner. It was Clayton Manness who said that in this Chamber. That is an echo I hear in this Chamber. You know, was it not an interesting echo that we heard when we saw the smoke and mirror kind of presentation yesterday about his good friend, Michael Wilson, that most honest and best Finance Minister, as he scrambled for credibility on his budget and blamed everything on Michael Wilson, his old -(interjection)-well, let me get to the second group he blamed.

Then we had another echo around this Chamber. In fact, I was in Ottawa. It was not even a year ago when a person stood up and said, oh, Prime Minister Mulroney, you sir, are doing such a lovely job of co-operating with us on our health and post-secondary education, please keep it up. Now, who do you think that was?

Some Honourable Members: Chomiak.

Mr. Doer: No, it was not Dave Chomiak. Another guess.

Some Honourable Member: Conrad Santos.

Mr. Doer: Conrad Santos, it was not. No, it was Gary Filmon who said that. The Premier. That was after he cut us \$100 million. I hope we have a First Ministers' meeting on the economy, but I can imagine how nice he is going to be to the Prime Minister when they cut \$500 million out of our budget, considering how nice he was after he cut \$100 million. Did you hear that echo coming around this Chamber?

Some Honourable Member: Give us all your echoes, Gary.

Mr. Doer: I will give you a couple of echoes, Linda. I am glad because you probably wrote that speech last year. You probably wrote those famous words that are echoing in this Chamber. I know you wrote a lot of speeches, and you probably wrote that one.

Then, I heard an echo on Monday night. Remember that echo on Monday night when he said, oh, I hope the NDP and all these people tell each other about what happened a couple of years ago. Fair enough, I went back and we looked over the deficits, and everybody at our caucus said, you left them a surplus. I said, that is right. What happened yesterday? A \$400 million swing.

Well, it is 383, but hold it, Madam Deputy Speaker, -(interjection)- Well, I will get to that because that is an important — -(interjection)- Just relax, we have got lots of echoes in this Chamber now. Just relax, just relax. I do not know whether you are the one that privatized their education or the Premier did, but we will get to that in a minute. Remember those echoes because the swing is over \$400 million, Madam Deputy Speaker, because the Minister of Finance if he takes \$383 million and he adds \$50 million in terms of a surplus, he will find that the swing is over \$400 million. It is not that difficult. Add it up. The swing is over \$400 million. That was another echo in this Chamber.

Remember the speech from the Premier the other night? No wonder—I cannot say it. Well, I will back up, but he likes to talk about when he took over. When he walked into his office on May 6 and 7 and put up his pictures of Brian Mulroney on the wall, and Joe Clark and you know, looked around at his potted plants in that office, and it is quite an honour, and I am sure it was for the Premier, he was getting a cheque for \$4 million a month in surplus in running the Government. That is what he was getting. When he goes back to his office today, sometime later today, and looks at the books that the Minister of Finance has produced, he is running over \$30 million deficit per month. Those are the facts. All the political rhetoric aside.

He had \$4 million coming in, (more than he spent, and -(interjection)- yes, we could talk about Sterling Lyon's deficit. We could talk about our deficit. We did have a deficit. Madam Deputy Speaker, the Toronto-Dominion Bank, I think, produced an excellent document yesterday—he should read

it—that showed where Manitoba's deficit was relative to other provinces. We are not the lowest in the country. It also took direct expenditures. It did not play this game of adding up hydro dams, it took the direct expenditure deficit, and you will find that Manitoba is about the middle.

Saskatchewan, under Tories, have got a higher deficit, the Ontario Government has got a lower deficit, Quebec is higher, Newfoundland is higher. We are about in the middle, and it is something that all of us should be concerned about. Madam Deputy Speaker, we are not the ones that lectured the Premier the other night in a very, very, I would suggest, dishonest way in terms of what happened about 48 hours later. So one should be very, very careful of the echoes that are in this Chamber.

Then I hear another echo in the Chamber. I hear the echoes of the Minister of Health (Mr. Orchard) in this Chamber about how arbitration is irresponsible, and it would drive up the costs in Government because you virtually hand that over to a third party who is not responsible for protecting patients, is not responsible to the Minister of Finance.

We found the Minister of Health (Mr. Orchard) and the Minister of Finance (Mr. Manness) and the Premier (Mr. Filmon) talking considerably about how irresponsible this would be for the quote, wage package of Manitoba in the future. Well, we disagree with some of the ways in which the Minister of Health was negotiating, lots of ways in which he was antagonizing into the situation and bringing it to a head.

The Minister of Health, as I said, should be the Minister responsible for Federal-Provincial Relations, because he loves a fight. We should have him fighting Brian Mulroney instead of fighting nurses and doctors in our own province, but we cannot help that. We are not assigning those responsibilities. Maybe he would be a little more feisty with the Prime Minister than we had the performance of our First Minister last year in Ottawa.

* (1430)

I suggest to the Minister of Finance to read back his own words on some of those comments he made in negotiations in the past, because if he wants to deal with our economic challenges in a fair way, he is going to have a lot of trouble justifying to somebody working in certain low-paid occupations, say in the community mental health field, that they

should get X percentage, and doctors making quite a bit more money, living in Tuxedo and doing quite well -(interjection)- not Maples, maybe the odd doctor in Maples—do not move, do not move -(interjection)- or run in Tuxedo for that matter and getting quite a bit more.

So, Madam Deputy Speaker, those words are clanging around the walls here today. You know, all of those words are quite interesting when we heard the echoes from the Minister of Health when we started on our presentation.

So, as I say, some of us on this side were very sad yesterday. We could not smile about the Minister of Finance's comments, because it was a pretty tough day yesterday. We are all concerned about the economy, but we could not help but forget the words from the Finance Minister when he said that Michael Wilson was the most honest and most capable and most competent Minister of Finance in this country. When we heard the sort of tirade, we had to close our eyes. I thought I could see Eugene Kostyra talking about Michael Wilson when I was hearing the Minister of Finance (Mr. Manness).

The difference is, Madam Deputy Speaker, we have a different philosophy than the Tories do with the Tories in Ottawa, and to have the Party and the same group that campaigned together in the '88 election being so defensive about their financial situation after they supported the federal Tories was rather curious for us on this side of the bench.

There are a couple of positive things in this budget. Let me say that because we like to be balanced in our comments. -(interjection)- Well, Madam Deputy Speaker, I just was repeating the words of the Minister of Health (Mr. Orchard) about why he could not approve arbitration in the health care field and curious to see what happened for his doctors. We will see whether he handles the orderlies the same way as he handled the doctors. That will be an interesting test for the Member for Pembina.

The GST, the tax on tax, I think the province, I applaud the Minister of Finance (Mr. Manness) for fulfilling the promise of the Premier (Mr. Filmon). I think everybody in this country admits it is a terrible tax, it is going to cost us jobs, it is going to cost us opportunities. I mean the fact that this tax is going to be on Bibles and curling shoes and textbooks and everything under the sun, -(interjection)- golfballs too, Harold, you will have to keep going where you

usually go to golf, but I know it will not be in February at Rossmere. We would like to—

An Honourable Member: He would rather be in Florida.

Mr. Doer: That is right. You have always been up front about your desire to be in Florida, being with the flamingos rather than the group here, and I understand that quite well, especially after a Cabinet meeting across the way.

An Honourable Member: Last year it was the West Indies for you, the year before it was Mexico, all of those places—

Mr. Doer: No, you are wrong. Last year I went to Florida for a week. I have to admit that.

An Honourable Member: The West Indies the year before.

Mr. Doer: No, I know you were in Uruguay two years ago and I know you were in southern California last year, but I cannot afford those exotic trips. I spent the rest of my three or four weeks that I take off in Canada, in Manitoba, and other places in this province, and the country.

An Honourable Member: And Ontario.

Mr. Doer: And Ontario, yes, quite a bit. It has a good Government now, I can tell you.

I want to applaud the Government for the introduction of the legislation on the GST. They are a couple of days behind the Member for Brandon East (Mr. Leonard Evans) in the drafting of that Bill, but we will support the GST legislation introduced in the budget.

I think it is important too for the visibility factor. It is the revenue factor on one side and the visibility factor on another. It is going to be very important for us to go to Jake Epp's riding and Brian White's riding and David Bjornson's riding and all those other ridings in about two years with I would hope the provincial Conservatives and talk about the visibility of this tax. It will be very interesting to see us go to Dorothy Dobbie's riding, some other ridings, talking about the visibility of this tax. We are very pleased and delighted the Government has seen fit to follow through with what the NDP has suggested.

Felix Holtmann will be very happy in Interlake, Madam Deputy Speaker, Charlie Mayer and poor old Lee Clark in Brandon—nobody, in fact the Tories would not even sit beside him at the last meeting on the GST in Brandon. It was awful. Jim McCrae sat down, he noticed he was sitting beside Lee Clark,

he got up and he went four seats over. Now, I cannot blame him, but we will be pleased to go out to southwest Manitoba and show the people the GST, the tax that their colleagues have introduced, and we are pleased with that visibility.

We would note that there is a personal tax rate freeze. It is something that we think is appropriate in the 1990s. We think the priority for Governments in the '90s should be tax fairness, to go after the corporations that are paying very little tax. In fact in your budget today they actually pay less tax than they did the year before if you look at the tax break plus the tax revenue. We notice people are going to pay about \$90 million more under this budget and of course they continue to be the major losers in our Canadian tax system.

An Honourable Member: Oh, come on!

Mr. Doer: I know Clayton Manness does not agree with that but the bottom line -(interjection)- Madam Deputy Speaker, the facts are, in your own budget, your own revenue side, \$90 million from people, \$6 million from corporations, which is given back in \$8 million in a training grant. So every way you look at it the corporations get a break under Tories and the people pay more money, but we are pleased, and this is part of my positive comments.

We are pleased that the tax rate is frozen and we think that is appropriate, but we would like to see us all go further into tax, fairness because that is really where the challenge is.

The real scandal in terms of this budget, Madam Deputy Speaker, going on to the more negative or critical comments that I might make, is on the revenue side. The revenue side clearly indicates that the rhetoric in the Speech from the Throne that the economy is strong, the rhetoric in those 12 Madison Avenue ads that the Tories had about the economy being strong, the speeches that the Premier made to the Chamber of Commerce and all these other venues that he had, were basically and fundamentally fraudulent. The economy is not strong, and Manitoba is not doing well. Manitoba, under the basis of two separate predictions from banks, not NDP publication places, not the normal sources of our research.

Well, Madam Deputy Speaker, the Royal Bank has Manitoba as seventh out of 10, and the Royal Bank has Manitoba doing worse than any other Prairie Province. Well, maybe the Royal Bank could be wrong. It is only one bank. Twenty-four hours

later the Toronto Dominion Bank comes out. Does Manitoba fare any better? No. Does this Premier and his Minister of Finance and his front benches, his economic Treasury Bench do any better? Absolutely not, and again we see a situation, unfortunately, where Manitoba is doing worse than any other western province, and in fact in the two predictions—you know the Premier quoted Newfoundland today—in two of those predictions we are doing worse than Atlantic Canada.

So I think somebody over there should start smelling the coffee, starting with the First Minister, and admit we have a challenge, admit we have a crisis and stop pretending that it is going to blow over and that he can just sit back and wait for his luck to change. It is not his luck we are concerned about, it is the people's fate that are most vulnerable that we are concerned about. That is why we are calling on this Government to take some real action and to take some real initiatives to deal with our deficit. We do not want the Government to sit back and rest on their lucky laurels and thank Eugene Kostyra every night when they look at where they started.

Madam Deputy Speaker, whether this Government likes to admit it or not, we have to manage our way out of the economic crisis. We have a different way of doing it, but we are not just going to be able to leave it to luck and chance as this budget does. That is the difference between obviously our philosophy and the Government's philosophy.

* (1440)

Well, Madam Deputy Speaker, we had the lowest unemployment rate, the second lowest unemployment rate through those times. One must remember that the bank rate then was 22 percent. One must remember that the inflation rate that we were talking about before was about 10 or 12 percent rather than 4.5. So really when you look at it, if you were to compare apples to apples, the economic situation right now is much worse than even in the early '80s under the Tory administration. The problem is they will not admit that they have a problem, and they will not admit that we have a crisis that has to be dealt with in our province.

Madam Deputy Speaker, the revenue side of the Government is devastating; it is devastating for this Government. The Premier and the Minister of Finance talked about economic activity. If you look at the revenue from the land transfer tax going from

\$12 million a year to \$8 million this year, that is a 50 percent decline in those kinds of economies and transfers in our province. No Minister of Finance can stand up in this House and tell us that is an indicator of solid economic performance in this construction industry, the house-building industry and that economic environment. That is a 50 percent decline.

Now I defy the Minister of Finance (Mr. Manness) to show me a comparable number of decline anytime under the "former administration" or any other administration, Madam Deputy Speaker. It is a devastating condemnation of the trickle-down theory of the Conservative Governments and their slavish belief that you just throw money at the corporations, and they will trickle it down into our economy. It does not work and they keep trying it and trying it and trying it.

Our second condemnation, Madam Deputy Speaker, is in the payroll tax revenues. We basically have no increase in the payroll tax revenues. Yes, the Government declined those revenues by \$8 million as I recall, but it is \$180 million I think if my memory serves me correct, over \$180 million. If you factor in the average industrial wage in Manitoba, and then you subtract the amount of money the Government is calculating to lose through their corporate tax breaks again, you have a decline in the employee sector, contrary to the Premier's words about how great the employment sector is.

Madam Deputy Speaker, we have a zero or negative growth in employment predicted in the Minister of Finance's (Mr. Manness) own budget when you factor in those two contingencies in the budget calculation. That is very consistent again with what we have been saying. We have been saying this Government has not created full-time jobs.

The Premier (Mr. Filmon) likes to say, when I took over—well, I look back. He took over in May of 1988. If you look at how many full-time jobs there were in May of 1988 and how many part-time jobs in May of 1988 and compare it to today, real jobs to real jobs, you will find that we have a thousand less full-time jobs in September of '88 to May of '88. Now I do not think it is fair to compare September to May. I think it is fair to compare May to May, and I will take a look at those. We like to compare numbers.

Anytime you look at any of these numbers, Madam Deputy Speaker, you will find that the part-time jobs have gone up about 9,000 or 10,000.

It fluctuates per month. The full-time jobs are absolutely stagnant. The jobs in the manufacturing sector are down 10,000. The jobs in the transportation and communications sector—again well paying jobs—are down as well.

Madam Deputy Speaker, we have a Burger King economy going on in this province, and the Premier seems to like that because he keeps telling us in this House how great thou art, how great we art in terms of our economic performance—so zero percent or 1 percent in retail sales tax, a 50 percent decline in land transfer tax.

Madam Deputy Speaker, I wonder why the Conservatives were not so questioning of their private-sector friends in their budget speech yesterday? They condemned Brian Mulroney and the other Tories for giving them an increase of \$34 million, but the corporate engine has turned into a lawnmower engine. It is producing no new revenue and they gave it an \$8 million tax break. There was no accountability from this Government.

You said to them two years ago, it is over to you. What they are doing is not creating any jobs at all in our economy in spite of the fact you have given them about \$75 million in tax breaks. You do not have one full-time job to show for it. Those are not my numbers. Those are the indisputable numbers of any independent researcher.

Madam Deputy Speaker, we are very concerned about the situation of the fairness in this budget. We believe that the priorities established by this Government are wrong. The Minister of Finance (Mr. Manness) posed the question in his Budget Address, what are the alternatives, what are your priorities, what are Manitobans going to do? I think those are fair questions.

So I will give you some answers from our perspective, Madam Deputy Speaker. We would not have gone in the Department of Education and cut back post-secondary education training by \$2 million or continuing education by \$2 million. We would not cut back the most vulnerable at BUNTEP and ACCESS and skills training. We would not have cut those millions of dollars out of those programs. We would have saved the \$8 million corporate tax break that they gave out to big business, the small business is not eligible, and we would keep those programs and those dollars in the inner city, in northern education, the Keewatin Community College. We would take those \$8 million and put

them in for training and skill training for the people that are most vulnerable. That is the difference between Tories and New Democrats in the terms of this budget.

Madam Deputy Speaker, the question is asked, what is the alternative in other departments? We have a Government now that is shovelling money to doctors, I would suggest. -(interjection)- You watch the arbitration awards. Mark my words, I hope I am wrong. Mark my words on the judges' salary too. I warned the Minister of Finance (Mr. Manness) a year and a half ago about that one. -(interjection)- I have covered some of my in-laws myself, one should not be so personal, but I did cover most of your family, especially when I start with the construction industry and what is happening to that—

An Honourable Member: Wrong family, wrong side of the family.

Mr. Doer: I cannot keep track of them, I just know that some of your family know how to vote, but we are biased on that.

Madam Deputy Speaker, the whole issue of the health-care system is another serious issue. We have had this battle with the Minister of Health (Mr. Orchard) before. He has cut back in terms of spending over budget every year he has been Minister of Health in the home-care field. His budget number and his spending number -(interjection)- I suggest the Minister of Health, I will look at those numbers point by point with him. The first year he was in Government we had a budget number for home care. We came into this House and said day after day after day there are cutbacks going on. This Minister of Health denied that. He said we are spending X percentage blah, blah, blah every day. He is a tough guy to pin down in the House. I do not deny his debating skills. I do not deny them for a minute.

