

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, 23 March, 1987.

Time — 8:00 p.m.

BUDGET DEBATE

MADAM SPEAKER, Hon. M. Phillips: Debate is on the motion of the Honourable Minister of Finance and the amendment thereto by the Honourable Leader of the Opposition.

The Honourable Member for Inkster has 30 minutes remaining.

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

Madam Speaker, I'd like to continue with my comments from this afternoon, and perhaps where I was finishing off this afternoon was speaking about the honour and responsibility that we have as public officials, particularly at a time when Washington seems to be falling apart, when the degree of credibility that our government in Ottawa has is at an all-time low. It's a time for politicians throughout the country to stand, not just trying to make cheap shots across at one another, but to try and to get down and to work honestly and together at addressing the problems of the nation and respective provinces.

We have before us, and I noted a week or so ago, there is a comment or an article by Professor Schaefer from the University of Manitoba, dealing with what he felt was somewhat of an ethical crisis in government, and just after that another presentation or article appeared in the Free Press talking about greed and scandal as the poison of the decade. If I could quote from this, in the March 22, Winnipeg Free Press, it stated: "Not since the 1920's, a decade that these Teflon Years of the 1980's increasingly resemble, has a nation witnessed so much common celebration of greed and selfishness.

"Now, as then, the country has been encouraged to follow the example of big-deal operators, get-rich-quick schemers, inside traders, market manipulators, laissez-faire entrepreneurs in political and corporate life. Private gain has been accorded higher value than public service, 'Making it' has become the era's slogan."

Continuing in the article he states - the author's name is Haynes Johnson - "The public has reacted with growing disgust to revelations about secret and duplicitous Iran arms deals, Wall Street fixers and collegiate bagmen. Confidence has been shaken. In turn, this has created a far more receptive public mood for serious discussion about the nation's political direction and ethical standards."

Further down it states, "It's a travesty that the best-known businessman in America is not the chief executive officer of a major company or an innovative producer. It's Ivan Boesky."

When I read this sort of thing and you start to see repetitive articles of this general nature being presented, it makes me think a little more of the responsibility that we have as individuals in a society, let alone as legislators within a society.

When I see what we have done in this province in addressing and owning up to the various problems that

we face, be they within government operations generally or the peripheral government operations within Crown corporations, I am pleased to see the forthright nature with which this government is dealing with those very serious issues.

I look at the province's overall well-being, and I see us doing very well comparatively to the rest of the provinces in this country. We have amongst the lowest unemployment. We have a steady employment growth, not a phenomenal employment growth, but a steady, dogged employment growth. We have a relatively well-balanced economy for which we can thank not ourselves so much as our predecessors, the people who founded this province and brought the linkages with them, especially from across other parts of the country.

In many ways, Manitoba's economy is linked stronger to Ontario and the industrial economy of Ontario than it is to our sister provinces to the west. Although we share a great land mass and agricultural sector with them, we, unlike them, have a very thriving service sector and, possibly more importantly, a manufacturing sector in this province. That gives us the breadth, it gives us a diverse economy with which to build.

The poverty rates in the Province of Manitoba in the past few years have actually decreased, the number of people in poverty in this province. We're about the only province, certainly west of the Atlantic provinces, where that has been the situation. I take pride in being part of a government that has addressed issues so that the common man and common woman have an opportunity to move into the mainstream of society and participate, rather than being left behind by boom and bust cycles within the economy.

It's interesting to note the entrepreneurial vigour with which so many Manitobans are endowed, and to note that we've had presently a 20 percent increase to a level of some 32,000 employees in the province who have come on stream in the last few years with fewer than 20 employees, the starting companies, the companies that have some potential, in many instances, to grow and become larger firms and greater employers and greater contributors to the overall economy.

Madam Speaker, to address the Budget itself directly and the various taxation measures within it, I give credit to our Minister of Finance and his good staff - excellent staff really. I had the honour of working with some of those people over the years, and I have nothing but the utmost of regard for those individuals in the amount of time and dedication that they have towards the governing of this province.

Our government has come up with a Budget that has 100,000 less fortunate people in this province, those of the more modest incomes paying less taxes than they did the year previously. Some 15,000 people will pay none whatsoever. Those 15,000 will be those people at the marginal levels, people who still, I might add, pay a federal income tax, people who in most categories will even be paying part of the Federal Government's surtax which takes place at a taxable income of only \$550 and yet you're subject to a surtax by the Government of Canada.

Under this Budget, a married family with two children will pay less income tax if they earn under \$23,000.00. You may note, and it'll be of interest to the members opposite and to the public in general, that some 54 percent of the households in Manitoba have incomes of under \$25,000.00.

That, Madam Speaker, shows who the Budget is addressed to primarily and who we are addressing our services that we're giving and where we are getting our funding from. It is far more vast and far more progressive than probably any other Budget that we've had since I have been on the scene in Manitoba as a participant, either as a public servant or as a politician.

It is tough to recognize the need for it sometimes and the requirements for tax increases, but to be responsible in government one must. There is no question about that whatsoever.

With our new net tax, I regret, Madam Speaker, that there are still some people who will not feel the full impact of the net tax because of where we are allowed by the Government of Canada to begin a minimal income tax, such as our net income tax of 2 percent.

The difficulty that we have is on working within a framework of a national tax system that has eroded consistently by a decade of Liberal Governments trying to give more little goodies out to people, and I'll give criticism to the members of the other parties in the House of Commons, because whenever someone tried in the House of Commons to reduce some of the tax expenditures, unfortunately, that each individual may claim, they yelled and hollered like the Member for River Heights has, and like the Member for Riel has, about somebody who is not going to be able to claim a tax deduction.

Those tax deductions, for most of the people they are so concerned about, are worth very, very little, and the revenues toward the government in provision of services to the blind and the handicapped is far, far more important than a deduction that is going to be worth \$10, \$20 or maybe \$50 at the most, far more valuable to have the revenues collected so that the public, through the government, can offer necessary services, make modifications to our public buildings, to provide legislation, let alone facilitate the ability of those individuals to participate fully in society.

That is far more important, but the members opposite, a couple of members opposite - not all - try to pick on a few little tax deductions that individuals will not be able to claim and cry some hue and foul - (Interjection)- crying wolf for sure - that these people are going to be somehow or other hurt and that this is such a heartless budgetary action. Madam Speaker, that is simply not the case.

When you have - and I'm really sorry that we were not able to exclude the deductions that so many of us take advantage of in such things as RRSP's, because the RRSP contributions and the value of the deductions and the loss of revenue to the Government of Canada and to the Provincial Governments, the vast majority, something like 80 percent to 85 percent of the tax benefit, the tax savings benefit of the RRSP's goes to the top 5 percent to 10 percent of the tax filers in the country. That means that up to 90 percent of the public in this country, that 85, 90 percent of the people in this country are not being given anywhere near the assistance.