You know what, Madam Deputy Speaker, he keeps going at us and at us, and we keep hearing about these cutbacks, and we go back to our constituencies and hear about the elderly and the aides being cut back. We keep raising it in the House and the Minister says, we put in this much money in the budget, we are going to spend it. We keep going back and looking it over, et cetera, et cetera.

You know what happens? At the end of the year—I have a little memo to the Minister of Health (Mr. Orchard) from two years ago. It tells us how

much money has been underspent in the Department of Health. It is over \$4 million in home care. I would ask the Minister of Health—well, he knows that is true.

Madam Deputy Speaker, last year, and he forthrightly answered the question in Estimates—(interjection)—I cannot begin to play the game with this Government of spending and Estimates, and spending and Estimates, and press releases because if you try to play that game with this Government you are in real trouble. You will have five sets of numbers. —(interjection)— six sets of numbers today? Six sets of numbers, because it is like trying to find the pea under the thimble when you try to find out the spending and the reality under the Tories. It may be good Madison Avenue politics. It may be what your communicators in the hallway want to do because I see them out there spinning every day.

All I know is this Minister underspent his budget over \$4 million—I do not want to get in the point and be wrong—over \$4 million, Madam Deputy Speaker, in home care in the first year. He underspent \$4 million this year and he is continuing to hit that home care area, which is dumb and unfair because home care costs the taxpayers a lot less money than \$900 a day on training beds, \$700 a day on acute-care beds. That is where there is a different philosophy again.

* (1450)

We would put money into preventative health, community-based health. We would put money with the elderly in their own homes as opposed to where the Tories have placed it in this budget. That is why the NDP will always be the only party that can be trusted to reform our health care system rather than the Tories who spend stupid and cut back—(inaudible)—

Well, Madam Deputy Speaker, we will be looking at the way—and the scandalous statement, I do not know. I have not heard what has happened in the hallway yet, whether the Premier (Mr. Filmon) has fired his Northern Affairs Minister (Mr. Downey) for his comments, because I have never heard a comment closer to veiled threats at people in a constituency— (interjection)—

Madam Deputy Speaker, I am not reflecting upon anything. I am reflecting upon the fact that the Deputy Premier, the Minister of Northern Affairs (Mr. Downey), made comments about how people in the

North vote. No matter what political Party we are from and what political Parties we believe in, we all believe in one fundamental principle in this Chamber. We believe in the right and responsibility in a democratic society to decide on your own how to vote. We do not believe any Member of this Chamber should reflect on the way the public has voted. That is scandalous. The Minister should be fired, and the Premier (Mr. Filmon) should do it.

Point of Order

Madam Deputy Speaker: The Honourable Minister of Finance, on a point of order.

Hon. Clayton Manness (Minister of Finance): I would ask the Member opposite, whether or not it is the right of every person in this House to express their disappointment from time to time as to the way certain events happen to turn out.

Mr. Doer: Madam Deputy Speaker, it is one thing to reflect on disappointments in elections and results in elections. It is another thing to reflect in this Chamber—

Madam Deputy Speaker: Order, please; order, please. The Honourable Minister of Finance (Mr. Manness) does not have a point of order. The Honourable Leader of the Opposition (Mr. Doer) may continue his debate.

* * *

Mr. Doer: Maybe the Members opposite are a little sensitive about this point, because their own campaign manager, Senator Nathan Nurgitz, said that they would “vote for a yellow dog in those constituencies.” I do not believe that, Madam Deputy Speaker. I do not think anybody should make those comments about people and the way they vote. That is a sacred right and responsibility under democracy. Nobody in this Chamber and no campaign manager, some back—well, I will be careful. Nobody should reflect on the way people vote. Maybe that is the value system of Members opposite, because those are the kinds of campaign comments their campaign chairperson made.

Point of Order

Madam Deputy Speaker: The Honourable First Minister, on a point of order.

Hon. Gary Filmon (Premier): Madam Deputy Speaker, on a point of order. Is the Leader of the Opposition (Mr. Doer) proud of the fact that he said

that our candidate in Swan River was born in a fishing shack and only had one suit? -(interjection)-

Madam Deputy Speaker: Order, please; order, please. The Honourable Leader of the Opposition, on a point of order.

Mr. Doer: I am glad the First Minister has raised that, because I never said it. It was quoted in one article, and I regret the person's inaccuracy in the quote. Madam Deputy Speaker, I am glad it has been raised. I think the statement that was made about the former Member for Swan River was wrong. It should never have been stated. Whoever had made the comment should have withdrawn it. Even though it was attributed to me and I never said it, I apologize to Parker Burrell, his family. I have talked to his family, because it is an intolerable statement. It should never have been made. I did not make it, but nobody in our campaign should have made the statement if somebody did. I say that very clearly. It was a wrong statement to make, and I am glad the Premier (Mr. Filmon) raised it. I will—

Madam Deputy Speaker: The Honourable First Minister does not have a point of order.

* * *

Madam Deputy Speaker: The Honourable Leader of the Opposition, please continue his debate.

Mr. Doer: Yes, I am kind of getting interrupted. Well, I have talked about echoes when I first started my speech, and perhaps—

An Honourable Member: There is not much content, so we are trying to make something out of it.

Mr. Doer: The Member for Tuxedo, the Premier (Mr. Filmon), a year ago today was applauding the Prime Minister for his cutbacks on palpable secondary education.

It sure makes Manitobans worried about our health -(interjection)- I have your statement. Do you want to read it back?

An Honourable Member: Yes.

Mr. Doer: I will read it back to you.

An Honourable Member: Oh, but it might not be printed right on the paper, though. Remember. Remember what you just said?

Mr. Doer: Madam Deputy Speaker, it is clearly in this statement. We were there.

Moving on to this budget, I have talked about

Health; I have talked about Education. We will talk a little bit later about the cutback on the air ambulance program, a continued cutback on northern Manitoba and the people who live in the North, an Air Ambulance cutback of 11 percent, Northern Patient Transport cut, 8.6 percent. We will be dealing with those issues at some point later on.

An Honourable Member: I hope you will. That is another untruth. You cannot be honest, can you?

Mr. Doer: Well, we will look at the budget.

Madam Deputy Speaker, Family Services, there are again some concerns we have about the Family Services budget. The whole area of dispute in family reconciliation has only received a 4.8 percent increase. We believe that is going to be a real reduction in services to those people in an area that all Members of this House have acknowledged to be a very important item.

Youth and Regional Services—a cutback of 14 percent. We have already mentioned the New Careers program and the ACCESS program. We feel that those are very negative spending priorities.

In the Department of Environment, Madam Deputy Speaker, we have already identified the fact that the Hazardous Waste Corporation has been cut by \$500,000.00. This Government wants the fly-by-nightly private sector companies to deal with our hazardous waste. They have not learned from the Solvit explosion. They have not learned from some of the possible clear and close calls in our urban centres.

We will continue to make sure that this environmental Minister and the Government follow through on their environmental requirements rather than just moving it over to the private sector, moving it over to developments that are not healthy with the environment and continue to pay lip service to our environment.

On the Housing, Madam Deputy Speaker, we are very concerned about the reduction in the—a 4.8—\$6 million in housing programs. We also are very concerned that this Government cuts back housing in the inner city and communities outside of the inner city while it builds suburban developments that are unneeded and is a joint partner with some of the developers in the City of Winnipeg, which does not fit in with our social responsibilities.

Again, going on to Culture, Heritage and Recreation, it is again an indication of where this Government's priorities are. We warned this

Government three years ago about the cultural agreement with Ottawa—two years ago. Last year this Government and this Premier (Mr. Filmon) said: Do not tell us how to negotiate. We will get more than what you did for the cultural affairs departments; we will get more than what the NDP did.

This budget shows they got the crumbs off the table, Madam Deputy Speaker. They got nothing, and they are cutting back accordingly in the cultural industries, because they could not negotiate their way out of a paper bag.

While every province was securing agreements across this country from the federal Government before 1988, you people were sitting back in your comfortable pews letting the federal Government make commitments—you got no commitments for Manitobans. Our taxes are going to go to pay for Hibernia, for the cleanup of Great Lakes water, for the St. Lawrence River, for the Oslo project, the Lloydminster project, because this Premier (Mr. Filmon) and his economic Ministers could not get a deal with Ottawa for our ERDA agreements and for culture and northern economic programs.

The record is clear. They are totally incompetent when it comes to dealing with their old buddies in Ottawa. The old "I will just pick up the phone and get money" is another absolute echo from the First Minister in terms of his failure to deliver with the federal Government.

We will be talking about Labour in our speeches. I will leave that for the critic. We will be talking again about our natural resources in the fire suppression, and we will be looking at that number in terms of what it means in terms of seasonal and crisis rather than a year over year spending.

* (1500)

IT&T has been cut again, but Madam Deputy Speaker, one wonders whether we even need an IT&T Department with the performance that is going on with this Minister and this Government. It is an absolute failure. They have not created one job. They have lost full-time jobs. I do not know what they do when they go to all these meetings. They do not know when the plants are going to be closed. They do not know when the plants are going to be open. They do not know what strategies to keep the plants open. They just sort of bounce along like a ping-pong ball when workers are being laid off. It is

a do-nothing Government in terms of Industry, Trade and Technology.

It is a shame, because this province needs somebody's hands on a steering wheel. We do not have it with this Government and with this Department of Industry, Trade and Technology under the stewardship of the Premier and the Minister responsible.

Consumer and Corporate Affairs, Madam Deputy Speaker, well what can we say? Exxon Eddie was in the House yesterday, the Member for Portage la Prairie defending the profits of Esso. Only our good friend from Portage la Prairie could defend Exxon and Esso and Shell and say the profits were not high enough. Boy, the consumers of this province should sleep well tonight knowing that this Minister is responsible for our gas prices.

What more can you say? He did not answer the one letter he got from the Ombudsman on Workers Compensation. He cannot run the Consumer and Corporate Affairs Department. When is this Premier going to put our Minister out of his misery and give us a Minister with some teeth dealing with the gas price gouging in this province?

Madam Deputy Speaker, there are a number of other areas we can talk about. Some of our other people will be talking about the hidden increases of Government. All those fee increases—Natural Resources, Highways—, all the other increases. I just want to finish on a couple of issues.

The Department of Education, its priorities are privatization of our money instead of continuing education, and the money has been going—a higher percentage increase—to the private school system than the public school system. These people across the way do not care about the people of the inner city. They do not care about people in the North, KCC is a case in point. They do not care about the people who need the most help in terms of our society.

Madam Deputy Speaker, they do not have a training strategy. They do not have a job creation strategy. This is a deficit budget from a Government that said they would not run a deficit. This is a Government that is running zero growth in our economy. This is a Government that is failing and failing very dramatically in terms of the revenues and the economy. It is also failing to have fair priorities in health, education, our economy and the areas that are so vital to Manitoba.

Madam Deputy Speaker, we said before that this is just the first shoe to fall. The Minister of Finance (Mr. Manness) has indicated clearly, there is a second shoe to fall in the Spring of 1991. Well we have found that with the Tories, the shoe is pretty vicious in terms of the people that are most vulnerable. As I said before, a tragedy is a tragedy is a tragedy, and this budget is a definite tragedy for the people of Manitoba that are most vulnerable. Thank you very, very much.

Some Honourable Members: Oh, oh!

Madam Deputy Speaker: Order, please.

Mrs. Sharon Carstairs (Leader of the Second Opposition): Madam Deputy Speaker, the budget brought down by Finance Minister Clayton Manness yesterday confirmed for all Manitobans their very worst fears. We learned this past week of a survey of Manitobans which reflected the pessimism and depression that they felt throughout this province about the economy. It is no wonder that they feel depressed, because we have a Premier (Mr. Filmon) who has told us that there is nothing his Government can do to curb this recession. It is somebody else's fault. It is not their responsibility and therefore they can do nothing about it. It may be that the Premier feels that he can do nothing about it, because he does not know what to do.

Certainly he has not known, and it has been very clear, what to do for the last two years. He has stood by and watched our economy as it has gradually gone down the drain. He has done nothing to stem the tide of loss of close to 20,000 people many of whom contributed valuable skills to the provincial economy, who have chosen to leave the Province of Manitoba. Preliminary figures from Statistics Canada and the Manitoba Bureau of Statistics for 1990 indicate that the out-migration trend is continuing. Recent surveys show us that many of our young people, our children, believe they will have to leave this province -(interjection)- are you finished, Mr. Minister?

An Honourable Member: Are you?

Mrs. Carstairs: No, I am not, but I have the floor, and you do not.

An Honourable Member: Carry on. We are listening.

Mrs. Carstairs: It has always been my experience, both in the classroom and politics, when people do not have anything to say they are at their most

yappy, and that, of course, particularly pertains to the Minister of Health (Mr. Orchard).

Recent surveys show, and it should interest the Minister of Health, because he has young children, and I hope that they do not have to make the choice that so many young people are making, and that is to leave this province, but they will as long as there is a Tory Government in the Province of Manitoba.

This Government has done absolutely nothing to alleviate the impact of the loss of 12,000 manufacturing jobs over the last two years.

Housing starts are down by an appalling 30 percent, and Manitoba, despite the Finance Minister (Mr. Manness), is in the last place in terms of retail sales growth.

During these last two years our economy has plunged to new depths thanks to the Premier's Tory Government and his antiquated economic policy.

Manitoba is suffering one of the country's highest rates of business and personal bankruptcies, an increase of 42 percent over 1988, including 21.5 since 1989. Businesses have closed in alarming numbers and in August and September of this year alone there have been 79 business bankruptcies. Corporate bankruptcies are almost as large and consumer bankruptcies exceed that amount.

In September alone six major manufacturing firms failed in the Province of Manitoba and just recently there were major layoffs at Builders Furniture, Versatile Farm Equipment and Paulin Chambers, leaving 386 additional workers without jobs. In addition we are told we can expect another 300 layoffs at Dominion Bridge in the very near future. The proportion of full-time jobs in Manitoba has declined with the average hourly earners of our workers when compared with other provinces.

What we experienced yesterday was an abuse of statistics. The Finance Minister (Mr. Manness) tells us that the retail sales are up 4.5 percent. If the Minister truly believes that, he would have shown a corresponding increase in the provincial sales tax revenue, but he did not.

This Minister tries to be honest, and while his character will allow him to use another group's figure for increase for retail sales, his forecasts of revenue increases had to be his own. He could not bring himself to provide for revenues that he knew were simply not there. He brags, as has the Premier (Mr. Filmon) before him, that the capital investment income intentions which had again been forecasted

by others will be 10.5 percent, but what he does not say is that in dollar value that still leaves Manitoba sixth in the country, well below Saskatchewan and only slightly ahead of Nova Scotia and New Brunswick.

* (1510)

He speaks about employment growing but we all know that the only jobs created to date under the mandate of this Government, both now and in the past, have been in the service sector and they are the low-paying and unfortunately too often low-skilled. He speaks about the forecasts of others that tell us that the construction industry will pick up, but the reality is that housing starts, a significant aspect of the construction industry, is down by 30 percent. The housing budget of this Government which might add to the construction growth has in fact been severely cut.

The Finance Minister (Mr. Manness) speaks eloquently about the high cost of debt and how disastrous it is for the Manitoba economy, and then tells us with a straight face that the public debt cost will rise by 10 percent, twice the level of inflation and double the growth in program cost. The Government tells us that they anticipate a growth rate of 4 percent, but the Royal Bank shows a forecast of .3 percent and the Toronto Dominion Bank has estimated the growth rate of 1.3 percent, the lowest in all of the western provinces. The Government is overestimating the growth potential and the Finance Minister knows it.

Madam Deputy Speaker, the results of Tory inaction have taken a personal toll on Manitobans. The stagnant wages force lower-income Manitobans to pay a disproportionate amount on such basic needs as housing, food and child care. Manitoba's consumer price index suggests that increases for essential goods and services such as clothing, transportation and education were above the national average. The results are obvious and are seen in the increasing number of parents and children using our city's food banks. This latest budget provides no relief from the misery Manitobans are facing. It not only promises a bleak winter, it promises a bleak spring, fall, next winter and so forth and so on. This budget forecasts only more doom and gloom for the future with no action and no direction. The writing has been on the wall since the days of the huge deficits run up by the previous NDP Government of which the Leader of the Opposition (Mr. Doer) was a part. We must not

forget the conditions for this Government were laid out by the previous NDP Government.

Manitoba's political orientation over the past 20 years has been one of two diametrically opposed views. In the NDP years Government was viewed as a gigantic social agency, spending on social programs and short-term job creation. Long-term economic development was unknown. On the other hand, the Tories vehemently resist any Government intervention. Their antiquated economic policy went out with the dark ages, yet they persist in standing by passively and watching as the canoe sinks. So Manitoba has flip-flopped between these two extremes producing uncertainty in the business sector which rightly perceives NDP policies as anti business and which rightly fears Tory cuts in the social-service sector. All through the early and mid-1980s the NDP lowered its investment in economic development thus producing the negative business climate found in studies and reports like Winnipeg 2000.

Our economic engine has been badly served by the NDP and when the Tories came to power they simply focused on privatizing some Crown corporations that provided no economic direction for Manitoba business and industry. The results of this widely swinging pendulum have been terrible, terrible for Manitoba businesses which have gone bankrupt at record rates while the Tories fiddle and fuss, terrible for our young people who must leave home to make a career, and terrible for our future capacity to be innovative, to find and market new products and processes in the wider markets of the new world. In other words, terrible for the future of the people of this province.

Madam Deputy Speaker, Manitobans are worried about their jobs. Thousands of jobs have been lost. It is not surprising when we realize that this new bulk of job opportunities that the Premier (Mr. Filmon) likes to take credit for are in the service sector, often part-time with no security, as real incomes for Manitobans continues to drop.

This Government has done little to address the urgent need for research and development. Our research and development, is a portion of our gross provincial product, is .09 percent, less than half of the Canadian average.

You cannot compete in the world of new ideas if you do not have any. You cannot be innovative, if you do not have knowledge. To be competitive, we

must be prepared to invest in research. The National Research Council has long advocated that Canada and the provinces should spend 2.5 percent of their GNP on research, yet this Government in this budget has done nothing to bring us closer to that goal. We continue to hover below the 1 percent mark. Clearly inadequate for the long-term economic needs of Manitoba.

This Government must act to ensure that there is a strong research base, but they refuse. The Tories have not made a real commitment to invest in tomorrow's knowledge, and ensure products are being developed in Manitoba's laboratories, industries, and businesses. In fact, the health industry development initiative was dealt a 14 percent decrease in non-salary expenditures.

Non-salary support to Manitoba's science and technology economic development was decreased by 5 percent. Where is the leadership, Madam Deputy Speaker? Where is this Government's vision? Is this more of the rudderless canoe in which we have come to expect to see the First Minister (Mr. Filmon) paddling aimlessly?

The people of Manitoba have reason for despair. According to Statistics Canada, Manitoba has lost one of every 10 federal jobs cut across the country in the last five years. That is a net loss of 4,657 jobs from March of 1985 to March of 1990, and most of it took place during the years of Tory administration in the Province of Manitoba. Although we only account for 4.2 percent of the Canadian population, these cuts are 9.3 percent of the total. The federal Tories have closed the Portage Base in Kapyong Barracks taking 1,300 jobs and about \$137 million out of our provincial economy, in addition to the Civil Service jobs.

Where was this Government when this was happening? Standing by and congratulating the feds on the quality and capacity of their Finance Minister.

We also have been advised by the federal Tories that Manitoba will experience a \$90 million transfer in payments for health and education. That, Madam Deputy Speaker, represents the cost of operating two hospitals the size of the Misericordia.

Where was the Finance Minister (Mr. Manness) when these cuts were announced? Well, he was standing by ready to accept them. In fact, he encouraged them. He said they should by all means

make sure that they were fiscally responsible. No wonder Manitobans despair.

We have heard over and over again that Manitoba businesses do not want Government handouts, but they do want leadership, they do want stability and clarity of regulatory frameworks. Employees and employers alike want new partnerships between Government, labour and management to get Manitoba going again, however, not only must there be support of home-grown business and a strong research and development thrust, but providing Manitobans with new skills must be a priority. There is a clear need for Manitobans to acquire new skills and to engage in life-long learning to allow for adjustment to the rapidly changing world of work.

* (1520)

This Government is offering a tax credit for employee training, a move in the right direction, but unfortunately, the only ones who can take advantage of it are big business who have the capacity already to provide that training. The majority of businesses in the Province of Manitoba are small business, and they do not pay the payroll tax. They do not have the cash flow to develop and implement their own training programs. Many individual plans are neither cost efficient or in fact beneficial. At best, this is a stopgap measure.

Women, who have traditionally been the best job creators in the Province of Manitoba and are our new entrepreneurs, have no support in this budget and, quite frankly, for the most part cannot access the present Vision Capital Program because of its inadequacies and its requirement for far too much cash down.

New Canadians must be provided new opportunities to sink their roots in Manitoba. They must be provided with English-language training and with skills training. Yet, allocations to the literacy office have been decreased in real terms, as have the Special Skills Training and Workforce 2000 Programs. The Official Languages Program has increased less than 3 percent, well below the rate of inflation, which means an impact of cuts on those training programs.

We cannot afford to fail to recognize the value of new Canadians to this province. They can only make a contribution if they can speak to other Canadians in one of the official languages. Where is the real commitment to training and life-long education? Well, it is not in this budget.

Certainly, Finance Minister Manness did nothing to ease our fears about the future when he brought forth his budget yesterday. He has provided a standpat budget, not one that will do anything to assist Manitobans through the recession.

Over the past two years, Manitoba has had windfalls from federal equalization payments, largely because of Ontario's enormously strong economy and from our northern mining revenues. These were true windfalls, but the Tories did not know what to do with them so they put them in a sock. They borrowed to create a deficit last year so they could have a sock full of money for a rainy day, or as we saw, for their promises that led up to the election campaign. Now the Tories must spend that money, because they did nothing to stimulate the economy.

It is Manitobans who are going to pay the price for the Tories having failed to do anything with their windfall revenues. Their strategy was misguided. When you have an economy that is in trouble and a provincial expenditure level that has, as we do, a structural rather than a cyclical deficit, using windfall monies to balance the budget only puts off the problem until tomorrow. Where is the investment in the future in this budget? Where is the long-term planning to protect against further recessions?

This Government has given no thought to the future, either ours or that of our children. In fact, the Finance Minister (Mr. Manness) finally owned up to the fact that he has known for a long time that equalization payments will be capped this year and that mining revenues are sharply down. Yet, he took no action to minimize the effects of this recession.

This Government had no vision in 1988; it had none in 1989; it has none in 1990. We were promised multiyear budgeting. First we were told it would be for five years. Then we were told no, we would do it for three years. Well, we have seen no forward thinking by this Finance Minister in the last three budgets, and now he speaks only to warn us that tough times are ahead. We did not need the Finance Minister to tell us yesterday that tough times lie ahead, because we always know that Tory times are tough times.

We have been saying for the past two years that we must act to stimulate revenue growth. How long does it take for the obvious to sink in? The Finance Minister (Mr. Manness) should have anticipated and, in fact, he acknowledged eventually that mining

revenues were cyclical and would be expected to fall dramatically. The inevitable has come true. Mining revenues are projected to be one third of what they were, a drop of some \$72 million.

The federal Government, too, sounded loud warnings of reduced transfer payments, reductions which at the time the Finance Minister did not bother to fight. Indeed, I remember when he sat in the Opposition and he denied they were even going to happen. Well after he became Government he told the federal Tory Finance Minister that he was prepared to accept no growth in EPF, the programs that finance our health and education programs. He accepted the cuts without so much as a peep. Now he stands up and blames the federal cousins for his woes.

I remember sitting on this side of the House when they sat on this side of the House. They were so critical of the Government of the Day, criticizing the federal Government. That was not the right way to do it, you see, because you had to work co-operatively with the federal Government. Well the co-operation between provincial Tories and federal Tories has led this province right down the drain.

This year alone we will see a cut of nearly \$14 million in equalization payments and a further cut of \$3.5 million in federal transfer programs. These amounts do not tell the whole story, because there is no inflationary increase. There is no increase in order to keep up with the growth and demand. The cuts by the Tories in the federal level will probably in actual terms be closer to \$75 million this year.

We cannot overlook the low priority given by this Government to two of the most fundamental areas for the long-term future of Manitobans. That is the health of Manitobans and their basic education.

The Government shows large increases in health. Depending on what statistics you use, that growth could be either 6.9 or 9.7 depending on whether one uses budgeted comparisons or actual comparisons. You know, quite frankly, Madam Deputy Speaker, it does not matter anyway, because this Government never spends on health care what they say they are going to spend. So the figure becomes absolutely irrelevant, but what is appalling is they are no closer to moving to a community-based health-care system than they were in 1988.

All of the health economists in North America and Europe have told us consistently that we must move

away from a hospital and an institutional form of health-care delivery. We must focus on prevention, on wellness, on treatment in the home and in the community. This Government has rejected these principles absolutely. In every single area of a community-based model we see budget increases well below the rate of inflation which will stifle the growth toward a community-based model.

Home-care services grow according to his budget estimates by 1.9 percent which will force more and more sick and elderly into our acute-care hospitals and personal-care homes. Equipment purchases which make it possible for these same people to live in comfort in their homes has actually been cut by 1.8 percent. External agencies promoting health will see only a growth of 2.2 percent, less than one half the rate of inflation.

Mental health programs in the community receive increases of less than one half the rate of inflation, while the institutions see an average increase of 5.25 percent. There is no long-term planning here. There is no innovation. There is no direction and true quality care in the community has been suffocated.

Expenditures in the health-care system have over the last two years focused on studies, studies and more studies, but no action. Well, Madam Deputy Speaker, the Liberals in this House have advocated thoughtful decision-making and innovation in health care.

We certainly have not endorsed the rationing of our health care services which has resulted from the delays upon delays upon delays in decision making by this Government. Madam Deputy Speaker, in the course of the last two years this Government has promised to maintain the health care system. We know that has not happened. In both years their increases in actual costs were below the rate of inflation.

* (1530)

We have seen delays in elective surgeries, delays in accessing emergency services, delays in access to specialized medical services, delays in access to speech therapy, delays in access to rehabilitation, and Madam Deputy Speaker, we could go on and on and on.

We know that the universal health care system Manitobans enjoy is considered a sacred trust by the citizens of this province if not to the Prime Minister of this nation, and indeed, it is considered to be such by all Canadians. This Government has

shown its disdain for the maintenance of that system by refusing to spend the monies that have been budgeted and approved and passed in this House.

We all know what happens to a building with a shaky foundation, one in which cracks are allowed to widen. We know what happens when the earth around a building's foundation shifts, when a pylon is allowed to erode. These are the conditions that can lead to the collapse of the entire building. Madam Deputy Speaker, the foundations of our health care system cannot be allowed to erode.

We must have hospital facilities which are maintained and operating budgets which are adequate to support the increasing demand for care by Manitobans, but when we can deliver that care in the community we must do so because it is cost effective, and it provides better quality for the recipients of that health care.

Our society is changing. It is getting older and as a result the health needs of our population are changing. We must address these changes to meet the demands of shifting demographics. There must also be changes in our approach to health care to ensure not only quality, but cost saving. Health promotion and disease prevention is no longer a luxury. It is an absolute necessity yet we have seen only lip service.

We were promised a breast screening program, but adequate funds were never allocated to effectively deliver it, and this budget gives us no hope that they will be in fact put into place in this fiscal year.

We must also make new changes in our approach to the delivery of traditional health care services including surgical care. We see the beginnings of a two-tier system of health in Manitoba, one for the rich and one for the poor. If you are rich you can buy elective surgery at a surgical boutique in Manitoba, or you can go to the United States and obtain the surgical procedure there. North Dakota in the last week is even advertising for Manitoba patients. Manitobans with limited incomes do not have that option. They must wait in line to receive their health care services, and that wait is getting longer and longer and longer.

They must suffer the trauma of delays and postponements when they await surgery or treatment for themselves or for a loved one. This is simply not good enough. Manitobans are entitled to equal access to care, not one for the rich and one

for the poor. A healthy income should not be the prerequisite to receiving health care services in this province. The delays that have been created are tantamount to rationing.

The Tories have shown no vision for effectively managing the changes occurring in the health care system, and they have demonstrated no will in confronting or resolving the challenges presented to them. We cannot afford to neglect our health care system. It is our today and it is our future.

This Government with this budget has once again promised to spend more money, but we have seen how this Government operates. We have seen its backdoor cuts, and it has cheated Manitobans out of \$66 million in the last two years

Education, too, is the future of our province. The Minister of Finance (Mr. Manness) yesterday said and I quote, "Unfortunately many workers lack the basic skills needed to meet the challenge. In part, misplaced priorities in our education system are to blame." Well, you are right. They are to blame. So I was glad that the Minister identified the problem, but I was shocked when I saw that the Government had done nothing to rectify it. Indeed, their program announcements will only make the problem worse. For example, we see zero, that is right, zero increases for apprenticeship training, which the Premier (Mr. Filmon) himself identified on Monday night as being an area which needed to be redirected, monies needed to be spent. Apprenticeship programs had to be there, he said, but we saw zero increases. With inflation running 4.5 percent, what we are really seeing is a 4.5 percent cut.

There are also no increases to be found in labour adjustment. Of course, we know that they do not think that the Free Trade Agreement is in any way, shape, or form affecting the jobs of Manitobans, but the rest of Manitoba knows that is simply not true. It is affecting them, but they continue in their ostrich-like approach, and they refuse to address the needs of those who are forced out of jobs because of the free trade arrangement.

When we look at the community colleges of the province who do a very large part of the skills training in Manitoba, we see a disaster. The Red River Community College gets a 2 percent increase; Assiniboine Community College, a 1.2 percent increase; and Kewatin Community College, a 6.8

percent decrease. All of these figures are way below the rates of inflation.

Where does the province believe—where does this Government believe that the skills training it talks about is going to take place? Training in the workplace is only a very small part of any skills training program which is essential to this province. Most of these programs, even in the workplace, could benefit from a co-ordinated approach with our community college system. Giving over governance to an independent body may get the heat off of the Government, but it will not result in better training of our young people if the resources for that training are not there. The Government is the only agency that provides those resources.

In addition, there is no increase in the literacy office grants, which should offend the Member for Fort Garry (Mrs. Vodrey), if not the entire Government caucus, since they have touted about these initiatives in the past. The news is worse when we come to skills training. Here the decrease is 15 percent. If one factors in inflation, the decrease is over 20 percent. Our young people in the universities of our province, who have been asked to pay 11 percent and 10 percent increases, respectively, in the last two years, were told that their institutions would again have to make do with below inflation rate increases. The upgrading of equipment, the hiring of much needed instructors and professors will have to be put on hold, and the universities will continue to deteriorate in terms of the quality of education they can offer students. Madam Deputy Speaker, it is not fair to jeopardize the future of these students and, indeed, the future of our whole province in this manner.

When we looked at the agricultural budget, which of course the Government touted as being their large numbered budget yesterday, the smoke and mirrors of the Government numbers was nowhere as obvious. The dollar increases look impressive, but are they really helping the farmers? Well, the Government is spending \$15.6 million more on crop insurance, but this simply means that the province is picking up costs that were formerly paid by the federal Tories. The increase is more a reflection on the Minister of Agriculture's (Mr. Findlay) inability to deal with his federal cousins than any concern on the part of this Government for the farmers of this province.

The other big new Agricultural Estimate expenditure is the Manitoba Interest Rate

Assistance Program. This is a well-intentioned \$23 million interest relief program which, for some reason or other, the Minister will not tell us how much he is spending on it. Well, why do they not tell us the figures? They have released the cheques to the banks, but they will not provide us with the information.

We can only assume, Madam Deputy Speaker, that this is because so little of the money has gone out, that the Minister does not want to admit that the program is a failure, nor will he acknowledge what is known to every person in this House that some of that money is truly going to farmers who did not need it, who have in fact taken out operating loans for the first time in many years and taken the money and invested it into treasury bills at 10.75 percent.

When the year-end statements are in, Manitoba farmers will see that once again they have been promised much but the delivery is little. Setting aside the federal offloading and the one time interest relief program, we can see what is really happening in the Department of Agriculture. Real services to farmers have been cut; the Manitoba Agricultural Corporation is cut by 7.2 percent; the Development and Marketing Division is cut by 6.3 percent; Soils and Crops is cut by 4.5 percent; Technical Services Training is cut by 17 percent; and Federal-provincial agreements are down by 18.3 percent.

* (1540)

Veterinary services have seen a modest increase of 2.3 percent, below the rate of inflation, when we have the Manitoba Cattle Producers crying for testing in this province and having to depend on friends who are veterinarians in other provinces to do their testing for them. We see, unfortunately, that the agricultural research budget stays exactly the same which amounts to a 4.5 percent decrease.

The trend is clear, Madam Deputy Speaker. Real services to farmers are being cut by this Government. There is a deliberate downsizing of the agricultural department, and its budget going on that is being disguised by the costs of federal offloading and the failed interest relief program. Manitoba farmers will not stand for this budgetary deception, and they will not stand for the systematic downsizing of agricultural programs.

The Environment of course is a portfolio that this Government likes to tout through their Premier (Mr. Filmon) as their most important portfolio. Well, we see a schizophrenic approach taken to the

Environment by this particular Government. We see a contribution of some \$800,000 in new money to the International Institute for Sustainable Development, but of course when this development was originally established it was supposed to be a totally federal initiative with \$100 million. It was not supposed to be a provincial initiative. Again we have seen the federal Government offloading to the province and the province saying, "Yes, sir; how high, sir" and supporting a program which was committed to by the federal Government.

Madam Deputy Speaker, the down side of the environmental budget is that while the sustainable developmental centre gets \$800,000 in new money, there is only a departmental increase of some \$742,000 from last year's Estimate. This means that the rest of the department has a lower operating fund than the previous year. This is without inflation having been taken into account.