What we are saying to someone that's in the 50 percent tax bracket, that if you put \$4,000 away, the government will give you back \$2,000, and if someone is not paying any taxes, there's absolutely no assistance for that person to put away for their future security, none whatsoever. They have to rely completely on the old age pension and the old age security system; that is all they get.

When you call for those kinds of deductions to be included and to be expanded as they have in the Government of Canada, Madam Speaker, you actually hurt the poor. Among the elderly in particular, you build in an inequity, even grosser inequities than we have right now. We have a problem within this country of too many people with too high an income getting too many tax benefits to the detriment of the people in the lower income groups.

It is interesting to note that the members opposite, none of them have yet mentioned the tax increases that have been levied last year and the year before by the Honourable Michael Wilson, the Minister of Finance for the Conservative Government of Canada. I am not condemning him for those increases. I wish that he would have done the increases far more fairly, but I recognize the need of the Government of Canada to raise additional revenues. I recognize that need.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. D. SCOTT: Where they are weak . . .
Madam Speaker, could I have some order, please.

MADAM SPEAKER: Order please.
The Honourable Member for Inkster.

MR. D. SCOTT: Thank you, Madam Speaker.
When they talk about some individuals not receiving as great a percentage decrease, none of them are mentioning the fact that when they were in office, the main budgetary measure that they took in regard to taxation was to reduce the overall average tax in the province. But who did that benefit? A family under \$15,000 got a revenue gain or tax saving of \$11; but if you made over \$50,000, you saved \$700 on your taxes. This Budget does exactly the opposite. The people who pay the additional amounts and most of the amounts, and I can and I have sold this on the street, and I will continue to sell this on the street very easily, very easily, because our Budget addresses the needs . . .

SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: Order please.
The Honourable Member for Inkster has the floor.

MR. D. SCOTT: Thank you, Madam Speaker.
It would be delightful to be able to make a speech in this House without having constant heckling from members opposite.
Madam Speaker, I would like in my remaining time to address a couple of other issues that I think the members opposite, at least I hope they will pay a fair amount of attention to as well. I'm going to express some of the concerns that some of them have raised.

I'm going to speak in particular reference now towards expenditure controls as I think our Minister of Finance has done an excellent job in raising the necessary revenues to be able to provide for the function of our province. But it is no secret that he has to do this, because we need to get down the costs of operating the province and the costs of financing the operation of the province outside of our current revenues.

I've done some calculating on the cost of servicing the debt as a percentage of our total revenues. The reason I've chosen revenues over expenditures is because revenues, I think, are a more accurate reflection of the government's judgment of what it is both willing and, in some cases, able to take out of the provincial economy in this case, out of the national economy when you are speaking federally.

I see that the interest costs, the cost of servicing our debt has increased almost fourfold in the percentage terms. It's gone from about \$65 million in 1978-79 to this year, when you include MPI, and I think honestly as it's shown in the Estimates of Expenditures in Government Services that this is a provision of some \$59 million worth of lease payments to MPI or Manitoba Properties Inc., by doing this measure, it's cost us about \$13 million less per year to arrange for that financing. But in all honesty, it must be included alongside the total public cost to the province because it is another form of borrowing.

Including that, we are now very close to the \$600 million mark, having doubled essentially in the last two years or last three years of public debt servicing costs. Some of that and a good part of that is due to the refinancing of off-shore loans, where the Canadian dollar has fallen considerably since the time when those loans were taken out, and particularly in relationship to the Japanese yen, not simply the American dollar but the American dollar as well, and in relation to the Swiss franc and other European currencies.

So taking that into consideration where we now are spending almost 16 percent of what we raise to pay interest and to pay losses on foreign exchange, we have to look very closely at how we spend our funds. I appreciate the efforts that my colleagues on this side of the House have done in going through a very painful exercise this fall in trying to limit the growth of expenditures within their departments.

I still believe there is need, as the rest of the people in the provinces west of us are certainly realizing now and facing up to, for extensive additional controls on their behalf. We do not, fortunately, have anywhere near the urgency which the Provinces of Saskatchewan, Alberta, and British Columbia are presently facing.

We do need to better situate ourselves for the early 1990's, when several of the earlier debt issues over the last decade-plus are coming due. We need to be refinancing the debt, but not by increasing the operating requirements of the province concurrent with that refinancing of the debt. I'm sure that our creditors will be able to sell our bonds at a much more favourable rate and much more easily, if we at that time have reduced our current demands upon financing fairly dramatically.

So I'm suggesting that we have several responsibilities here. We have a joint responsibility as members of the Legislature not to put additional demands on government expenditures, not to leap to our feet in

outright indignation any time a program is proposed to be reduced, any time there are program changes to gain greater efficiencies in the delivery of services. We have a tremendous responsibility ahead of ourselves to move to a point where we will be able to reform the delivery of some of our most essential programs, and those I would include the social services component, and, in particular, health, which is the largest and the fastest growing component of government expenditures.

I think that we must look to other examples of other nations. We must borrow from them where appropriate. We must work together, as members of a Legislature and representatives of the public, because the public we represent are not diametrically opposed to one another because they happen to have elected different political stripes to this Assembly. But we must find some vehicle, some mechanism, to be able to jointly develop and jointly sanction the realignment of our program delivery.

I'll give you a couple of examples of situations that I observed a few years ago in my travels in Finland and in Sweden. They're countries that are not that much different than us. They have very extensive safety nets for the public and extensive public services. They have recognized some time ago that if they did not change they would not be able to afford to maintain the level of services and the standard of living that those people are used to.

By making changes, the Fins in particular, are far more advanced - probably the most advanced in the world in the delivery of health care facilities at least - by moving away from the primary care facilities, the large hospital infrastructure, the institutional delivery of health services in particular, by moving to a more localized base, clinical operations, they have been able to expand the contact with the public in a delivery of services, and yet at the same time reduce the net cost of delivering that service as a percentage of Gross National Product.

We cannot afford to ignore the kinds of reforms that they have pioneered for the delivery of essential services to their public. Their services have not suffered; they have actually improved. They have moved onto a preventative mode, if you wish, of health care in those lands. That has enabled them to reduce the rate of growth of health expenditures upon their economy.

They're about the only countries in the Western World who have been able to do that thus far. The United States is having a tremendously difficult time in their system, which is essentially all private medicine, is far more expensive than ours is here in Canada under a public system.

We need to look at our social services delivery. Their systems, some people here would think were very harsh, but they differ on a fundamental basis with which they approach the delivery of social services and they say, for example, that for them the dignity of the individual is the most important. It's not simply the flow of funds towards an individual or their family, and the dignity that that individual they feel is best serviced through a contributory function of the individual to society.

That can be through training programs. It can be through various employment programs. It can be through placements with volunteer agencies, and it can also be regular - what one would here refer perhaps

to as - street work within municipalities and within their countries overall. But the people, there is a sense of participation and there's a sense of daily commitment and daily responsibility and, with that, builds a sense of self-worth, of self-actualization. If you go back to Maslow's hierarchy, the looking and the feeling or need and requirement of a feeling of self-worth is probably more important, in many instances, than even food and shelter for the survival and the health of the individual.

Madam Speaker, it is interesting, on another side, to look at what is starting to come out of the Province of Saskatchewan in regard to something that this province has been saying for several years. They are now starting to talk about tax reform for greater equity in taxation. As importantly, they are moving to demand that the Government of Canada reintroduce the equitable financing within the equalization system that is so integral to the delivery of services so that people, no matter where they live in this country, on the east coast, the west coast, in the centre, in the south or in the north of this country, will have access to relatively equal levels of service.

Madam Speaker, the reductions, the unrealistic restraint that the Government of Canada is putting on transfer payments to the provinces for the sake of EPF or Established Programs Financing for health and education is hindering the progress of reform within those two areas. Similarly and even perhaps more fundamentally, the reduction in the growth of transfer payments to the provinces in equalization is going to accentuate the disparities within this country between the regions, between the areas that are wealthier and the areas that are referred to so often as "have not" provinces.

We in Manitoba happen to be, on a comparative basis with the rest of the country, below the average line of prosperity. The average Manitoban income is somewhat less than it is nationally. We need those sorts of transfers to be able to continue to offer first-class services to our citizens, who deserve the same sort of services as residents in the Province of Ontario today or the Province of Alberta in its boom years.

It is going to become even more critical now with the decline of the agricultural industry, the resource industries, oil and potash in particular for the Provinces of Saskatchewan and Alberta, forestry in British Columbia - and there, part of their problem is put upon themselves because they've gone ahead with such a rate of extraction they're not even at a stage now where the forest is self-sustaining. They have to put a tremendous amount of investment back into the forest sector. So those economies and the resource base that those economies had to build upon does not have the kind of future that it had in the 1960's and even in the 1970's.

Thus, Madam Speaker, we are going to have to defend and they are going to now be joining us, as they have already started to join, in demanding a fair and equitable transfer base through to the provinces so that the provinces across this country can offer relatively equal services.

Madam Speaker, in conclusion, I would like to congratulate our Minister of Finance in bringing in a very tough, a very responsible and a very honest Budget. I would ask of other members of the House from both sides of the Legislature, I would ask us all to join to

work toward reforming the delivery of services in the country and in this province, to develop and to maintain a standard of living in this province at a level that shall be envied by the citizens of the rest of this country.

Thank you very much, Madam Speaker.

MADAM SPEAKER: The Honourable Member for Brandon West.

MR. J. McCRAE: Madam Speaker, as I rise to speak about the 1987 Budget, I rise with disappointment, depression again. After listening to the Throne Speech Debate and the previous Throne Speech Debate and the previous Budget, my depression about the future of our province hasn't gone away. What we got on March 16, Madam Speaker, a day after the Ides of March, a couple of days before my anniversary as a representative of some of the people of Manitoba, what we got was the big, bad Budget bite of last week. That bite will be felt by most Manitobans and, ultimately, it will be felt by honourable members opposite as they go down to defeat in the next election because, Madam Speaker, it's this kind of Budget that people can't forget because they're reminded daily when they go shopping. They're reminded daily when they have to pay the sales tax increases, and their employers will be reminding them, no doubt, about how this government sees fit to tax the jobs of those employees.

We've been seeing a lot of the politics of hypocrisy, Madam Speaker, in the last little while, but certainly in the last year and previous to that, and the politics also of mendacity. We read in the Budget Speech and in the Throne Speech many, many colourful words and honourable members opposite, when they're reading from their prepared texts, do tend to use a lot of colourful language to describe a situation in a much different way than reality would have it, Madam Speaker.

It reminds me of the motion picture, "Cat on a Hot Tin Roof." I recall Burl Ives playing the part of Big Daddy, and he brought his family around him and he reminded them that there was a lot of mendacity in that family, and that family was really in difficulty. I'm telling you, Madam Speaker, that we have plenty of difficulty in this province with the mendacity we see from this government.

Honourable members opposite, Madam Speaker, are very fast and loose with the language when they're on their feet, and it really looks quite different than what we see in documents like the Budget Speech. We hear honourable members opposite often talk about people who are bigoted and people who are prejudiced and people who practise discrimination and unfairness, Madam Speaker. We hear language like that from honourable members, and yet we see such colourful language in the Budget.

Madam Speaker, a former colleague of mine on the Brandon City Council, a New Democrat, I overheard him one day referring to another member of our council as a Nazi. I thought, isn't that just like so many of the New Democrats, to use such cowardly language in their day-to-day activities and relationships, words like "fascists." The Honourable Member for Lac du Bonnet likes to talk about members on this side of the House "muzzling" government members.

Madam Speaker, you know, nothing could be further from the truth when it comes to the way things operate

in this House. As a matter of fact, honourable members on this side are often subjected to wasting of time by honourable members opposite during the question period, denying us the opportunity to put forward legitimate questions on behalf of the people of Manitoba, of legitimate concern and of considerable concern. The Honourable Member for Lac du Bonnet has the audacity and the gall to accuse honourable members on this side of muzzling Legislative Assistants.

Madam Speaker, on that point, recently there appeared in the *Manitoba Beaver*, a *Beausejour* newspaper, a direct reprint of a press release put out by the Honourable Member for Lac du Bonnet, suggesting that members on this side of the House would muzzle an ordinary member on the New Democratic side of the House. Madam Speaker, that press release failed to mention the fact that this ordinary member just happened to be a Legislative Assistant, a person who is paid extra money for the duties he's supposed to be performing.

I have to ask, what are those duties that the Legislative Assistants perform? What duties does the Honourable Member for Lac du Bonnet perform that entitles him to receive extra money from the taxpayers of this province when he sees it his duty to ask planted questions of his own Minister, which is contrary to all the usages, customs and traditions of the parliamentary way, Madam Speaker?

MADAM SPEAKER: The honourable member is treading dangerously close to a subject that's already been ruled on in this Chamber.

MR. J. McCRAE: Well, Madam Speaker, far be it for me to criticize the Chair or make any observation about a ruling of the Chair. I'm talking about the attitude of the Honourable Member for Lac du Bonnet, and many of his colleagues who support him.

Another language has been used by New Democrats in the past, Madam Speaker. You may well remember one honourable member's characterization of a former Premier of this province, and language like that, Madam Speaker, is offensive to members of this Chamber and offensive to Manitobans. Honourable members on that side of the House will not get away with that for very long, before they're caught up by the very people who sent them here.

It's the same people who use language, Madam Speaker, like that, that like to use language like we see in the Budget like "fairness" and "equity." Well, Madam Speaker, I wish again the Honourable Minister of Labour was able to hear my voice this evening. I hope he'll be able to read Hansard and find out what I did have to say tonight, but with respect to fairness and equity, I have to bring once more to the attention of honourable members opposite and all Manitobans the inequitable labour law regime we have in this province.