The Tory commitment to the environment is a sham. Last year they failed to spend their budget allocations in this department; another example of painting a false progressive image, while secretly slashing and hacking. They are all talk and no action on the environment, and nowhere have we seen that in more evidence than in Rafferty-Alameda.

Madam Deputy Speaker, the very branch of the Government that depends—that the Government depends upon to enforce the provisions and regulations of The Environment Act has been cut. While gasoline leaks become more prevalent and pollutants are being admitted into our air and water at ever increasing levels, the Government cuts back on the branch that monitors the environment and the branch that cuts down and cracks down on the polluters.

What we have here, Madam Deputy Speaker, are lip-service environmentalists. There is no commitment to enforcing the environmental laws, so God help us, under this regime. Will they ever give us better environmental laws? What can we expect in the coming four years? Can we expect a strong economy that keeps our children in this province? No. Can we expect a health care system that meets the needs of a changing society and allows seniors to live out their lives in dignity? No. Can we expect the full-time jobs that will provide families the security that they deserve? No. Can we expect effective legislation to deal with family violence when we see cuts to the Justice Department? No.

Can we expect Government action to place the environment first? No.

In view of the budget which outlines the economic vision of this Government the answer, Madam Deputy Speaker, can only be a resounding "no" and it is no wonder that Manitobans despair.

I move, seconded by the Member for Osborne (Mr. Alcock)

THAT that all the words following the word "House" be deleted and the following be added:

We regret that this Government has

- (1) failed to portray accurately and clearly the financial affairs of the province;
- (2) ignored the need for a Manitoba labour adjustment strategy in the wake of the free trade deal;
- (3) failed to see the real impact of the Mulroney-Reagan Free Trade Agreement on the Manitoba economy and accordingly the Manitoba workforce;
- (4) failed to address the need for skilled workforce;
- (5) failed to address the challenges faced by post-secondary education institutions;
- (6) begun the downsizing of the Department of Agriculture;
- (7) failed to develop innovative programs in order to develop a community health program thereby lessening our dependence on the institutional model of health care delivery;
- (8) failed to take any action to stem the destructive tide of bankruptcies in Manitoba;
- (9) failed to take any measures that would lead to job creation so we can retain Manitoba jobs for Manitobans; and
- (10) failed to recognize the need for research and development in this province thereby denying a viable future for our province."

Motion presented.

Hon. Glen Findlay (Minister of Agriculture): Madam Deputy Speaker, it is a pleasure to be able to rise and speak on the budget, a budget that was put together very carefully and with a lot of thought toward the future of Manitoba by the Minister of Finance.

The Minister of Finance (Mr. Manness), in the process of putting this budget together, has made strong efforts in terms of maintaining the essential services of health, education and social services. He certainly did the people of Manitoba a very strong favour by not increasing income taxes either personally or to business. He kept a strong control on the deficit of this province by using the fiscal stabilization policy.

What this Government has shown in this budget is a very strong and responsible level of management of the affairs of the province and maintaining services. Madam Deputy Speaker, I would have to tell the people of the province that tougher times certainly are upon us, as we all know, but I would have to tell the Members that farmers have been facing some very difficult times since as far back as 1986. Farmers have done as best they can to deal with the circumstances around them, and the farm community has dealt with their problems as responsibly as they can.

Madam Deputy Speaker, in terms of the issues that the Minister of Finance raised in his speech yesterday, I think some of them need to be reiterated in the House today, because the gloom and doom from the other two Parties is absolutely incredible. They pay no attention to the real facts that exist, facts that are well documented. I would like to put them back on the record again for the Members of this House, particularly for the two Opposition Parties.

The overall growth projected is double the national average in this province for the next year. Employment grew 1.5 percent in the first nine months of this year, outpacing the national growth of 1.1 percent. The number of people unemployed in Manitoba actually declined 3 percent in contrast to 4.2 percent nationally. The capital investment intentions are up 10.5 percent in the Province of Manitoba versus 6.4 percent nationally. Retail sales taxes are up 4.5 percent, double the national increase. Those are signs that the Province of Manitoba is in better shape than the national average in this country.

Madam Deputy Speaker, I would like to also say that the farm community, although in tough times, as I will indicate as we go along this afternoon, there are certain signs of improvement and maybe the corner has been turned. The debt in the Manitoba farm community three years ago was \$2.1 billion. It is now down to \$1.8 billion, because farmers have

dealt with the circumstances around them and made the appropriate difficult decisions to reduce their expenditure and keep their debt down. At the same time they have been able to maintain and increase the production from the farm community.

* (1550)

The number of applications to the Manitoba Mediation Board, which is farmers in severe financial difficulty, has actually declined 30 percent in the last four months versus the same four-month period a year ago, down 30 percent, a very significant reduction.

The farm community has been able to maintain its equity in the range of 80 to 85 percent through these last four to five years of difficult period, so the farmers have dealt with economic downturns as the rest of the economy of the province is and will over the next two or three years.

Our farmers have been effective, competitive in the world market. Madam Deputy Speaker, we export 50 to 60 percent of what we produce, so we have to be competitive in the world market. The farmer has done a very good job of putting high-quality product on the tables of the consumer worldwide.

I would like to just remind the Members of what the Manitoba farmer really does. Each farmer feeds 250 people in Canada and out of Canada; each farmer feeds 250 people. In Canada, the percentage of disposable income that the consumer spends on food is now only 12.5 percent, down from 15 percent in 1987. Only one country in the world spends less on food than the citizens of Canada. That is the United States, at 11.5 percent. So that leaves a lot of income for the consumer to spend on other things. Many countries of the world spend 30 and 40 percent of disposable income on food.

The farmer of this country has done a good job of putting low-cost food on the table of the consumer. Ten years ago the cost of a basket of food for a family of four was \$64.00. Today it is \$128.00. Has the farmer received any of that income? I will give you some statistics to show not likely. Ten years ago the farmer received \$5 to \$6 for a bushel of wheat. Today he receives \$3.00. He received half the money for his wheat, but yet the cost of the food is doubled. All the people in between have obtained that increased cost that the consumer is paying. It is the transportation, it is the processing, it is the

retailing, it has all gone into the pockets of workers throughout the system in our economy.

A few other stats just to let you know how little the farmer gets out of the consumers' dollar: \$1.40 loaf of bread, the farmer gets 6 cents for his wheat, 6 cents out of \$1.40, not very much. Out of a package of cookies worth \$3.00, there is 2 cents worth of wheat in that package of cookies. For a \$1.10 bottle of beer there is 1 cent worth of barley. For a \$27.50 bottle of rye whiskey there is 1 cent worth of rye.

The farmer is not getting very much, so when the consumer says that the farmer is getting too much, because that is what the cost of food is going up, it is absolutely wrong, it is all the people in between.

Also remember, Madam Deputy Speaker, that the farm community contributes 12 percent to the gross domestic product of this province and one job in seven is either directly or indirectly related to agriculture.

We do contribute significantly to the economy of this province and the figures presented in the book yesterday by the Minister of Finance (Mr. Manness) tell a very clear story of what has happened in agriculture. On page—the pages are not here, but it is the farm income 1985-1990, farm income cash receipts run around \$2 billion a year, just a bit over \$2 billion ever since 1985. In 1985 the crop portion was \$1.1 billion. It has fallen now to some \$800 million. The livestock portion has been running around \$700 million, \$800 million a year, fairly flat level of income from the livestock section.

The third level of income is payments from Government so the categories are livestock, crops and payments from Government. If you look at the payments from Government they have gone up fairly substantially. In 1985 at \$172 million, now they are running around \$470, \$430, \$449 million payments directly to farmers from either the federal or provincial levels of Government. That level of increase is about three-fold in the payments from Government direct to farmers.

One of the reasons for that increase in payments direct to farmers is because of the decline in the level of income from crops. Most of the income from crops comes from export markets. They have fallen, farmers received less for crops, Governments have responded by putting money into the pockets of farmers to offset that. The real figure where the farmer really looks at is the bottom line, and the bottom line is very clearly indicated as realized net

income. Realized net income in the farm community \$278 million back in '85, \$415 million in '86, \$453 million in '87 and \$400 million is about what is needed to keep the farm community healthy in the Province of Manitoba. It dropped to \$372 million in 1988, \$285 million last year and then this year's latest projection is now \$197 million.

You will see that the realized net income is falling. It has fallen fairly drastically from the last three-year average of some \$373 million to this year's less than \$200 million, about a 47 percent reduction, very, very serious in terms of how the farm community can survive on into the future in a very healthy state.

Certainly in terms of what the federal Government has done, they have put money in special grains programs payments, western grain stabilization has paid out and drought payments have been put in place.

The provincial Government here has certainly responded in a very significant fashion in some of the programs we have put in place. I would like to spend a little time going over what some of them have been and what they have done. We have talked about the livestock sector in terms of having a relatively stable level of income. We have put the tripartite program in place to create that level of income. The tripartite program in the hog industry is one example. It paid out \$25 million in 1988 and \$55 million in 1989.

The Government in the Province of Manitoba has paid a premium of some \$5 million to \$6 million in each of these three years. I would like to remind the Member for River Heights (Mrs. Carstairs), who was rather critical of the agricultural budget, that we have increased the payments in the tripartite stabilization by some \$900,000 this fiscal year.

In the cattle sector, which represents about 12 percent of the income in the farming community, the incomes again have been fairly good. The cattle industry has been fairly strong; the prices have been very good. It does not matter what class of cattle a farmer is selling, the incomes have been fairly respectable. Again, tripartite payments have been able to maintain that level of income and reduce the risk to the farming community.

In the Province of Manitoba, we have about 11 percent of our income coming from supply management. That is the production of dairy, eggs, chicken and turkey. The level of income there remains fairly constant, because with the supply and

management system it is a mechanism of extracting from the consumer a fair return in the marketplace, and those producers are doing fairly well.

The real hurt, the real trouble, that we face, in this present time, and on into the next two or three years, is in the grain sector. There is no question about it. It is why a lot of the Government payments have occurred over the last three or four years and why there is going to be need for further help this year and the years ahead.

Some of the trouble in the grain industry has been low prices worldwide. There are a number of reasons why that is there, but I will talk more specifically a little later on.

Droughts in 1988 and '89 have been present. They have hurt the income of the grain sector fairly dramatically. In 1988, in crop insurance, the risk protective mechanism available for the grain industry, we paid out \$130 million direct to the farm community. In 1989, we paid out \$165 million. Also in 1988, we had the livestock-shared drought program. It paid some \$26 million to the livestock industry in the Province of Manitoba.

The other issue that hurts the grain farmer particularly in the Province of Manitoba is high interest rates put in place by the federal Government. We responded by an interest rate reduction program, putting some \$23 million at the disposal of the farming community.

The Member for River Heights (Mrs. Carstairs) calls it a failure because we put \$23 million in the hands of the farming community to reduce their interest rate by 7 percent to every farmer who qualified through his credit institution. I have not heard of any farmer being denied the access to that money, so I think this program had to be very successful. I cannot see any reason why it was not, and that program has responded to the hurt that the farmers faced this past spring.

Another issue that hurts the farming communities is the high dollar value, the high dollar policy of the country of Canada. An 86-cent, 87-cent dollar hurts us, because we export so much of our product. If we had a 75-cent dollar today, the farmers income in the grain sector would have increased by about \$100 million.

The poor grain prices that I have mentioned earlier are to a large extent because of trade problems that we have worldwide. These trade problems have not diminished in the past period of

time, and I would like to spend just a few minutes going over some of those trade policies that are upon us that have to be dealt with, because we in western Canada, and particularly in Manitoba, depend so heavily for our income in the agricultural community from export grains.

I can tell the Member for Osborne (Mr. Alcock), about 90 percent of our wheat income comes from the export market, so that is why we are so dependent on the export market in terms that we need a fair price from that market in order to survive.

In the past, say 10 or 15 years ago, Canada did a very good job of selling wheat all over the world, but particularly into Europe. That was a big market for us. Then Europe got more self-sufficient, and we are no longer exporting there. In fact, they are exporting against us. We moved into Russia and sold lots of grain there. Then we moved into China, and now we have competition from other countries trying to muscle us out of those markets. We are now selling more in the smaller countries, Pacific Rim countries, and the total the Wheat Board sells is up to 63 countries around the world.

When we are trying to sell into those countries, a number of other countries are out competing with us, most naturally. We have a high-quality product, which we are prepared to compete with anybody on a level playing field, but what has happened over the past number of years, particularly the last 10 years, is things have intensified.

* (1600)

We go back to 1957 when the European Common Market was formed. That was a move that started a sequence of events that has really come to hurt us today. It started with six countries, grew to 10 countries and now to 12 countries. They put in place a common agricultural policy designed to stimulate food production in Europe. They did it very successfully by having guaranteed prices, and guaranteed markets. Then if the production went past the consumption level in Europe, they got into a position of having to export their product, and they decided they did not really want to compete with us. They put in place export subsidies to make that food so cheap that the buying nations bought it from them instead of from us.

That really lowered the world price of grain very substantially, cut it, cut it very drastically—probably have to say it cut it in half from what it really would be today by those export subsidies.

The United States responded in 1985 with a farm Bill which said we are going to compete with Europe, we are going to put an export enhancement program in place; again, export subsidies designed to hurt countries like Australia, New Zealand, Argentina and Canada, the smaller exporting countries who depended so heavily on the world market.

We are right now in the GATT round of discussions where hopefully these issues can be dealt with and responded to by the countries around the table trying to rationalize a common, reasonable and responsible trade policy.

Agriculture is on the table in terms of our future ability not only for fair world prices but I would also say for market access, because if the lunatic policies of Europe and the United States continue, we will not only have low prices, but we will have lack of market access.

You see, it is brought about by the desire of Europe to be self-sufficient in food, and what they are doing is supported by the taxpayer in Europe. Three hundred and eighty million people in that trading block. That trading block is very powerful today, and it is going to grow in power after Europe 1992. So we have to realize that trading blocks are part of the world trade from now and forever.

That actually bothers me very significantly that Members across the way always laugh at free trade. They laugh at the idea about trying to have market access to sell a product that we have that has very high value and is respected well by the buying nations, but we do not want to lower the border barrier so we can access those markets. We have to be able to do that if Manitoba agriculture is going to survive, western Canadian agriculture is going to survive, in the area of the grain sector.

What we have proposed at GATT is export subsidy reduction of some 100 percent. We believe that is fair and reasonable. The United States, 90 percent; Europe is talking 30 percent, really in real terms it may only be 15 percent and not an adequate response in terms of what we want to see done.

Madam Deputy Speaker, I have heard a number of comments across the way from the Leader of the Second Party. She commented on the fact that we are downsizing the agricultural budget—actually said downsizing the agricultural budget.

Expenditure—if she looks in the book that was handed out—went from \$75 million to \$112 million. Now, how can that be called downsizing? We have

increased the expenditure in crop insurance by some \$16 million; the Interest Rate Relief Program, \$23 million. On top of that, they have not even noticed that we have by legislation removed the ESL off farm land, removed it, some \$18 million saving on the expense side to the farmers of Manitoba.

You add those three together and you come up with a substantial increase in the support to the farm community by this Government at a point in time when the agricultural community is hurting because of issues that are happening beyond our borders.

Federal policy—yes, interest rate relief is because of federal policy, crop insurance increased payments because of federal policy, but the crop insurance program has been significantly increased and improved.

I would also like to tell the Members that not only have we improved the crop insurance program, we have recognized that because of events that have happened worldwide, the crop insurance policy is not in itself a mechanism to support the farm income at an adequate level.

We are proposing—and I have been working for the past year through a task force, a safety-net committee, trying to put together a crop insurance program that has not only protection for production but protection for price. It is a production and price protection called Gross Income Insurance.

Also in addition to gross revenue insurance, we also are proposing a Net Income Stabilization Program. That is being developed by all the provinces together with producers. The task force consists of more than half producers trying to develop a program that is not trade distorting, that will be accepted at the GATT round of discussions and still gives the support to our farmers to help the grain sector in particular through this difficult period they are in. I can guarantee that even though we may get some resolution at GATT—and I honestly believe we will—it will be long term. It will be slower than we would like, and the farm community is going to need some risk protection in the shorter term.

Madam Deputy Speaker, the Leader of the Second Opposition (Mrs. Carstairs) in her questions said that we had reduced the marketing branch by some \$847,000.00. That is absolutely wrong. When you look at the marketing branch it is down some \$15,000 but not \$847,000.00. I do not know where she gets that figure from. I would suggest she ask

her researchers how she comes up with that sort of figure.

If she looks more carefully at the books she might just find that the Bee Assistance Program we had in place in the previous year which was for some \$750 million is no longer in place because the bee industry does not need assistance this year. They may have forgotten and included that figure. I think their research needs a lot of improvement.

To the comments that we have cut the veterinary services because cattle producers are crying for help or going outside the province, it is an absolutely ludicrous statement. It offends people in my department who are providing the lab services that are second to none in western Canada at a level that is acceptable to the farm community. The response time in terms of dealing with samples sent in in the springtime—particularly in the cattle industry—is very good. It is improved. There is no way in the world that the cattle industry is being shorted by efforts of the Veterinary Services Branch of my department. That is absolutely ludicrous.