How is it fair and equitable, Madam Speaker, when a member of this Legislature has to be subjected to allegations of illegal interference with union organization in this province? How can that be fair and equitable? I'm telling you, Madam Speaker, that citizens of the Rural Municipality of Lorne will soon discover that they wish they had an MLA who was able to speak out on

their behalf, but because of restrictions in our Manitoba Labour Relations Act, the Honourable Member for Turtle Mountain was unable to speak out for his constituents.

Madam Speaker, the same people who used those vulgar words I referred to earlier, also used words like "cooperation" and "consultation," in preparation for a Budget. Well, the news recently out of Brandon, Madam Speaker, and the reaction of Simplot - the corporation as well the union at Simplot - is that this Budget is a devastating Budget, and how could that possibly come out of cooperation and consultation with that particular company? The Minister may say, well, I wasn't able to consult with every company in the province. Well, that's a fair comment, Madam Speaker, but Simplot just happens to be the biggest private-sector employer in Brandon and I would have thought that the Minister would have consulted with Simplot. Perhaps he did, and if he did, then he certainly wasn't listening.

Simplot employs 240 people, Madam Speaker, which as you will know, having resided at one time in Brandon, is a pretty substantial work force in one operation. If we were to extrapolate the effects and the benefits of the employment of 240 people in the City of Brandon over to the City of Winnipeg, Madam Speaker, that would be like employing 3,600 people in the City of Winnipeg. Any employer in Winnipeg employing that many people would certainly enjoy the notice and would enjoy the consultation and the meaningful consultation of the Minister of Finance, but it appears not in the case of Simplot.

Well I don't have to say very much about human dignity when the Budget contains expressions like that, Madam Speaker. There's nothing in this Budget that recognizes that there's any dignity left in humanity in this province. When we know that four out of five Manitobans are going to be hit, many of them very hard by this Budget, and the Minister of Finance has the audacity again to stand up and speak for the - I guess the one-fifth of Manitobans who he claims he'll be helping, and I have my doubts about those people because those people also are subjected to sales tax, Madam Speaker, and they're also subjected to many of the other fees that this government levies and collects.

I mean what we see in this Budget is a pretty hard-hearted and cold-hearted attempt to fool the people of Manitoba into believing they're better off. Well, Madam Speaker, that just will not wash. As time passes, people will find out; as they have fewer dollars in their pockets to spend, they will find out that this government is not speaking for human dignity and is not compassionate by any stretch of the imagination. In fact it's the opposite. It's a rapacious and odious government which should be put out of office.

With respect, Madam Speaker, to this so-called active partnership with business, I refer again to the Simplot corporation in Brandon who may have to be laying off workers as a result of this Budget and there are many other companies in Brandon employing many, many people, including our implement and our car dealers and our small manufacturers and our very important retail and service industry which services the tourists who come to visit us. All these operations will be affected by this Budget and honourable members opposite have been milking this cow for a long time

and they've got away with it; I guess, in their minds they have for some time. But they're going to find, Madam Speaker, that the cow is going to shrivel up and blow away before we know it and honourable members opposite will be left to have to explain why that happened.

Simplot faces tax and hydro increases at \$1 million, Madam Speaker. Rene Page of the United Steelworkers of America admits that the layoffs at Simplot are a grave possibility. Six have already been laid off this year now. Six again doesn't sound like very many to honourable members opposite, but in terms of the effect on the local economy, that would be like laying off 90 workers in Winnipeg, and this is the government who stands up for Manitobans and stands up for workers.

Don Pottinger, the Vice-President at Simplot, has said that the fertilizer industry is on its knees and there's no hope of profit. Does the Minister of Finance not believe these things when he hears them from employees in this province? Is there a lack of trust from employers in this province? Does this government not trust these active participants, these people that they work so closely with? They haven't been listening, Madam Speaker.

Hydro increases at Simplot will be \$600,000 as a result of this Budget, and payroll and sales taxes and the new corporation taxes amount to 300,000, amounting to something close to 1 million, and then when we add on the corporate capital tax, it puts it over the million dollars, Madam Speaker. Simplot cannot pass on its costs to farmers, much as this government might wish that that would happen.

It seems that's the case when we see this government's attitude toward the farm economy and the farmer. That company can't do that because it won't be competitive anymore with its Alberta competitors, those firms in Alberta which don't have sales taxes, they don't have payroll taxes; and in addition to all that, Madam Speaker, even if they could pass those increases onto farmers, farmers just can't afford them.

Recently the United Steelworkers and Simplot negotiated a Gains Sharing Program. That was worked out between management and the union. That program is tied to profits and, as we already know, Mr. Pottinger has said there is no hope of profit, so Mr. Page says that the Budget will hurt that Gains Sharing Program, something that they probably bargained very hard to get. In a word, Mr. Page, the union leader at Simplot, says this Budget is devastating. We get that from a union leader and I would have thought honourable members opposite would at least listen to their friends. It seems not to be the case.

Now as far as this active partnership with labour, we know there's an active partnership with labour leaders, but after what happened last week at Sooter's, and what has been happening at Sooter's, I have to wonder if this government has an active partnership with the workers of this province. The Honourable Minister of - what is it now? - Government Services tells me I'm wrong about that. Well, I would invite him to come down with me to the Sooter Photo Company and have a visit with some of the workers there. One hundred and four of them, of the one hundred and thirty-one, have let me know, in no uncertain terms, that they don't think that this government's labour laws are protecting their interest, but they are indeed protecting

the interest of labour leaders. I think that when we hear honourable members opposite talk about workers, we should just remember that when we go back to some of those other words that they tend to throw around, sort of fast and easy, Madam Speaker, we must remember, what do these people really mean when they say these things? I really wonder, because their actions certainly don't speak any louder than their words. In fact, this Budget is proof positive that, with the New Democrats, it's the words that speak a lot louder than the actions. That's how transparent honourable members opposite are in the way they've been treating Manitobans in the last few years. I'm telling you, Madam Speaker, it's shoddy, and people out there don't like it. They feel offended by the words and the actions of this government.

The Minister of Finance in his Budget Speech said that, when our farm community suffers, we all share the pain. Well, I just wonder how much pain the Minister of Finance is feeling when he imposes the difficulties he does through his Minister of Agriculture on the farmers of this province - \$14 million. That's what the farmers of this province get when we're probably facing the worst trouble spot in the history of farming in this province since probably the Great Depression - \$14 million dollars. Farm support, he says, is a top priority. Well, here again, Madam Speaker, I don't consider \$14 million more for the farm community at this time to be anywhere near the top priority, which is the whole problem with this government. They never have been able to get their priorities straight.

Now, Madam Speaker, the Minister of Finance boldly states on page 15 of his Budget Address: "In these times of renewed economic growth, is it fair that governments should allow our health system to deteriorate?" Well, it's a good question, and I tend to think that he's on the right track when he asks that question. But what solutions does this government have to the problems of health care? We've been hearing another fancy expression. It's called "health care reform." Madam Speaker, we in Brandon know what the New Democrats mean when they talk about "health care reform." I've got a whole wing of the Brandon General Hospital lying empty because of "health care reform," 29 beds there and two in the intensive care unit, bed cutbacks at hospitals imposed so gleefully by our Minister of Health.