Madam Deputy Speaker, I think that the Leaders of both Opposition Parties today have put on record a lot of very negative statements that would show that they have no respect for Manitoba farmers, no respect for Manitoba citizens in terms of how they work as hard as they can to make the economy of Manitoba as strong as it can be. Never forget, particularly in the farm community, we are in competition with people all over the world. We are in a global community. We have to be able to compete in the global community.

We, as the Manitoba Government, have put a number of programs in place over the past few years, whether it is help to the bee industry, whether it is interest relief, whether it is crop insurance programs, whether it is special assistance to a drought-affected area in the Interlake which the NDP Government would not deal with. They sat there for two years with that issue in front of them and they would not deal with it. We came in, we dealt with it because there was a special hurt to a selected group of people. We put the money in place.

Madam Deputy Speaker, I am really pleased to be able to say that the agricultural budget has responded to the hurt in rural Manitoba by increasing the expenditure over \$40 million and an increase of some 47 percent to the budget. A very

substantial increase, and I would like to thank my colleagues for their support in that regard.

I know the farm community has been very receptive to the kind of efforts we have put in place in terms of special programs to help them where it is hurting and the kind of programs that we will have to put in place in the future in consultation with the other provinces, the producers and the federal Government to deal with the issues in front of us, and which will continue to be in front of us as long as we have the international difficulties in trade that are in front of us today.

Thank you, Madam Deputy Speaker, for the opportunity to put a few words on the record in support of the agricultural community, in support of the degree of budget increase we have had in agriculture in this budget. Thank you very much.

Mr. Jim Maloway (Elmwood): Madam Deputy Speaker, I sense I have been missed by some of the Members opposite. I would like to, at this time, welcome all the new Members to the House and congratulate all of those Members who managed to return through the last big war.

Initially I would like to talk about the bankruptcy statistics that came out today. In fact, Manitoba has gone a long way to slide into a serious problem over the last few months. In fact, bankruptcies are up, Madam Deputy Speaker, by almost 22 percent over this time last year, the first nine months, and that points to a serious, serious problem in this economy.

In fact individual bankruptcies are 1,305 and business bankruptcies are 298, to give us a total of 1,603. Now that points out to me that the economy is sinking, and it is sinking at an increasing rate.

* (1610)

Now I know that we cannot just point to Manitoba and see the whole story. It is a national phenomenon. In fact on a national basis bankruptcies are up about 30 percent. The question is: What is this Government going to do and what is going to be their posture in the face of this situation?

Now, Madam Deputy Speaker, the Minister suggested that interest rates were a part of the problem and was also suggesting that in fact he has no control over the interest rates.

He suggested the high dollar is a big problem, but if you take the attitude that it is a worldwide problem, it is a national problem, and it is not a provincial problem, then the recession is going to get worse. I

suspect what he is doing and I suspect that other Governments are doing the same thing, and that is that they know that the economy is in a free fall, they are simply allowing it to fall and they will not in fact come up with proper spending until they see the bottom. I do not think they see the bottom at this point. I think the economy is still in a free fall. I think that the bottom perhaps will not come for another four to six months, perhaps longer.

(Mr. Marcel Laurendeau, Acting Speaker, in the Chair)

It seems to me that the fundamental problem is what approach the Government is going to take to this recession that we find ourselves in. I think that they are going to follow the conservative approach of their federal cousins, of their cousins in the other provinces and in fact around the world. The point that Tory economics if left alone, the economy will come out on its own.

I mean that is basically where this Government stands and where the Conservative Party stands on economics. They feel that if they pull away and allow the economy to follow its own course, without any type of real intervention, that in fact in the long run it will achieve that greater goal. Of course what in fact ends up happening is that the rich end up getting richer and the poor end up getting poorer without any kind of intervention on the part of the Government to try to equalize the distribution of the wealth that is produced in the economy.

Now, Mr. Acting Speaker, I wanted to echo my Leader and make a couple of positive comments on the Government's move to prevent cascading from occurring. This was an issue that was brought up last year by both the Opposition Parties, and we in fact have introduced a Bill to that effect in this House some days before the budget and feel that it is unfair to allow the cascading of the tax on the GST, so we applaud the Government for that.

The recent election was fought by the three Parties and we of course know the results of the election, but the Conservatives were very, very lucky to have pulled this one out and I think they realize it. They went into this election thinking that they were going to make substantial gains, and once again they were lucky—very, very lucky to pull out the 30 seats they did. In fact, if the election had occurred perhaps a week or so later, they would more than likely not have gotten the 30 seats that they have.

We like to refer to this majority as the Jim Walding majority. It self-destructs about halfway through the term. Well, you know, we do have some personal experience on this side of the House dealing with those sorts of situations, but of course the Liberals were the big losers in this election.

Some Honourable Members: Oh, oh!

Mr. Maloway: The Members opposite suggest that the NDP were not the big gainers. I do not know how else they would interpret the results. The fact of the matter is that we went from 12 seats to 20, and we even took a seat from them. We lost nothing in this election. So if the Liberals feel that by bringing in their amendment to the budget we could precipitate another election, I think they would be kind of foolish in suggesting that somehow we should have another election real soon. I do not see where the public is going to be overly sympathetic to that bit of grandstanding on the part of the Third Party in the House.

The Government—to the Member for Crescentwood (Mr. Carr) I believe now—should know that Governments have a way of unravelling. We have seen that occur over the years with the Conservative Government in 1988 and other Governments. I think that if left to their own devices, they will discover a way of doing what maybe we cannot do for them. It is well known that Governments defeat themselves, that Oppositions do not. We will be around to pick up the pieces when that eventuality occurs. I am sure it will occur fairly soon.

The other night I listened to a speech from the Premier (Mr. Filmon). Of course he went on at some length to describe the situation in eastern Europe. Some of us over here knew where it was headed all along: it was the old cold warrior speech that was being trotted out once again even though the cold war has been over now for a year or so, but I think that I resent the suggestion that somehow the connection is direct.

It seems that the Members opposite try to draw connections between the NDP and socialism and communism and Moscow. There seems to be a direct connection there with things that are said over here, and somehow that socialism and its practices have been discredited by the actions in the other countries of eastern Europe.

The fact of the matter is, Mr. Acting Speaker, that we can draw the opposite conclusions with

Conservative ideology and where it has taken hold in other parts of the country. I mean we could draw the analogy between Conservative thought, the laissez-faire capitalist approach, the hands-off-the-economy approach of the Chilean Government. We could have drawn it back to the Conservatives here. We did not do that because each Party and philosophy stands on its own and will be judged by what people say and what people do when they are in power. So we should not be drawing incorrect conclusions about the failures of socialism and the triumph of capitalism and all these other supposed absolutes. The Members should know that there are no absolutes, that Governments change, and what we are here to do is try to provide the best possible Government that we can to the people.

* (1620)

We happen to feel that we have a more humane approach and that our answers are to provide a better breakdown of the goods and services that the society produced. That is right, a more equitable distribution, as opposed to their approach which is the trickle-down theory, which make the rich a little richer in the hopes that some of that money will trickle down to the poorer people.

We have rejected that. We have never believed in that philosophy, and of course that is why it is so good to be back to the two-Party system in the Legislature. We give the people of the province an absolute choice. They can have black or they can have white, but there is no gray. There is no more gray.

We on this side would be quite willing to enter another election real soon, but we are prepared to give the Government its day, give it a chance, to see what it can do. We will see over a short period of time where in fact it is going. Historically we have proven that Conservative Governments—and let us get into this area of the provincial debt.

The Finance Minister (Mr. Manness) decries the fact that the debt is so high, in his words, and he does not like the federal debt either I do not assume.

The fact of the matter is that federal debt, that \$26 to \$30 billion a year, that has accumulated in the area of \$300 billion right now was never accumulated under any socialist Government. It was never accumulated under any NDP Government. It was accumulated under the

Governments of the Conservatives and the Liberals over the years.

The deficit in Newfoundland, which is the highest per capita debt in the country, was not accumulated under an NDP or a socialist Government. It was accumulated under a free enterprise Tory type Government and perhaps a few years of Liberal Government as well.

The debt that Quebec has was accumulated most recently by the Liberal Government -(interjection)- well, the fact of the matter is that debts are not the exclusive purview of socialist or New Democrats.

The fact of the matter is that 20 and 30 years ago Governments of all stripes, be they Social Credit in B.C., the CCF—

The Acting Speaker (Mr. Laurendeau): Order, please; order, please. If the Honourable Members would like to have a conversation, if you would please come up here to the loge.

Mr. Maloway:—Conservative Governments across the country or Liberal Governments across the country, those Governments consistently ran balanced budgets. Why? It was a sign of the times. In those days people did not spend before they had the money. The credit that is available now was not available in those days. With the advent of credit being available on a rampant scale to society, with the advent of that, Governments of all stripes started to accumulate deficits, because people became used to the idea of being in debt.

We over here do not like debt any more than anybody over there, but like everyone over there we have learned to live with the debt. That is right, we have learned to become somewhat comfortable with it even though we do not like it.

(Mr. Speaker in the Chair)

We also understand that some type of debt is actually helpful, is actually good. There is such a thing as a good debt. On a personal basis -(interjection)- well, the Member for Inkster (Mr. Lamoureux) asked whether the Manitoba debt is good. The fact of the matter is that he should understand that debts that are accumulated to build things, to build schools, hospitals, plants, are good debt. But debt that is used for just consumer items, such as the debt accumulated by the Brazilian Government and other Governments in the world, is what I would consider very bad debt, because, if you are borrowing money to simply buy consumable items and do not produce anything in the process,

that is not the best way to be investing. That is not the best type of debt.

There has to be a distinction drawn too, between the personal debt of an individual and the debt of a Government. An individual has a list of assets, a list of liabilities, and can only operate within a very, very limited means. The Government, on the other hand, is operating in the interest, supposedly, of all of the citizens of the province or of the jurisdiction and it, in fact, has to do certain things for the common good, and if it is deemed that going to the moon or developing a hydro project is part of the common good, and if the power is needed, in the case of a hydro project at a very early date, then that particular jurisdiction must at that time make a decision to go into a tremendous amount of debt to get that particular plant, or whatever it is they are building on stream at an early date in order to produce the power necessary.

We are certainly not going to starve the province and not build power plants, for example, just to make certain that we do not go into debt. That would be silly. So that is an example of where debt is a good thing and something that the province should have done or should do and other jurisdictions should do as well. We do not have the same problem that the Oppositions seem to have with the debt, to the same degree that they do, and I think that they oversell it. I think there is certainly an overselling of this debt situation by the Conservatives and their business cronies because where do we ever look at a balance sheet of the whole province?

What I see as a profit and loss statement here with the list of expenditures and the list of revenues, and I see a figure for a debt, but I do not see anywhere a list of assets up against that debt. So that is what we really have to consider when looking at the province's financial position: what is the total amount of debt that province has, versus what are the assets of the province? For instance, what is the infrastructure of this province worth? What are the roads worth in the province? What are the hydro projects worth in this province? What are the schools, what are the hospitals worth?

So, if we were a little more realistic at this, and we took the list of assets of the province, and compared them to the \$10 billion debt that we constantly hear the Conservatives raving about, we would find a very favourable comparison. So the debt situation is not as bad. Now, that does not give us licence to go out and spend, you know, as the Liberals have been

promising to do in the last election, wishing to spend something like \$700 million. They spent that rainy-day fund three and one-half times, and that is before the election had been even called.

If you look at the NDP promises during the campaign, they were quite moderate and quite modest in relation to what the Liberals had suggested they would do. So that is an indication to me, anyway, that we are prepared to be fairly realistic and fairly moderate in our assessment of debt and where the province should be going. But if you are in a recession, if you are in recessionary times, which is where we are headed right now, now is not the time to pull back completely and -(interjection)-

* (1630)

Well, the Minister of Highways (Mr. Driedger) said, we should spend more. The fact of the matter is, and he will agree—I mean they may not have come to terms with this yet, but they will in their Cabinet and in their caucus. At some point in time in the next few months, the Minister of Finance (Mr. Manness) will come to them and will say, we are seeing the bottom of the trough here, we are going to hit bottom fairly soon, and that should be the time to spend some money on needed structures and programs that the province needs.

These are structures, I might add, that are in the long-term budgets anyway. They have a capital project over the next four or five years to spend money on this hospital and that nursing home and so on. What they should do and what any prudent Government would do in a situation like this, when they hit bottom, is to prime the pump, start to spend money and accelerate this program.

I am sure that they will be having these discussions over the next few months as to—you know, whether they spend the money. The right wingers over there will not want to spend it at all, will want to roll back, cut back, slash and burn, and go back to a true Tory agenda, but the more moderate elements over there are going to want to at least spend a little bit of money to prime the pump a little bit. There may be some more over there who see it perhaps a little more the way we would. That is to accelerate the construction of hospitals, schools and other building projects, and the acceleration of spending on needed programs and so on in an effort to bring the economy out of the recession a little quicker.

After all, we are going to be mired in a recession as bad as the 1929-39 Depression if we follow the R. B. Bennett approach, the right-wing Conservative approach to economics that some of the Members over there would advocate. I think that they are going to be forced—this is the 1990s. I think they are going to be forced into a position next spring of having to spend money and try to prime the pump and pull us out of the recession quicker, try to pull us out of the recession perhaps by the middle or end of next year, and not let this thing drag on into 1992, '93, '94.

If they do that, they are signing their own death warrant, because the voters of this province, who are accustomed to being in debt, are more comfortable with it, are not going to appreciate their right-wing approach, their slashing and cutting and as they showed them in 1981, they are going to turf them out of office. There is going to be a lot fewer of them over there in three and a half to four years if they survive their term than there are right now—five years, as the Minister for free trade is wont to point out.

As a matter of fact, while I am on that particular Minister—because we could not find him the other day—he is certainly at some odds with his Leader over the effects of the Free Trade Agreement, because he was caught by the Member for Flin Flon (Mr. Storie) the other day trying to make a case. We know that he supports free trade. He is one of those over there who is a bigger supporter than some of the others. As it has become clear over the country that the Free Trade Agreement is working against Canadian interests more so than maybe even us as pessimists over here thought in the beginning, we see the Free Trade Agreement basically de-industrializing the province and the country right before our eyes. Here we have the spectre of the Minister of Industry, Trade and Tourism (Mr. Ernst) sticking his neck out and making the case for free trade being of a net benefit to us, and not even the most right-wing reactionary Conservatives are prepared to say that, at least publicly.

So the Minister, I am sure, ended up in the woodshed over that because he has been rather quiet about the whole subject, and I am sure the Minister of Highways (Mr. Driedger) has taken him aside and suggested to him, while it is a—you know it is a good argument, but let us keep that in the debating societies and in the backrooms and in the caucus room. Let us not bring that argument out

here in the public, because you will not find anybody out there in the public that does believe that the free trade deal is a good deal.

In fact, people out there understand and know that that enormous loss of manufacturing jobs in this country, right across the country, is due to the Free Trade Agreement. Now, whether it is technically or not—before the Minister gets excited and upset here—he should understand that they have lost the propaganda war. In fact, it does not matter whether the jobs are directly linked to the Free Trade Agreement, whether the jobs losses are directly tied to the Free Trade Agreement or not—the perception is there.

People believe that when there are cutbacks or when a plant is closed, it is because of the free trade deal directly or part of the free trade deal indirectly. So the Minister is really flogging a dead horse in trying to make the public believe that the Free Trade Agreement is beneficial to this country, even though in 1988, his federal colleagues and cronies managed to bamboozle the public—through a tremendous amount of corporation money, I might add—into supporting the Conservatives and their free trade stance.

So they managed to make it through that one test of fire, but, Mr. Speaker, now I would suggest that their time is coming. It will not be any too soon for us to take another look at that free trade deal when we have a change of Government and we see sane, rational Government in Ottawa, under the leadership of Audrey McLaughlin, after the next election, because the latest polls that came out yesterday show the NDP in the lead across. So now we have a situation of the NDP at 38 percent, the Liberals at 31 percent, the Conservatives at 15, with the Reform Party coming up to 7. In fact, there is hardly any room for them on the scale out there any more. You know, they are at 15 percent and falling. What a terrible position to be in!

Some solace that this crew managed to squeak its way through trying to pretend that it had nothing to do with the federal Party. I mean, they want nothing, absolutely nothing to do with their federal counterparts, and we cannot fault them for that. They try to hide their connection, except every once in a while the Minister of Industry, Trade and Commerce (Mr. Ernst) pokes his head up out of the foxhole and says, free trade is good. It is helping the economy. Then the Premier (Mr. Filmon) turns around with his little hammer, and he pounds him

back down. Down into the foxhole again he goes. We have not seen much of him lately. He has been very quiet.

The Minister of Highways (Mr. Driedger) was caught off guard last year and suggested he was going to privatize the road system in Manitoba. He was going to make toll roads. So what do we expect here? We have the school system being privatized in the next few months. You know, what is next? Toll roads, toll-road Alberta. I mean how many of the Conservative friends will be lined up to put bids on the No. 1 Highway. They could perhaps sell it in sections. You know, you drive 15 miles down the highway and you stop. Then you pay your toll and you go another 15 miles. That is a tremendous way for them to raise some revenue here—

An Honourable Member: Maybe they could advertise it. This section brought to you by McDonald's.