I tell the Minister through you, Madam Speaker, we don't need and we don't want any more of that kind of "health care reform." If that's the best answer the Honourable Minister of Health has, then he should resign because Manitobans deserve better. People are not ready for that kind of "health care reform."

SOME HONOURABLE MEMBERS: Oh, oh!

MR. J. McRAE: So they've singled out the City of Brandon for this kind of experiment, for this kind of "health care reform."

And what do we hear from the Honourable Minister of Welfare and Employment? We hear from him that he wants to defend this move by the Minister of Health, and the Minister of Health supports such moves as cutting back beds. So I have to assume that, as caucus colleagues, the Minister of Welfare and Employment

Services must share that belief. For all his protestations, the people of Brandon don't buy it, Madam Speaker.

A MEMBER: Or in Winnipeg, or in Manitoba.

MR. J. McCRAE: This Budget provides a 9 percent increase for social programs. In view of what happened at Brandon General Hospital, I have to ask, will Brandon and Westman get their fair share of that increased funding for social programs. The past records says no. Is there something new that has happened that should show me that I'm wrong? I hope I am, but I have grave doubts in view of the past record, Madam Speaker. It's not going into beds at the Brandon General Hospital.

There's a 6.4 percent increase to elementary and secondary education, Madam Speaker. Will Brandon and Westman get their fair share of that? I hardly think so, but then of course it's hard to tell, Madam Speaker, because I'm glad to see that the Honourable First Minister is here to hear what I have to say tonight. On the 6th of March, a Friday, I asked the First Minister about his visit to Brandon in the previous week. I asked him about whether he was going to use that visit and try to remember what he was told there. I admit that what he was told is complicated because I've been hearing about it for a long time but, whether it's complicated or not, there is an inequity in our school funding regime in this province. So I asked the Minister if he would be remembering Brandon when it comes to talking about fair sharing in school funding. Part of the First Minister's answer was this, Madam Speaker: "Certainly insofar as removing disparities from school division to school division in respect to the ability to pay, that will be further examined closely by my government, because it's important that all children in Manitoba have equal access."

Two days previous to that, Madam Speaker, the - how shall I say it? - the short-legged Minister of Education was in Brandon and he said this, as reported in the Brandon Sun for March 4: "The Education Minister also said, 'There will be no major change in the province's formula for allocating provincial education grants among various school divisions.'" So, which is it? If there are no major changes, I have to ask the First Minister, why is it that we're going to examine this again? So which Minister do I believe, the Minister of Education or the First Minister? Or will the First Minister rise in his place again and lop off another piece of the Minister of Education's legs, so that he will be wearing jockey shorts instead of bermuda shorts.

I really do want to hear, Madam Speaker, from the First Minister, because the First Minister did appear, as New Democrats so often do, to be so concerned about what's happening in the Brandon School Division and so many other of the low-cost school divisions in this province. I'm very interested in hearing what the First Minister has to say about this, and whether he is going to whack off another few inches from the Minister of Education. It would be good if those two Ministers would talk once in awhile, would get together and maybe tell each other what they're saying in various parts of the province.

But it is a genuine concern among people in Brandon and Westman that their school children have the benefit

of an equal fair sharing of the pie in this province, because we hear about that so often from honourable members opposite. It's too bad there aren't more members on the other side from rural parts of Manitoba, so that it is a problem. We know where their loyalties are, Madam Speaker. We only encourage them as strongly as we can to remember that there is more Manitoba out there than what we see here in the City of Winnipeg.

That's not to say for a minute that Winnipeg's school children shouldn't receive a fair share of the funding pie when it comes to education.

MADAM SPEAKER: Order please

Would the honourable members please come to order? The Member for Brandon West has the floor.

The Honourable Member for Brandon West.

MR. J. McCRAE: Madam Speaker, the Minister of Finance says that there will be an increase of funding to universities to the tune of 5.1 percent this year. I have to ask: Will Brandon University get its fair share? We've seen in the past that it hasn't, and we'd like to see that happen in our community. We feel, in Western Manitoba, that Brandon University is a very important institution of learning and provides for the needs of many students from right across Manitoba, but certainly in the southwestern corner. We don't see that Brandon University should be treated with any less respect or attention than any other university in this province. I'm asking the Minister of Education to be sure that Brandon University does receive its fair share.

I didn't notice - perhaps I missed it, Madam Speaker - but I didn't notice any mention of community colleges in the Budget, and I'll be interested to hear, certainly at Estimates, what's in it for the community colleges because we certainly have a very important one in Brandon -(Interjection)- Madam Speaker, the Minister of Education wants to get involved in the debate from his seat. It's hard to see him because he's been lopped so much, but we certainly can hear his voice over there. I just wish he would do a little more listening instead of talking all the time, and he might learn something.

Support to municipalities, Madam Speaker, will increase by 5.3 percent. Which municipalities? Will those shrinking rural municipalities get their fair share, Madam Speaker? My honourable colleague, the Member for Arthur, raised this and I believe it's a legitimate question. When we see an exodus of people from rural Manitoba leaving those areas and going to the city, there's bound to be a concern. There might be fewer people left behind, but those infrastructures are still there and they have to be kept up for the people who do remain behind. Madam Speaker, this government's deliberate policy of centralization of government services is not helping in that. I dare say it has a lot to do with the fact that our populations in the rural municipalities are shrinking.

How much will there be for the Rural Municipality of Lorne because of our labour laws in this province? The workers there have been organized and because of our labour laws, the elected representatives in the Rural Municipality of Lorne have been prevented from speaking to their constituents about what the effects might be either of their union organizing or the effects

of what would happen should there be a contract entered into. So I really feel for the taxpayers of the Rural Municipality of Lorne who have not had any say in how their tax dollars will be spent.

The Honourable Minister of Education smiles. I don't know why, because the fact is that all you have to do is read section 6(2) of The Manitoba Labour Relations Act, and it's pretty clear to anyone who's ever read the Charter of Rights that the two just don't go together, Madam Speaker.

The Minister of Labour has told us that everything is fine and wonderful and our legislation is out there to protect the workers of this province and create a better labour and management relationship. Well, it's just not happening. It can't be fair when the people who pay the bills are not allowed to be consulted.

Madam Speaker, why is it that an honourable member of this Chamber should have to be subjected to this kind of message where Mr. Jim Murphy of the operating engineers should call this building and suggest that the Honourable Member for Turtle Mountain is illegally interfering with the drive to organize in the Rural Municipality of Lorne? Madam Speaker, that is shameful; it is absolutely shameful. Talk about muzzling members! This member has been sent here by his constituents, Madam Speaker, to speak for their interests, and our labour laws don't allow that to happen. I'm telling you there's something wrong with a law like that.

I'm asking honourable members opposite to be reasonable and to look at the law. There's a resolution on the Order Paper asking that the matter be referred to a committee of this House so that the people out there can be heard from. I'm sure hoping honourable members opposite will support that. I have fears that a few of them might not. I should think a motion like that would be unanimous, and certainly a government committed to Charter compliance should be interested in seeing that all its laws comply with the Charter, not just the ones it finds convenient, Madam Speaker.

Madam Speaker, the towns and villages near the border with Saskatchewan have a disadvantage in the fact that our sales tax has increased and there's an exemption on the other side of the border. In this respect, the Minister of Finance was asked for his help. Once again, these communities are quite far flung from the City of Winnipeg, Madam Speaker, and the Minister's response to their problem was that their problem was not significant enough to allow a similar sales tax cut in Manitoba's border towns. That's the Minister of Finance's view of the communities along the border with the Province of Saskatchewan. They're not significant enough to merit his attention, Madam Speaker.

Well, I'm telling you they are significant. They bring revenue to our province, Madam Speaker. They bring taxes to this Minister's coffers, Madam Speaker, and he would do well to listen to the regions of this province, especially when we hear so much from this government about criticism of the Federal Government respecting regional matters and regional development.

But where is this government when it comes to fairness? A policy of deliberate centralization will not help develop the regions of our province; and the kinds of things I'm talking about respecting the sales tax and so many of the other things that are on my mind these

days, Madam Speaker, show up this government's lack of sensitivity to the regions of this province. They're a callous government, they're a cold-hearted government, Madam Speaker, and they have no wish to represent properly the wishes of all the members, all the citizens of this province. I only wish honourable members opposite would recognize that all Manitobans are significant and not just their friends, Madam Speaker.

The Minister of Finance said in his presentation, Madam Speaker, that the CF-18 decision was particularly disappointing for Manitobans. Well, indeed, that was a disappointing decision, Madam Speaker. But I have to ask: Where did this party, the New Democratic Party, stand when it came time really to stand up for Manitoba at its convention? Where was the New Democratic Party then? They didn't show very much disappointment then. They showed more interest in granting Quebec a special status in this country; they showed more interest in burying resolutions respecting the CF-18 contract, Madam Speaker.

That tells me once again that this government's words speak so much louder than their actions. It demonstrates to me that honourable members opposite are willing to support the eastern power bases of their party down east. They're willing to support an eastern bias, a bias that favours the east over the west in this country.

A MEMBER: Sell their soul, sell their soul.

MR. J. McCRAE: They have sold their soul, Madam Speaker. They think they smell blood in the Province of Quebec. They remind me of a bunch of coyotes sniffing at that political carrion in Quebec.

Madam Speaker, harkening back to some of the language of the Throne Speech Debate, you will remember I discussed the fancy little term for taxation; it's called revenue raising initiatives.

A MEMBER: I remember that.

MR. J. McCRAE: I'm glad so many honourable members remember that. It's another example of the kind of prevarication we see on the part of some of the people in this place.

Madam Speaker, the Minister said that the changes in the taxes have to be fair. So I have to ask: What is fair all about? Madam Speaker, I consider myself to be one of those moderate income Manitobans that the Minister refers to, but it appears I've got it all wrong. The average Canadian income in 1985, according to Statistics Canada, was 38,000; it must be around 40,000 by now. So that's your average income, Madam Speaker. Let's take someone who's below average at 27,000 - a single mother with one child. In this regard, Madam Speaker, I'm not a single parent but I do have five children, five daughters.

Madam Speaker, you have a daughter, and you know as well as I do how much it costs to raise children in this day and age. Well, this particular single mother with one child, earning \$27,000, is looking at a 21-percent increase in her Manitoba tax bite. But then let's go to the higher income couple with one child, with an income of 72,000, and they're facing a 12 percent increase in their taxes as a result of this Budget.

So I don't really understand how this sits with what the Minister of Finance had to say about fairness. Just what is the definition of a moderate income person in this province?

Madam Speaker, I'd like to echo just a little bit some of the . . .

MR. G. FILMON: That income is before the government gets their hands on it.

MR. J. McCRAE: Well, I wish the government would get their hands out of people's pockets in this province and remember that they're dealing with other people's money and not their own. If it's your own money, you can spend it any way you like, Madam Speaker, but when you're the trustee with someone else's money, I think you should be a little more responsible and respectful and careful.

The manager of the Brandon Chamber of Commerce says this Budget is stifling. The payroll tax, he says, will hit labour-intensive operations hardest. And in Brandon, Madam Speaker, if you understand the economy there, so much of our business activity there is very labour intensive.

But what could happen is that this Budget could very well increase the possibility and encourage business people to get into more automation so they can lay people off. I take it that's what this government is after. We've been warning them about this for years, Madam Speaker, but I believe the time will come in a very dramatic way when this government will be shown the error of its ways.

Ross Martin, Madam Speaker, is our local president of the Brandon and District Labour Council, an alderman at Brandon City Council, a New Democrat. He's a friend of mine, Madam Speaker, and he and I have very seldom agreed on political matters, but Ross sometimes can be a reasonable fellow. He didn't really speak out too much against the payroll tax, I take it, because of his loyalties to the political power in office in Manitoba. He says it'll only affect the larger businesses and not the small Mom and Pop operations. Well, the way I see mom and pop, that's two people, and as soon as you add two or three others, Madam Speaker, you're hit with a jobs tax.

Rick Krest (phonetic) said that the taxes will combine to eat away consumer buying power. Madam Speaker, that may be the importance of this Budget because we're going to begin to see people having less money in their pockets to spend. This, of course, will find its way right to the government coffers by reducing them.

Both Martin and Krest, Madam Speaker, agree that the sales tax will impact most the lower-income earner, and that's unfair. That's what those two gentlemen think of that, and so do most other Manitobans.

But I imagine Wilf Hudson figures the Budget is just dandy, Madam Speaker; in fact, he said as much on Budget night. I just wonder what the average union wage is and just who does Mr. Hudson speak for? All I know is he was beside himself, he was ecstatic on Budget night, when the rest of the province were either scratching their heads wondering what hit them or worrying about how they were going to be able to make ends meet for the next few years. Perhaps Mr. Hudson is in one of those upper brackets and only has to pay a 10 percent increase in his taxes.

Madam Speaker, the Budget is going to cost Brandon General Hospital \$217,000; \$175,000 of that will be payroll tax and \$30,000 of it will be sales tax. I hope that the Minister of Health remembers that when it comes to funding the hospital. Will these things be covered by the government? Let's think, also, about pay equity. All these things cost money for these institutions, and when things are running so tight as it is, I don't think they need any more of this.

Brandon University will pay a payroll tax increase of \$100,000.00. That's going to get in the way of their budgeting and their forward planning.