Mr. Maloway: I do not want to give them any ideas, because the Minister of Highways (Mr. Driedger) came up with this brilliant idea. He may think it is an original idea, but it is not so original. It is borrowed from his friends in the United States—Margaret Thatcher's general approach to economics. I mean, that is where it comes from. There is nothing original, nothing original about that idea.

I do not know how much time I have, but I have a lot more—how many? Thank you, Mr. Speaker.

Mr. Speaker, I did want to make some comments about the Minister of Finance's (Mr. Manness) models. You know, in Opposition, he made such a fuss about short-range thinking on the part of Governments and how, when he came into power, he was going to come up with a five-year plan. It reminded me of Joe Stalin and his five-year plans, but he was very wedded to this idea of a five-year plan. I do not know what the magic was about it. Why could it not be a four-year plan, or why could it not be a six-year plan? It had to be a five-year plan. He was very, very definite about what he was going to do.

* (1640)

Well, he is not so definite now. In fact, he is not talking about his five-year plans anymore; he mentions it only in his financial documents, and now it is, I believe, a three-year plan. His plan is also predicated, just like his next part of that plan is predicated, on shifting sand. It is predicated on a two percent drop in interest rates. Now how do you

predict that? How can you predict that interest rates are going to go down two percent?

Who could have predicted the Middle East crisis right now—who could have predicted that Kuwait would have been invaded? So how can he sit here and say, well, you know, if interest rates drop down two percent and if this happens here, and oh, we are going to come out of the recession by the middle of the year, next year?

I am really suspicious of the suggestion that somehow these models are of much value. He goes at great length here in his budget Address, page 15 to suggest that somehow the NDP's spending practices and NDP planning had to do with the lack of long-range planning. Right? He is going to rectify this now. He is going to come up with his three-year, his five-year, his six-year plans. He cannot plan more than a couple of months in advance. It is just not possible.

Look at the Liberals' planning in Ontario. I mean, just a couple of months ago they were suggesting, I believe, a surplus budget. All of a sudden, 30 days later, it is \$700 million. Now, it is \$2.5 billion. Lord knows what it is going to be in the final analysis.

My point is that the economy is falling at an increasing rate, at an increasing rate, and this crew is applying solutions that are a hundred years old. You know, free market economy, let the rich get richer and the poor get poorer. Right? Favour our buddies, favour our friends, because after all those are the people in society with the money. Those are the people in society that pull the strings.

The Industry Minister (Mr. Ernst) was mentioning the other day about his ambassador program. They are not, as an ambassador, looking at some Manitoba student who has gone to Oklahoma to school being an ambassador for Manitoba, not at all. They are looking at blue bloods, members of the Chamber of Commerce who have managed to make it good in the Rockefeller Bank or whatever, as an ambassador.

Their whole philosophy is based upon dealing with a very, very elite group of people in society and not dealing with people, the have-nots in society. That is why they have very, very little time, little sympathy for the poor people in this society, for people that are suffering, that are going to suffer as a result of this budget that is being brought in right now.

Unfortunately we have to live—unlike the Liberals

we are a little more realistic—we know we have to live with this Government a little—

An Honourable Member: Until someone comes to their senses.

Mr. Maloway: Until someone comes to their senses over there. We have to live with this Government whether we like it or not. We will try to push them and shove them in the right direction, make them do the proper thing in spite of themselves.

We cannot promise that we will be very successful in that regard but we will certainly not be accused by our voters out there and supporters of in any way leading them down the wrong path because we are going to point out the correct path that they should be taking over the next four years. We are going to try to point them in the right direction knowing full well that they are a lost cause, that they are headed on this hopeless path, and we have to look forward to a very, very nasty winter and even nastier spring, as I believe they are going to embark on that right-wing path. They are going to embark on the path of slashing and cutting and following in the paths of the Tory Governments that have gone on before them.

The Minister of Finance (Mr. Manness) will eventually come to be known as "Doctor Debt" because I predict to you that within a couple of years you will be running deficits as we have never seen before. I mean this graph showing Newfoundland as having the largest per capita debt in the country will be a very small, small graph. Manitoba will be exceeding them at some point.

I wanted to make some comments about the HydroBond issue this spring because the Minister of Finance thought he was on a great track of selling HydroBonds and he was successful the first year. He was successful last year. He sold \$100 million or whatever it was in HydroBonds. This year we had people redeeming them faster than they could be sold. So you do not hear them talking about HydroBonds any more, except the Premier. He has not been informed.

The Minister of Finance (Mr. Manness) has not told him about the situation regarding the HydroBonds so the Premier mentioned the HydroBond Program in his speech as being a positive initiative the Government—I did not see the Finance Minister try to nudge him and try to wake him up to the fact that this has been a flop this year and has not gone anywhere. I guess, you know, he

has probably told him by now so we probably will not hear the Premier making any more speeches about the HydroBond situation.

Anyway, Mr. Speaker, I think I should close now and perhaps leave the rest of my speech for the next opportunity. Thank you very much.

Hon. Jim Ernst (Minister of Industry, Trade and Tourism): It is my pleasure, Mr. Speaker, to rise in the budget debate for this—

An Honourable Member: You look pleased.

Mr. Ernst: Well, I am pleased—no question about that. Mr. Speaker, unfortunately, I was not able to personally congratulate you during my debate on the throne speech, so let me offer personal congratulations for your return to the Chair and presiding over the House.

As I indicated at that time, you and I were elected together first in 1986. We did have the opportunity of sitting two years in Opposition. I know, Mr. Speaker, that while we do not always agree on every issue, that is only normal in the course of these events. I am sure your even-handed approach will serve the House well over the next four or five years. I wish to congratulate you for your return to the Chair over this Chamber.

The question of fiscal management, the question on the control of spending and the maintenance of essential services are in the forefront of the budget that was tabled yesterday.

There is no question that the people of Manitoba do not want any more taxes. There is no question that the people of Manitoba want some restraint in terms of Government spending, not only want but require, because we cannot continue on the road that we have gone on for the past number of years.

I include all Governments, regardless of political stripe, because all Governments have unfortunately in this country taken the road of least resistance and have said simply, we will spend more and borrowed the money against our future heritage.

* (1650)

It is rapidly coming to a point, Mr. Speaker, in the very near future that we are going to be in a situation where we are going to be unable to borrow money that if the Governments of this country, of North America, of the free world in fact, continue the kind of deficit spending that has gone on for a very long period of time, we are going to be unable to borrow money at any price.

That will be very critical, because that will force upon the legislators in this Chamber, and force upon the people of this country, something that should have been directed properly by their Governments in the past.

Before I get too much further into the budget, I want to comment on a couple of statements made by some of my honourable friends from the other side of the House.

The Member for Brandon East (Mr. Leonard Evans), during his Throne Speech Debate—

An Honourable Member: Fine man.

Mr. Ernst: I am sure he is a fine man, Mr. Speaker. Unfortunately he is not very wise in terms of what his comments were during that Throne Speech Debate.

What we always get from the Member for Brandon East is a plethora of statistics. Now I have had—

Some Honourable Members: Oh, oh!

Mr. Speaker: Order, please. Order.

Mr. Ernst: As I have said, Mr. Speaker, what we get from the Member for Brandon East on a regular basis is a plethora of statistics. Those statistics may or may not be accurate, may or may not have application in certain instances, but nonetheless there are so many of them there that I do not think anybody, including the Member for Brandon East, really understands them at all.

There has been some fun made with regard to certain trade statistics that were tabled in this House by myself last week, but we have the Member for Brandon East (Mr. Leonard Evans) suggest that trade exports with the United States increased 2.2 percent—in his statistic—and that our imports increased 12.7 percent. That would indicate that something is amiss.

Yet the fact of the matter is that our trade deficit significantly declined with the United States. So somewhere the use of statistics continuously is not necessarily the correct answer and is not necessarily giving all of the information.

When you have a 2.2 percent increase, according to the Member for Brandon East (Mr. Leonard Evans), in increased exports to the United States and a 12.7 percent increase of imports from the United States, Mr. Speaker, yet still having your trade deficit decline, there is something wrong with those statistics.

I want to get to my friend, the Member for Flin Flon

(Mr. Storie), the Member for Flin Flon, who during the time he was in Government under the NDP used to regularly have himself cut off at the knees by his Premier, to the point that affectionately he was referred to by Members on this side of the House as "Stumpy." My honourable friend, the Member for Flin Flon unfortunately was regularly overruled by his Premier and as a result came to be affectionately known by that name.

What I particularly enjoyed during his speech, in regard to the throne speech, was the little game that he played during the election. He went and he talked to a bunch of his constituents and said, I will bet you \$100 that you cannot tell me the name of the Minister of Industry, Trade and Tourism. He said he never lost a bet.

Now, Mr. Speaker, that is a very good story. However, I have a great deal of difficulty in believing his story, not that they did not know my name, that much I can believe. What I cannot believe is that he had \$100 that he was prepared to gamble on that. I do not believe for a minute that he would have put up \$100 for any of those kinds of—and certainly not 400 times. Certainly not 400 times would he have gambled \$100.00. That is a very good story, but somehow I do not think he would have put up \$100 once let alone 400 times.

Even if the story is factual, I am happy with that story. I truly am happy, because it means I am doing my job. My job is not to be well known to the constituents of Flin Flon. I do not think I should be spending my time as a Minister of the Crown or the taxpayers' money telling the people from Flin Flon who I am and what I do. That may be what the Member for Flin Flon (Mr. Storie) would have done as a Member of the Executive Council, that is probably what he did do as a Member of the Executive Council. That is not a job that a Minister should be doing. I should not be there and he should not be there as a former Minister of the Crown pointing out to the people of Flin Flon that I am the great Jerry Storie. That would have been wrong. It is wrong and continues to be wrong, and it will always be wrong.

His strategy, as the former Minister of Business Development and Tourism, may well have been that, but that probably -(interjection)- it is true, Mr. Speaker, he did travel from department to department with a great deal of regularity as evidenced by his Premier not having I guess the confidence in him to continue in those jobs. Then

again we saw the kind of actions that took place in the House where he was regularly cut off at the knees by his Premier in any event.

It may have been his idea to promote himself and that may be related to his ideology more than his interest in terms of doing the job.

In my view, the Minister's job is to promote the Province of Manitoba. The Department of Industry, Trade and Tourism is a sales department of the Government of Manitoba. It is our job to be out there selling Manitoba to industry, trying to attract industry to locate here and create those much-needed jobs that are required for this province.

Let me tell you that my name is known, Mr. Speaker, as the Minister of Industry and Trade in this province. It is known by the business community in this province. It is known in the rest of the country. It is known in our neighbouring provinces, as the Minister of Industry and Trade. It is known in the United States and it is known in Europe. Let me assure the Member that by doing that, that is the appropriate way of doing it. Those are the appropriate people that should know who the Minister of Industry, Trade and Tourism (Mr. Ernst) is in this province.

It is also known, Mr. Speaker, in the Asia-Pacific area, in Japan, in Hong Kong, because those are areas where we can attract investment to this province. Those are the areas where we can bring investment to this province and create new industry, create new jobs for our province.

I am also confident that the president of the Boeing Aircraft company knows who the Minister of Industry, Trade and Tourism is in this province. They put \$30 million investment and 300 new jobs in this city. Mr. Speaker, the president of Hughes Aircraft also knows who the Minister of Industry, Trade and Tourism is, because they put a \$10 million investment and 200 jobs in this city.

The president of Palliser Furniture Ltd., who my honourable friend quoted, knows who the Minister of Industry and Trade is here, because they put in new investment in this province and added another 100 jobs to their factory here. Western Combine, Galen Pharmaceutical in Steinbach—the list can go on and on and on as the people who have, through the efforts of my department and myself as the Minister, through the efforts of our Government, made investments in this province, who have the confidence in our Government to say that they will

invest in this province and create those much needed jobs.

Mr. Speaker, as an aside, I want to tell my honourable friend from Flin Flon that there were 4,500 people in the constituency of Charleswood who knew what my name was when they marked their ballot, 4,500 more than the NDP candidate in that constituency. That is the message that counts. I ask my honourable friend to match those statistics. That is the plurality, 4,500.

Mr. Speaker, my honourable friend from Flin Flon and his colleague the Member for Brandon East (Mr. Leonard Evans) talked about how great it was under the NDP. My honourable friend from Elmwood, as a matter of fact, alluded to that a little bit earlier as well—how great it was under the NDP. They talked about that during the Throne Speech Debate, and the Member for Elmwood (Mr. Maloway), just this afternoon, talked about it in his address to the Budget Debate but let me tell you what needs to be repeated, what needs to be brought to the attention not only of the people of Manitoba but I think, quite frankly, to the new Members of the NDP benches opposite is what that record was.

* (1700)

What a record it was. How great it was under the NDP. A \$10 billion debt, but it was a one-half billion dollar annual deficit, Mr. Speaker, which was pointed out very aptly by the Minister of Finance (Mr. Manness) yesterday during his address to the budget in tabling that document with this House. More debt in six years of NDP Government than was accumulated during the entire history of the province before that. The entire history of the province did not create more debt than the NDP did in six years of Government under the Pawley administration—(interjection)—six years.

Then the Member for Seven Oaks at that time, the Minister of Finance under the NDP Government—affectionately, also referred to by Members on this side of the House as “mean Gene the tax machine”—perpetrated the tax grab of the century upon the people of Manitoba, the tax grab of the century. He and his budget at that time likely caused the defeat not only of himself but of their entire Government with the actions such as he perpetrated on the people of Manitoba, nonetheless perpetrated the tax grab of the century onto our citizens.

They left us, Mr. Speaker, with a tax regime that

was the highest in Canada. No one paid more taxes than the people in Manitoba. The highest tax regime in the country was one of the great things that were under the NDP years, those great years that my honourable friends across the way refer to. How great it was under them! How great it was!

Mr. Speaker, I do not understand their thinking. I do not understand how they could possibly come to that conclusion with those kinds of statistics and that kind of information.

Mr. Speaker, everywhere in the world today they are turning to competitiveness, everywhere in the world, even in the Eastern Bloc, even those former communist countries are turning into free market systems, because they know they are the ones, the only ones, that will work in the long term. Everybody recognizes that global markets and competitiveness are the way of the future.

If we cannot be competitive, if we cannot compete in a global market, we will not survive. We will not survive. It will do no good to throw barriers up around us to try and keep out—we can see that right now, but we cannot keep it out. We can see that right now because the people of Manitoba just because of the price of liquor alone are travelling to the United States on a regular basis to purchase that liquor. They will seek out those markets. They will seek out opportunities. The consumers will end the barriers. The artificial barriers that Governments can throw up around this country will not work.

What other actions did the great NDP years give us? Well, they gave corporations a tax on assets. They said, good, we will tax whatever you have. We will tax you on your income. We will tax you on your assets. We will tax you just about everywhere we can. Not only that, they decided to tax them on the jobs that they created. Here we have, Mr. Speaker, the engines of growth in this province, the creators of jobs in this province, and what do we have? We have my honourable friends across the way taxing the jobs that are created; the very jobs that we want to see created in this province.

Unbelievable that they would claim that this is the great legacy of the NDP in the Province of Manitoba. They had anti-business legislation brought into this province; anti-business legislation for the same people on whose jobs they were taxing and whose assets they were taxing on top of that, but this was economic development under the NDP. Tax the assets, tax the jobs, and then introduce legislation

that will drive them out of the province, Mr. Speaker. That was the legacy of the NDP and their model for economic development, or one-half of their model for economic development.

The other half for economic development was the Jobs Fund. There was a fund, Mr. Speaker, \$100 million of Jobs Fund money went out to create jobs in Manitoba. As I said in the throne speech, I commend the NDP for the fact it did create jobs, a lot of jobs. The problem is today we have \$100 million in debt and the jobs are gone, disappeared, evaporated into thin air. We do not have those jobs anymore because that kind of economic development—the other half as I referred to earlier—left us with a debt we have to pay back.

My honourable friend for Elmwood in his discussions a little bit earlier with regard to the budget debate, Mr. Speaker, thinks that you do not have to pay debt back. He says debt is good. Debt is good. We should have debt, but you have to pay it back I have to tell my honourable friend. You have to pay it back and you have to pay the juice on it. You have to pay interest. It is like the Member for Elmwood (Mr. Maloway) reminded me very much of a Rhinoceros Party candidate in a federal election, about two or three years ago, who indicated one of their policy platforms was, issue every person in the country an American Express card but do not give them an address to send the bill; that somehow you do not have to pay these things back. Well, let me tell my honourable friend for Elmwood—and I am sure that his suppliers in his business will want to get paid on a regular basis and so do the banks.

These were the great times of the Members opposite and we are suffering today, Mr. Speaker, with that legacy. That legacy is reflected very significantly in the budget that was tabled yesterday by the Minister of Finance (Mr. Manness).

On top of that we had \$28 million loss in Saudi Arabia with MTX, a little venture of my friends opposite. We had the Flyer mismanagement situation, and then not only that, Mr. Speaker, they claimed they sold Flyer Industries. When they suggested they sold Flyer Industries, what they did was they gave the company away. They gave the company \$3 million to take it off their hands and then guaranteed another \$8 million of future debts. That was their sale of assets.

Compare that sale of assets with the sale of assets by the Minister of Finance (Mr. Manness),

and we have divested two or three Crown corporations over the past two and a half years. Now let us compare an NDP one, Flyer Industries, where they gave the company away, paid the company \$3 million to take it off their hands, guaranteed another \$8 million of potential debts into the future, versus the sale of Manfor or the sale of Manitoba Data Services or the sale of Manitoba Oil Corporation, ManOil, that great saviour of the NDP that was going to provide all of our energy needs for the future.

ManOil was the great—and I can remember sitting in this House as a Member of the Opposition and hearing the former Premier, Pawley, and some of the other Members and, although I cannot specifically remember, very likely the Member for Flin Flon (Mr. Storie) as well, standing up and claiming how great ManOil was going to be. This was going to be another saviour for Manitoba. We were going to have the energy resources we needed for protection into the future, that ManOil was going to make profits. We were going to have a heritage fund. We were going to have all kinds of things. ManOil was going to be really something for the people of Manitoba. ManOil, 12 million bucks in the hole and no potential for development. There was another great investment in economic development by the NDP.

Let me add, Mr. Speaker, Autopac mismanagement which was very likely the straw that broke the camel's back to turf them out of office two and a half years ago—gross mismanagement. We had social service agencies that were being starved by the NDP even though they claimed—and they had great rhetoric I must say, Mr. Speaker, fantastic rhetoric that they would go out and tell the people of Manitoba: they were the people who supported the little guy; they were the ones who were in favour of social development; they were the ones who were going to provide all of these things. Yet, Mr. Speaker, they did not deliver. They did not deliver, and they kept telling people and unfortunately people still continue to believe that.

* (1710)

They closed hospital beds. The only Government in the history of Manitoba that closed hospital beds was the NDP. They were the ones who left that legacy for Manitoba.

All in all, I think, what should happen is that Premier Rae in Ontario should actually study the history of the NDP Government under Howard

Pawley in Manitoba. He would learn very many valuable lessons on how not to manage, how not to do things, how not to carry on a Government, because that would give them very valuable lessons, very valuable lessons indeed.

The people of Manitoba are now paying for the results of those NDP good times as they claim, \$540 million of interest costs to bankers, \$540 million as shown in the budget tabled yesterday by the Minister of Finance (Mr. Manness).

During his address to the throne speech, the Member for Brandon East (Mr. Leonard Evans) talked about what companies were friendly to Tories, that somehow a \$1,400 donation by a company entitled them to an \$8 million trade credit of some kind. I do not understand that. He went on and on and on about this company and that company who had donated federally to the Conservative Party of Canada. I am amazed because I think the banks of this world, the banks in Tokyo, in Zurich, New York, and London must be ecstatic, must absolutely love the Members of the NDP, because they are putting \$500 million every year into their pockets in interest—\$500 million of interest costs that have gone to those banks. They should be ecstatic about that.

The biggest problem is the NDP forget it is not their money. It is the taxpayers of Manitoba's money, Mr. Speaker. I am a taxpayer. Each of us here in this Chamber is a taxpayer. Quite frankly, they have forgotten and they continue to forget, and each time one of their Members stands up and demands more expenditures and more expenditures, they forget that it is not their money. It is the taxpayers' money. It is the bank's money, and if it is the bank's money, it has to be paid for. It has to be paid back and the interest has to be paid on it.

Mr. Speaker, the election I think sent a very clear message both to me and hopefully to everyone in this province, certainly I hope to everyone who sits in this Chamber. I think they sent a very clear message. They certainly sent it to me in Charleswood, in Assiniboia, in Crescentwood, in Seine River, in Interlake, in Brandon, in Roblin-Russell and the Maples. Everywhere that I campaigned in this province that message was very loud and clear. -(interjection)- Yes, I did. I campaigned in Crescentwood. I should actually tell the House a little story that occurred during that campaign.

I was in an apartment building on Wellington Crescent. I knocked on this door and this lady said to me, hello, Mr. Ernst, how are you? I said, I am fine, thank you, how are you, and she said, you know -(interjection)- She knew who I was. In Crescentwood they knew who I was, maybe not in Flin Flon.

In any event, this lady said to me—I said to her rather, I am here calling on behalf of our candidate, who happened to be the Filmon team's candidate. The Filmon team—yes. I was, Mr. Speaker, calling on behalf of that candidate. She said, you know, Mr. Ernst, I do not think I can vote for him. He is too young. He is too young a man. He is only 24 or 25 years old. I think he is too young. She said, but, Mr. Carr, now there is a nice man—there is a nice man. The problem is with Mr. Carr though, she said, I am not going to vote for him. Even though Mr. Carr is a fine man and does a good job and all of those things, she said, I am not going to vote for him because he is in the wrong Party.

I will not explain her further comments with regard to that political Party or its leadership, but, Mr. Speaker, nonetheless she said, I cannot vote for him, and I cannot of course vote for the NDP because we cannot afford them. They spend too much. You know, I said, this lady really knows what is happening. So she said, Mr. Ernst, what I am going to do is vote for your candidate even though he is young because I know you have a very good Leader, and I know you have excellent people in your Cabinet who will work very hard for the benefit of Manitoba.

So, Mr. Speaker, there is one person's rationale and that is a true story. There is one person's rationale of how an election should work and who should be in Government in this province and I commend her for that.

That election gave me certainly a very clear message. I hope each of us in this Chamber have that very clear message. The message was that the people are fed up with taxes. They want no more taxes. They have had enough. They have had enough, Mr. Speaker, of income tax. They have had enough of sales tax. They have not even got it yet and they are fed up with the GST. They have had enough of taxes of all kinds, property tax, school tax, you name it, they have had it with taxes in this province. They have seen themselves work very hard.

Today we look at the statistical difference between today and 10 years ago in terms of the numbers of people, two persons working in a family, husband and wife both out working to try and create a standard of living that they might have been able to maintain on one income some time ago.

We have seen their kids out working part time to try and bring a little extra money into the family in order to maintain that standard of living, perhaps improve it a little bit, but every time it happens, it gets slowly eroded away by taxation.

Taxation, Mr. Speaker, is something they want no more of. They work very hard. Taxation is something they want no more of. They work very hard. It is even tougher today to try and own their own home, to try and make those payments, to try and make ends meet. They have to exist on wage increases of 3 percent or less, which have been the norm for the past few years, yet Government expenditures have certainly increased substantially over that.

We all must try and work together to try and control those Government expenditures to keep them at a reasonable level so that the people out there who foot the bill, the people who we represent—and we tend sometimes I think to forget that when we get into this Chamber. Certainly I think people forget that when they stand up and demand more and more and more in terms of expenditures.

We have to respond. We have to say to those pressure groups who come here, those special interest groups who tend to protest in front of the Legislative Building, or come and lobby us, we have to say to those people with pet projects, I am sorry. Government revenues are down. We cannot accede to those requests. We cannot respond in the same way as has been responded to in the past, because we cannot afford it.

My honourable friend from Elmwood seems to think that is funny. He seems to think that he is able to go out and borrow the money, because he thinks debt is good. He also thinks that you do not have to pay it back, and he is wrong.

We all have to recognize that we all have to stand up and say we have to call a halt to the spending that has gone on in this province and in Governments over a great many years. We have to start living within our means. We have to recognize that income levels and expenditure levels have to meet.

Mr. Speaker, as my colleague, the Minister of

Finance (Mr. Manness), indicated earlier today in Question Period, a look at the graph that was on the front page of the Free Press tells the story. It speaks volumes for what has gone on with the financial resources of this province in the past.

I challenge my colleagues here in the House. I challenge the Members of the Opposition when they stand up to demand additional spending to quantify it. Let them quantify it. Let them say, yes, I want you to do this. We think you should do this. This is NDP policy, you should spend on this and it is going to cost X dollars.

Time after time, day after day, Members opposite benches stand up and require, demand, cajole, scream, yell and say to the Government spend, spend, spend. Let them say how much it is going to cost first. Let them say that.

This is a challenge, Mr. Speaker, let them have the intestinal fortitude to stand up and say this is how much it is going to cost and then let them tell us where that money should come from. Given that, and I think everybody in this House recognizes increases in taxes are not in the cards, let them tell us where it is going to come from. Let them tell us who we should take it away from in order to put it into that source. Let them tell us where that expenditure should come from. Let them tell us who we should take it away from. Do they want us to take it away from health care to put it into social programs? Do they want to take it from one social program to put it in another? Let them have the fortitude to come forward and say that. How much it is going to cost and where is the money going to come from? That is all I ask.

I do not want to solely condemn my colleagues in the NDP and the official Opposition, because the Members of the third Party also have some significant guilt in this area. They have not had the opportunity -(interjection)- \$900 million. They have not had the opportunity to get their hands on the purse strings of this province, but as the official Opposition in the last Legislature, in the last Session of the last Legislature, they wanted us to spend \$900 million, wanted us to spend \$900 million more in that Session, \$900 million of additional expenditures. That is only the ones that were quantified. There were lots of them that were not, that we were not able to attach a dollar figure to, \$900 million of the ones that were quantifiable— \$900 million.

* (1720)

Their Leader in the election went out and spent another \$600 million, made promises of those expenditures. I must commend the Leader of the NDP (Mr. Doer) at least who did not go around making all kinds of rash spending promises because he knew. He knew what kind of legacy he had left to the people of Manitoba under their Government, Mr. Speaker. He knew the province could not afford those kinds of expenditures, unlike my honourable friends in the Liberal ranks who are unable to read balance sheets, who are unable to read financial statements, \$1.5 billion more of expenditures under the Liberals, \$1.5 billion additional expenditures without anything else and without the ones that were not quantifiable that they had demanded additional expenditures for.

Of course, they also managed to condemn the Fiscal Stabilization Fund that we had created. They condemned that, Mr. Speaker, along with the NDP. They condemned those things, yet today we see the value of that Fiscal Stabilization Fund and the impact that it has had on the budget this year and a potential budget again in 1991.

That brings me, Mr. Speaker, to the question of the budget. I think a very strong message to all of us, a very strong message: revenues are down significantly. We are recognizing an economic slowdown in this country. We have high interest rates still. We have a falloff in housing purchases and large ticket items such as housing and consumer goods, large consumer goods. Those revenues, lack of revenues, are impacting businesses, workers and Governments in terms of reduced revenues.

As I said before, we have to start to learn to live within our means. We have to start to spend in accordance with our revenues. We have to take some time to turn the economy around. It is not going to happen overnight. Even my honourable friends across the way spending hundreds of millions of dollars of taxpayers' money would know even that does not work overnight, Mr. Speaker.

We have to attract new investment. We have to get new companies coming here to create those long-term jobs that are necessary for our people, not the short-term, make-work jobs with borrowed money that we leave the taxpayers of Manitoba to pay back, but we need new corporate programs. We need new companies to come here to create those jobs that our people need, quality jobs, jobs that are long-term jobs, jobs that create wealth in this

country. Those are the kinds of things that are necessary if we are really going to turn Manitoba around.

An artificially high Canadian dollar over the past couple of years, and in particular the last year, Mr. Speaker, has hurt our exports significantly. We have—and the minute I mention the word I am going to get rises out of the opposite benches, I am sure—had all kinds of excuses and blame by the Members opposite of everything that happens in this country on free trade. Let us take a look. Let us just take a look.

First of all, Mr. Speaker, consider that free trade applies to 20 percent approximately of our exports. Eighty percent of our exports go tariff free across the border and have over a number of years had their tariffs reduced. So that really the Free Trade Agreement talks about 20 percent of our exports. Of that 20 percent of our exports, roughly 2 percent reductions in tariffs have occurred over the past two years—2 percent. Yet we have 9 cents difference in the Canadian dollar—9 cents difference in the Canadian dollar as a result of the monetary policy of the federal Government. On top of that, compounding on top of that is the whole question of higher interest rates in this country, interest rates that give a double whammy to our manufacturers, because they have to pay those interest costs that other manufacturers with whom they compete do not.

Despite those problems, Mr. Speaker, we have some reason for optimism. We have an indication that the province has a good Government, has a Government that wants to attract business. Yes, it does, and that is recognized, interestingly enough, to my honourable friends opposite, recognized by a great many investors and manufacturers and so on who are looking at coming to this province. They are looking at coming to this province to take advantage of the kind of things that we can offer them.

They recognize first of all, Mr. Speaker, that we are not a punitive Government. We are not going to pass labour legislation that will seriously harm investment in this province. We are going to have economic growth that will be twice the national average. We have employment growth that is increased well above the rest of the country. We have an unemployment rate that has dropped significantly in Manitoba over the past little while. We stand the lowest in the country.

Just this past month was the largest drop in the country, the drop in our unemployment rate. So, Mr. Speaker, we have some reason for optimism, but not enough, I admit. Everybody I think will admit that we do not have enough. We should have a job for every single person in this province. If we did, we would not need the social programs that we have today. We would not need to spend the money on those social programs, because the best social program that you can ever have is a job for everyone. Even the Member for Elmwood might have to get a job.

We have some reason for optimism. We have total capital investment growth of 10.5 percent, well ahead of the average nationally, in sharp contrast to a 1.9 percent decline under the NDP in 1987.

Retail sales have increased 4.5 percent, double the national average. Our current growth rate is higher than any other part of the country except British Columbia in retail sales. We had to the end of September more than 7,000 new business starts. We had the Member opposite talking about bankruptcies. Yes, we have had a few bankruptcies, Mr. Speaker, but in excess of 7,000 new business starts in the Province of Manitoba.

Our entrepreneurs have confidence that they can start a business. They can prosper here. They will not be punitively dealt with by a Government such as the NDP continued to do time and time and time again. So we do have reason for optimism.

We have a base to build on in the future, but we cannot continue with the model of the NDP of massive public intervention with borrowed money into the economy. It does not work. The impacts of that are extremely significant. We must all take heed. As legislators we must set our priorities and just resist the short-term political gains that are made from supporting this lobby group or that lobby group or whatever one happens to pop up on whatever day or just take the article off the front page of the Free Press and say, the Government should be doing this, spending more money.

We have to set our priorities; we have to resist those short-term political gains. We have to curb our expectations. We have to say to ourselves, we cannot continue with the kind of thing we have done now. We cannot continue with the kind of thing we have in the past. We have to curb our appetites for spending the taxpayer's money. We will have, all of us, every Manitoban will have to lower our

expectations if we are going to have fiscal responsibility and pay heed to the financial situation the province finds itself in. We cannot, Mr. Speaker, continue. We cannot levy new taxes—at least in my view, we cannot levy new taxes. People are fed up as I indicated earlier. We must recognize the impact on our citizenry of those taxes.

* (1730)

Business has to remain competitive, as I said earlier as well. We cannot compete in the global economy if we are uncompetitive at home. We cannot export, and if we do not export, Mr. Speaker, we will not have any money for any social programs. We will not have any money for any health care programs because exports are our lifeblood. With a million people in this province, if we do not export, we will not have thousands of jobs; 57,000 jobs as a matter of fact last month in manufacturing. If those export jobs are not there, if they are gone because our companies are not competitive, there will not be any money for any social programs, any health care programs in this province.

Thank you very much.

Mr. Jerry Storie (Flin Flon): Mr. Speaker, I wanted to first indicate that I am pleased to be able to follow the Minister of Industry, Trade and Tourism (Mr. Ernst) in giving my response to the budget. First I will also say that I recognize that the Minister of Finance had a difficult chore in front of him in delivering a budget for the Province of Manitoba. I know that it is no easy task. I think we all recognized that the economy of the province is experiencing difficult times, that is not new to Government. It may be new to this Minister of Finance (Mr. Manness) who inherited a surplus budget when he first assumed the post. He miraculously manipulated that into a deficit for the province, and he had his own reasons for doing that.

Mr. Speaker, the fact of the matter is despite all of the rhetoric we hear about deficit, controlling the deficit, and profligate spending by the New Democrats, this Government inherited a surplus. I will acknowledge as the Minister of Finance (Mr. Manness) did when he first took office, when honesty and openness was first nature, and we did not have the political overtones of being brought into consideration that we have subsequently seen from the Minister of Finance, he recognized the two things that made that possible. One of them of course was increased equalization payments from

the federal Government, and the other was really a windfall from mining taxes. I hope that Members opposite will at least acknowledge that from the deficit peak, which occurred in 1986-87 until this Government took over, there was a conscious strategic effort on the part of the Government of the Day to reduce the deficit.

I hope that there will be some intellectual honesty amongst Members opposite to recognize that we, like every other Party in this Chamber, every other Member in this Chamber, do not believe that deficits are good, inherently good. Nor do we believe they are inherently evil. The fact is that we have all experienced deficits. We have all borrowed money from time to time. I thought that the good Tory businessmen and women opposite would recognize that sometimes to make a buck you have to borrow. You know that is the way our province is and that is the way business is.