So, Madam Speaker, as the Honourable Member for Springfield concluded his remarks, he also referred to the final words in the Budget about building for the future, and that's what this Budget is all about. Well, I haven't had time, Madam Speaker, to deal with the way this government borrows money. I've dealt with several other matters, but that will have to be saved for another day. The Budget is about building for the future, according to the Minister of Finance, but I'm afraid I can't share his enthusiasm about that.

But he says, "We face many challenges," and we certainly do, Madam Speaker; I agree with him. Back in the Seventies, Mr. Trudeau ran a campaign on the slogan that the land is strong, and all I can say is, thank God, Madam Speaker, Manitoba still is strong, because it is going to need to be strong for a little while longer so that it can withstand the onslaught and the attacks upon its citizenry by this government.

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

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

I am very pleased to rise to speak in support of this Budget. I spoke during the Throne Speech Debate and indicated I hadn't yet felt the urge to lay some wood on the Opposition. I think the time, quite frankly, has now arrived. Certainly, they deserve it.

I have listened, Madam Speaker, in amusement to Tory after Tory attacks and Grit attacks on this Budget. I guess the last one was probably the worst. If ignorant, arrogant and pomposity hurt, Madam Speaker, that man would be howling in the most excruciating pain imaginable day and night. It was an incredible speech - incredibly arrogant, incredibly ignorant and incredibly pompous - and it needs no reply.

Madam Speaker, these people have become so used to being on the outside they can't seem to face reality. Everyday they come to this Chamber and tell us to spend more money, to cut taxes and to lower the deficit. It's not just some days they're spending, some days they're taxing, and some days they're cutting; everyday they come here with that sort of nonsense.

Occasionally, embarrassed fiscal Tories say "repriorize." The Member for Morris the other day said: "I want Highway 75 done, but I'm not asking for more money, folks, take it out of the Highways Budget." Well, Madam Speaker, first of all, it can't be done this year because we haven't acquired the land, but if we could do it this year, Madam Speaker, there would be not a penny left for capital construction on any other highway in this province and everyone of the other 56 members of this House would be opposed to that. That is sheer

nonsense to pretend that you can take the whole bundle on one particular operation and have nothing left for the other regions.

A MEMBER: How's your bridge to nowhere? What did that bridge cost?

HON. V. SCHROEDER: Sometimes, Madam Speaker, they complain about pictures.

A MEMBER: Which one, the abandoned bridge?

HON. V. SCHROEDER: The Member for Fort Garry, the other day, had the audacity to talk about the pictures in the consultation paper. It wasn't prepared by the government; it was prepared by the Manitoba High School Review Panel, a group of more than 20 people who work very hard on improving education in this province.

And when the Tories were in power, remember this document, Madam Speaker, blue, red and white, the Tory colours? You see pictures - nothing telling you how to do something. You see beautiful pictures and words. Here's one: "Causes of the flood. A long period of intense cold which prevented melting and resulted in continuous accumulation of snowfall." That's known as winter in Manitoba, Madam Speaker.

The next page: "Tragic . . . - a combine in water, nice coloured picture, glossy picture - ". . . effects of the flood. Efforts to save grain became extremely difficult." What were they doing, rice harvesting? Anyway, they talk about saving money, Madam Speaker. This is what they do when they are in office, and let's not pretend that somehow they are the fiscal Conservatives when they're in office.

Usually, Madam Speaker, they are less embarrassed about spending more money: more money for drainage; more money for the Brandon Hospital; more money for a land titles office here; more money for the Department of Agriculture there; more money for employment grants; more money for police; and so on. It goes on and on and on. At the same time, we aren't supposed to raise sales taxes; we're not supposed to raise income taxes; we're not supposed to raise the health and education levy; and, of course, the deficit is too high. They offer either, Madam Speaker, no solution, saying - and some of them have said it, some of them have said it right out loud - "That's not our role. I'm a member of the Opposition; I don't have to give solutions," or superficial solutions.

One example would be the Member for River Heights who's called for the following extra expenditures - and she's not unique in the Opposition, the Tories and Grits basically do the same thing - she tells us now that we should decrease spending, but before she said that, she said we should pay more money directly to the farmers in this province, the farmers who need money. How much? A thousand dollars per farmer, that's \$10 million. She says we should pay more for education; we should pay more for private schools; health needs massive amounts of transitional money. What does she mean? Ten percent? We're spending \$1.2 billion; that would be another \$120 million. Or what is massive? Is it \$10 million; is it \$120 million; what is massive? But she is saying spend massive more money in health

care, and yet she says don't tax anybody and, my goodness, watch the deficit. Oh, sure.

MPIC increases, those cost the government money, too. We have vehicles, we have expenditures that we have to make when we have somebody telling us to spend more money on it. Careerstart, we're not spending enough money on Careerstart; we're not spending enough for northern incentives for northern doctors; we're supposed to put more money into the universities. She says that the Faculty of Engineering is losing accreditation.

Well, Madam Speaker, I was at the Faculty of Engineering today and Dean Kuffel was saying, publicly, before the television cameras that in fact this government had done an excellent job of saving that particular faculty and was doing a good job in terms of funding. So that is simply not correct. But she says spend more money on libraries and remove the health and education levy from all non-profit organizations in the province.

How easy, how very easy: support every cause, then show a couple of examples of reductions which, in the mind of the Opposition, can be done, and pretend it will wash in the real world. Just one example we often hear from the Leader of the Opposition is in the Executive Council Office of the Premier of Manitoba. Madam Speaker, if we cut every penny out of that, we would save approximately \$2.50 per Manitoban. If we didn't have a Premier, if we didn't have an office, if we had no opportunity to respond to anything, \$2.50 is what we would save the taxpayer. That's not where the money is. We spend \$1,200 per year on health care and we're being told by the Opposition constantly to spend more.

They're finding the little nooks and crannies where there's nothing and pretending that somehow they have a solution, when in fact they know and we know that they have nothing.

It's time, I believe, Madam Speaker, that we reminded ourselves and our constituents - certainly we can't remind the Opposition - of the context within which budgets are struck in Manitoba and in other parts of the world. Most Manitobans, if asked, and our Finance Minister did ask, will tell you, don't reduce health services - as I say, it's \$1,222 per person in Manitoba, what we've budgeted for them - they say, at least keep education on an even keel with where it is now, that's \$688 per Manitoban that we have budgeted for education from provincial source funds, in addition to what is paid by other source funds, we're providing, and Manitobans would tell us to provide support for families and local governments, at least in real terms, similar to what's been done in the past. That's \$731 per person, Madam Speaker.

Manitobans would tell us that our economic and resource development budget, that is roads, Manitoba Research Council, Industry Trade and Technology Department, Resources Department and so on, should not be cut. That's \$471 per Manitoban, the Jobs Fund at \$51 per Manitoban, that's what we're investing for this coming year. Other services, of those other services, which would they cut? The biggest is Government Services at \$138 million, important services for Manitobans, and that's a fair bit of money.