Mr. Speaker, we also need some intellectual honesty when we talk about the legacy of the Government. I know my colleague, the Member for Elmwood (Mr. Maloway), talked about a table that was produced by the Toronto Dominion Bank, not by the NDP Caucus research and not by the Government research staff, which talked about the per capita net direct debt of the provinces in Canada. Where does the Province of Manitoba stand when we talk about the net per capita direct debt, not the bogus figures that the First Minister (Mr. Filmon) uses? -(interjection)- Net.

Well, Mr. Speaker, the Minister of Finance (Mr. Manness) protesteth from his seat and maybe with justification, but the First Minister should be told that every time he stands and talks about a \$10 billion legacy of debt left by the NDP he is misspeaking the truth He is misinforming the public.

Mr. Speaker, the fact of the matter is, if you consider the debt that is related to ongoing Government programs, Newfoundland has a higher per capita net direct debt. New Brunswick has a higher per capita direct debt. Nova Scotia has a higher per capita net direct debt. Quebec has a higher per capita net direct debt, and Saskatchewan does. I want to put a footnote on Saskatchewan. Well, Saskatchewan has a higher net per capita debt than the province of Manitoba. When the Saskatchewan Government, the Conservative Government of Grant Devine, inherited Government in Saskatchewan in 1982 there was a surplus. From 1944 when the CCF were elected in Saskatchewan

until Allan Blakeney left Government in 1982 the NDP Government had never run a deficit. Never. So let us not have the old shibboleth coming from Members opposite that somehow social New Democrats believe in deficit financing for their Government operations. That is not the case. It was not from 1982 to 1988.

Mr. Speaker, I ask the Members to have some recourse to comparative data before they enter this debate. It is interesting and I am going to talk about comparative data a little bit later on, because the Minister of Finance, whom I respect a great deal, used some selective comparative data in the budget document, and I am going to discuss that a bit later. -(interjection)- Oh, I would never do that. Never do that, no, no, no.

I recall distinctly in Government continuing to compare the record of the NDP Government when it talked about employment growth and investment growth and always saying, we are doing better than everybody else. I can still hear that from time to time, but what I do not hear is any real discussion and real information being provided by the Members opposite in terms of the deficit. If this Minister would have been as diligent in talking about what happened to the Province of Manitoba from 1982 to 1988 in terms of the deficit, if he would have been as forthcoming with the comparative statistics across the country, people in this Chamber would have understood that while the deficit was increasing in Manitoba, the per capita debt was increasing, it was not increasing nearly as dramatically in Manitoba under the NDP Government as it was under the Conservative Government in Saskatchewan, the Liberal Government in Quebec.

Mr. Speaker, the fact of the matter is that the deficit that was incurred in Manitoba during those years was incurred with the understanding that it could not be sustained, that we would have to revise the deficit and reduce the deficit when economic circumstances warranted, and that was done. Our record is very clear on that. I believe that I am fiscally responsible—I was going to say fiscal conservative. In fact, I may in fact be a fiscal conservative, but I do not know that in itself is unusual in social democratic circles. The fact is that I believe that you cannot overextend yourself personally and you cannot overextend yourself as a province.

That does not mean that deficits are not appropriate from time to time. Our Government took

a province that Sterling Lyon, the former Conservative Government, had run into the ground. We needed some deficits to create economic development, to create some consumer spending so that our retailers and our manufacturers would have some opportunity to grow.

Mr. Speaker, I may be as guilty as anyone of revisionist history, but certainly Manitoba did respond. Our housing program that I introduced, that our Government introduced, in 1982, the Homes in Manitoba Program, created thousands of houses and, more importantly, thousands and thousands of jobs. It did not cost the public Treasury an arm and a leg; it did cost them money. However, it did stimulate the economy.

Just so the record will be clear, I do not want it left on the record, I do not want anyone to really believe on that side of the House, or the new Members to believe, that somehow the legacy of this Government was anything other than a responsible legacy. Certainly, there were problems created in terms of the deficit. It was understood that those problems were being created, and they were managed much more capably by the NDP Government than those deficits were being managed in other provinces governed by Liberals and Tories.

* (1740)

I also wanted to say that the federal Government has never been the responsibility of the New Democratic Party or the CCF Party. The federal deficit is the responsibility of Liberals and Tories. The good managers have put this country in a position where 33 cents on every dollar is spent paying off the debt. That was not the NDP; it was not socialist mismanagement. It was Conservative and Liberal mismanagement. It is just as possible that this Government is going to mismanage the economy as any other kind of Government.

I want to talk, as well, about the prospects for the Province of Manitoba, because legitimately that is a concern for all of us. We have to be concerned about what we are leaving for the next generation and what we are leaving for young people who are going to be looking for employment in the next year. That is where we part company philosophically, ideologically, and certainly I part company with the Minister of Finance (Mr. Manness) and perhaps most of his colleagues over there.

First of all, it is interesting that the fascination with

the deficit—the Minister of Finance (Mr. Manness), every Member in the front bench, in the second bench, have mentioned the deficit as a continuing serious problem, and ironically, we have a Government that has done nothing about it. Other than the years of windfall years, we have seen successive Tory Government deficits to the point where this year we have a \$283 million deficit, would have been a \$383 million deficit were it not for the windfall they experienced from when we were in Government. Is \$383 million not a deficit? Am I missing something? Are we not adding another \$30 million to our deficit? Is the Minister who spends more time talking about the deficit really not doing anything about the deficit? Is it all just rhetoric? Is there no commitment to the principle of reducing the deficit? Well, then we would like to see what your real agenda is. -(interjection)-

The Member for Arthur (Mr. Downey) says, you bet we are going to reduce the deficit. Well, we want to see the real agenda of this Government. We want to see what the real agenda of this Government is. The fact of the matter is that this budget still has not revealed the real Tory agenda. For what reason, I do not know. We hear hints. There are subtle indications in the budget itself that the deficit reduction may in fact be coming. The slashing, the hacking that occurred in the Sterling Lyon era may be just around the corner. We saw evidence of that perhaps more clearly in northern Manitoba in this budget than in any previous budget.

We understand that the First Minister (Mr. Filmon), in his usual opportunistic way, called an election on August 7, because he knew where the province was going. He did not want to go and say, I was wrong. I cannot manage nearly as well as I thought I could. In fact, the deficit is going to triple from where it was two years ago. The fact of the matter is that this province is being mismanaged into a serious financial situation.

The Minister of Finance (Mr. Manness) may want to rise and blame it all on something that some previous Government has done. The fact of the matter is that this Minister of Finance has tabled three budgets already—three budgets, soon to be a fourth budget. This Minister of Finance is failing on two counts. Number one, he is not controlling the deficit, which seemed to be a priority with the Government—certainly in its rhetoric it is a priority—but, more importantly, he is failing in the long term.

His Minister of Industry, Trade (Mr. Ernst) is failing, the First Minister (Mr. Filmon), and his Minister responsible for Rural Development (Mr. Penner) are failing because in the long term there is no impetus. There is no initiative to stimulate economic development either in southern Manitoba or in northern Manitoba. That is the more serious problem.

Mr. Speaker, if I can offer some advice to Members opposite, certainly in the front bench, the difficulty lies in their unrealistic expectations of the corporate sector. The corporate sector believe in the bottom line. That is it. If they are making money, if they are making a substantial return on investment, they are happy. If they are not, they are gone.

What they fail to understand is that the Free Trade Agreement has fundamentally changed the economics for corporate North America now, for corporate North America. That is why we have opposed free trade. The much touted level playing field is simply not possible. It is simply not possible.

The United States has a climatic regional geographic advantage. They have an advantage in terms of their labour laws, in terms of the expectations they have for safe and healthy workplaces. They have a different set of values. There is no socialized medicine. There are 37 million Americans who go without any kind of medical insurance. They do not have equal access to education services.

We are a different country. The sooner this collective here, front bench collective, comes to grips with the fact that we have to develop policies as a province and as a nation which set ourselves apart from that other entity, the sooner we are going to have real economic opportunity again in Manitoba. We need that. -(interjection)-

Mr. Speaker, you can only hope I keep speaking. We may chase more over yet.

I want to take seriously the challenge that was set forward by the Minister of Finance (Mr. Manness) to Members on this side of the House. I want to take it seriously. I know that when those Members were in Opposition benches they certainly never took seriously their responsibility to lay forward an alternative and explain what their requests for their constituents were going to cost, but I believe it is a serious challenge. I think we have a responsibility to do that.

Mr. Speaker, there are in fact some very

interesting programs within the Minister of Industry, Trade and Tourism's (Mr. Ernst) department. I want to remind the Minister responsible that the Technology Commercialization Program, the Manufacturing Adaptation Program, the Venture Capital Program, to name only three, the Health Industry Initiative, were all begun by the New Democratic Party. They were all initiatives designed to enhance the strengths of our economy and enhance the sectors of our economy that had potential for growth, and we did that. Unfortunately, I cannot say that the same kind of imagination has been shown by the current Government.

Mr. Speaker, there is a mistaken belief on the part of Members opposite that somehow if they continue to sit on their hands, if they create an environment, so-called environment, that attracts in some mysterious, mystical way, investment into the province, all will be fine. I remind the Minister of Finance (Mr. Manness) and the Minister of Industry, Trade and Tourism (Mr. Ernst) that Japan, as an example, Korea, as an example, the Scandinavian countries, and West Germany, do not have Governments sitting on their hands. They are actively involved.

First of all, in something that was mentioned by some Member opposite, perhaps it was the Member for River Heights (Mrs. Carstairs), research and development, a very significant portion of the revenue, the spending of the Government of Japan to spend on research and development in co-operation with company. The same is true in Germany.

Now, Mr. Speaker, I know that the main responsibility -(interjection)- I was just getting to that. I recognize that the main responsibility lies with the federal Government who continue as a Conservative Government to talk out of one side of the mouth, and do nothing out of the other, about research and development. They did nothing about research and development. In fact, there are many people who would say that the federal Government have successfully undermined the research and development that was going on at our universities by the new guidelines they are using at the National Research Council.

* (1750)

The Governments not only invest in those countries, not only invest in research and development, but they also are actively involved in

product development with companies in those countries. So what we are going to have in this province is a backwater because the Government is sharing no responsibility for attracting investment, for keeping investment, for targeting development in our economic sectors as we did as the New Democratic Party from 1982 to 1986.

Mr. Speaker, there is no doubt that we would have liked to have been more successful, but the fact is that we were out there marketing our strengths, showing that we had a commitment to individual companies in terms of product development, in terms of financing, in terms of assistance in one way or another.

I find it rather pathetic, Mr. Speaker, that one of the few references we continue to hear from Members opposite is the fact that Dow Corning is opening a new plant in Selkirk. I was the Minister responsible when that project was first initiated, the Minister responsible for Energy and Mines. The fact of the matter is, the only initiatives of this Government, and I include in that the Ontario hydro sale, and this one were initiated by the previous Government.

This Government has let other potential developments slip through their fingers due to inactivity and indifference because they do not believe as a Government that they have any role to play in the economic development of our province. They believe solely that if they relieve corporations of their social responsibility which I believe taxation is—it is a sharing of the responsibility to educate and keep our citizens healthy—they believe that by giving up our collective right to maintain a share of the wealth that we produce in the province, that somehow that is going to attract additional investment, that it is going to create that atmosphere which we all desire.

It is a failed policy. It is a failed policy in many countries of the world. Great Britain and the United States are probably only two. There are many others. Mr. Speaker, the successful economies in the world have taken a more social democratic approach to economic developments, and my colleague mentions the country of France as well.

The Members opposite continue to talk as if simply relieving these corporations of any social responsibility, of their tax responsibilities, is somehow going to create this interest. Mr. Speaker, these people are going to go where their bottom line

looks the healthiest. Certainly, if that means establishing manufacturing outlets or production facilities in the United States, that is where they are going to go.

Mr. Speaker, I want to move on to another area of concern with this Government of Manitoba, and the Minister of Industry, Trade and Tourism (Mr. Ernst) referenced it, and he talked about the role that crown corporations play in the life of the province. The Member for Lakeside (Mr. Enns) often stands in his place and talks about the legacy of previous Conservative Governments, -(interjection)- and we are all pleased he is here to take a bow.

I said we are pleased to have his contributions because he reminds us that not all Conservative Governments have been regressive. In fact, there have been a few Conservative Governments that have been progressive. Our telephone system and Manitoba Hydro owe their development to Progressive Conservative Governments.

Mr. Speaker, we have not seen anything progressive about Conservatives for the last two decades. For the last two decades, we have seen Reaganite Conservatives, people who believe that the best way to create wealth and assets for the province is sell everything you own, the Grant Devine school of economics, the quickest way to run a province into the ground than any we can consider.

It causes not only myself but my constituents, those in our rural and northern areas, a great deal of concern when we hear the immediate past chief executive officer of the Manitoba Telephone System ruminating about privatizing our telephone system.

We have seen the writing on the wall. Manitoba Telephone System is currently imposing a new Community Calling program in Flin Flon, which may be the forerunner to privatization, where rates are increasing 24 percent, 56 percent, 66 percent.

Mr. Speaker, I also want to talk about good Government in terms of the Government's management of Crown corporations. We know where the Minister of Finance (Mr. Manness)—well I actually should not say we know. We do not actually know where the Minister of Finance has taken us finally with respect to the sale of Repap.

We have a bunch of shares. It seems to me that they may not be as valuable as the Minister of Finance believes, but we also know that he paid substantial money for Repap to take over that

enterprise, and because of Government bungling, both in terms of the sale but more particularly in terms of the environmental management of that project, the fact is that the province has ended up in a worse position.

Manitoba Oil and Gas, the Member for Arthur (Mr. Downey)—and I remember the committee meeting where this was discussed—assured us in committee, not more than 18 months ago, that the sale of Manitoba Oil and Gas for \$3 million was a tremendous deal for the Province of Manitoba.

At that time the Manitoba Oil and Gas Corporation had reserves of a million barrels of oil, known reserves of a million barrels of oil. At the time it was worth \$14 million. Oil was worth \$14 a barrel—(interjection)—the known reserves.

Mr. Speaker, they were assured—

Mr. Manness: Where were the bidders?

Mr. Storle: Mr. Speaker, the Minister of Finance (Mr. Manness) wants to know where the bidders were. Oil was at \$14 a barrel. I said, and the Member for Elmwood (Mr. Maloway) said, if the Minister responsible would wait a year or two years this would be worth three or four times what the Government was asking for it, was getting for it.

Today at \$40 a barrel, I ask the Minister of Finance to do some quick calculations and tell me what the Manitoba Oil and Gas Corporation would have been worth. Not only that, the Member for Arthur (Mr. Downey) also refused to accept the explanation from the experts and Manitoba Oil and Gas Corporation executives that if the accounting would have been done for Manitoba Oil and Gas the way it is done for Esso it would have been a phenomenally successful corporation. The fact is because—(interjection)—well, the Member for St. Norbert (Mr. Laurendeau) asked: who set up the accounting?

It is a Crown corporation. It does not treat its assets or its earnings the same way as a private corporation—(interjection)—

Mr. Storle: Well, yes, we did, and the fact of the matter is, Mr. Speaker, if the Members opposite could have kept their ideological instincts in check for a short period of time the province would have been better off.

The fact of the matter is that this Government has

shown no instinct either for managing the economy of the province or for managing the deficit. There are some serious, serious problems that lie ahead, not the least of which has been the Government's response to the three-letter word that was raised initially by the Minister of Industry, Trade and Tourism (Mr. Ernst), and that is the Free Trade Agreement.

Mr. Speaker, the Government continues to want to believe, despite facts to the contrary, that this agreement needs no response from the provincial Government. I am not sure whether they honestly believe that because of our limited resources as a province we can do nothing about it. Even if that is the case, I would have hoped that the Minister of Agriculture (Mr. Findlay), the Minister of Industry, Trade and Tourism (Mr. Ernst), the Minister of Finance (Mr. Manness), the First Minister (Mr. Filmon) would have developed a Manitoba position—fleshed out the implications of this agreement for the Province of Manitoba and gone at least to their federal colleagues in Ottawa and said, what are we collectively going to do about the ramifications of this agreement?

It is no accident that we have lost 12,000 manufacturing jobs in the Province of Manitoba. It is no accident. If you look even at the most optimistic interpretation of the trade figures, as the Minister of Industry, Trade and Tourism (Mr. Ernst) did, it will tell you only one thing, that we are becoming, as was predicted a long time ago, hewers of wood and drawers of water, because the only areas of trade where we are actually seeing increases is not in the retail, not in the manufacturing. Primary industries. Agriculture is probably an exception, and there is a whole set of reasons why it is an exception. The Minister of Agriculture (Mr. Findlay) knows them as well as anyone in this Chamber. It is because of the subsidies that have been put in place around the world—

Mr. Speaker: Order, please; order, please. I am interrupting the Honourable Member according to the rules. When this matter is again before the House, the Honourable Member will have 11 minutes remaining.

The hour being 6 p.m., this House is now adjourned and stands adjourned until 10 a.m. tomorrow (Friday).

Legislative Assembly of Manitoba

Thursday, October 25, 1990

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