When you go through it all, including our interest payments on the debt, which is \$425 per Manitoban,

it works out to a total expenditure in this Budget of \$3,856 per Manitoban, and if you take that times four, for an average family of four in this province, we are budgeting for over \$15,000 per family of four, and we have to find that money somewhere.

Madam Speaker, you might ask, how does our spending compare to other provinces? I think that would be a good question. I haven't heard the Opposition ask that, because I think they know the answer. The answer is, if you exclude the Maritime Provinces, all of which are much poorer than Manitoba in terms of per capita income, in terms of wealth, in terms of employment and so on, our expenditures are roughly \$152 per person less than the other provinces, on average, in this country - \$152 less than others. So given our expenditures, you can add that kind of money on to the expenditures other provinces are incurring, and I believe that our expenditures are targeted at least as well as our sister provinces.

Another measure of expenditures is percentage of Gross Provincial Product. In 1982-83, public expenditures, Government of Manitoba expenditures, were 20.6 percent of Gross Provincial Product. In 1983-84, they were 21.4 percent - went up a bit. This coming year we're budgeting for approximately 20.5 percent. In fact, we're slightly down from our higher levels in terms of the proportion of the goods and services we produce being spent in the public sector.

How about deficit as a percentage of Gross Provincial Product? In 1981-82, the last Tory year, 1.92337 percent of Gross Provincial Product this coming year budgeted 2.03531 percent, practically the same proportion of Gross Provincial Product as a deficit as in 1981-82, but we don't hear about those kinds of things from the Opposition, and if we don't talk about them, nobody will.

I've just gone through a number of Manitoba statistics indicating: First, we do not spend more than other provinces, although I say again, I firmly believe we spend at least as wisely as others; secondly, our spending is not significantly growing faster than our economy; and thirdly, our deficit isn't significantly greater than when we took office, as a percentage of our economy.

At the same time, the stimulative measures we took during the recession clearly paid off, causing the precise opposite effect of what happened during the Tory years in Manitoba, and that's the problem they have. Manitobans remember the Tory years, the Thatcherite vicious cuts to the poor, the handicapped, the unemployed, the glee with which they hacked and slashed, and when it was all over, larger debt than when they came into office, a larger deficit than the year in which they came into office and fewer Manitobans left to pay the bills, 1,300 fewer people in Manitoba the year they were thrown out of office than the year they came into office, and they talk about barbed wire fence, the barbed wire brigade - incredible bunch of incompetents. That's what they did to Manitoba.

A MEMBER: Talk to your father-in-law, he figures your . . .

HON. V. SCHROEDER: My father-in-law thinks you're a jerk, as does every other Manitoban in this province who knows you.

The unemployment rate, when they came into office, when they left office, Madam Speaker, was within eight-tenths of 1 percent of the highest in Western Canada. Saskatchewan and Alberta were way, way above Manitoba, and now we have the lowest unemployment rate in Western Canada. We have one of the fastest growing economies in all of the country. -(Interjection)- Madam Speaker, the Member for Sturgeon Creek, wrong again. In 1981, the Saskatchewan unemployment rate was 4.7 percent; Alberta, 2.8 percent; Manitoba 5.9; B.C. 6.7 percent. In 1986, the Manitoba rate was lower than any rate in Western Canada and that is a fact that the member should well know.

Incidentally, Madam Speaker, in terms of population, we've moved from 1,026,000 people in 1981, to 1,082,000 people in this province in January of 1987. At the same time, we have the Member for Sturgeon Creek, with more gall than brains, telling us that there are people leaving Manitoba. Madam Speaker, we've had more than a 50,000 increase in population during our term in office. They had a decrease in population in their term in office, and he's telling us that some people are leaving. Of course, there are people leaving and there are people coming. With those fewer people in 1981 than in 1977, they still had high unemployment rates, compared to other parts of the west.

Reference has been made to other Western Tory provinces, and when we came to office we had . . .

. By the way, Madam Speaker, we had the highest deficit in the country. This is not 1984 in newspeak, for the Member for Sturgeon Creek; this is fact. When we came into office, we had the highest per capita deficit in Western Canada. Now we have the lowest per capita deficit in Western Canada, the very lowest.

Madam Speaker, during our time in Opposition, we had an economic review of Brandon by a well-known and honoured economist from Manitoba, the Honourable Member for Brandon East. I'll show you some of the tables he produced which helped to turn that incompetent bunch out of office.

Chart 1: Value of Building Permits, going up under the NDP, up to \$15 million, heading right down into the sewer under the Tories, '77, '78, '79 and headed down. The same thing happened with the annual average of housing starts in Brandon. You see that, Madam Speaker, the tall one? Those were the good guys. Those are the NDP. This little one right here, those are the Tories, those good, solid economic-growth type people who somehow were going to have all these wonderful things happening with a Tory Government. They had one once.

Here, Madam Speaker, Chart 2: Economic Growth, Real Domestic Product, this big mountain up here under the good guys, the NDP; this little thing you can hardly see, about as tall as the former Premier, that was the Tories, and the same thing happened with Manitoba's rate of growth as a proportion of Canada. They had a dismal record, not only in Winnipeg, Madam Speaker, but also in Brandon and in other parts of the province. We don't have to go through Northern Manitoba, because everybody knows what a disaster they were there with the poor and the unemployed.

Recently, I've heard several members opposite, the Member for Sturgeon Creek especially, mumbling, this is not Saskatchewan; this is Manitoba. The Leader of the Opposition's been suggesting that maybe we should

stay with Manitoba. Well I've got a quote from March of 1983, when he thought it was wonderful to go to Saskatchewan, and I'm going to quote him. Tuesday, March 1, 1983, and this is what the Leader of the Opposition said: "Well, I'm afraid that, through its inactions and collective wrong actions, Manitoba has decided not to participate in the recovery. This recovery will come for North America and worldwide, but it will pass us right by, and the reason is that, of course, nobody looks upon Manitoba as a safe, secure, reasonable place to invest anymore."

But that's exactly the kind of thing we've heard after every Budget and, of course, after every Budget we have tended to have good, strong economic growth, not the big, big booms of Alberta with their busts and so on. But we have been working hard to improve the economy, and it's been working, Madam Speaker.

In that year, 1983 - I'm not going to bother quoting it but, if anybody wants a laugh, there was the speech from the Member for Sturgeon Creek. It was a little bit like the reverse of "Monty Python: In Search of the Holy Grail." Remember where the guard gets chopped up, he loses his arm and he says, it's only a flesh wound. He loses his leg, and it's only a flesh wound and so on.

With the Member for Sturgeon Creek, it was the reverse. A little tax increase turned out to be something that was cutting his head off, and he was telling us how we were in for doom and gloom because of the health and education levy. He took a little product - I can't remember what it was - but he took it through transportation and he took it through wholesale and he took it through this and that and the other thing. Madam Speaker, he said, we were not going to have employment growth in Manitoba. He told us we were going to have high inflation rates in Manitoba. He told us we were going to have doom and gloom and, if it wasn't for the fact that it was Spiro Agnew who used the term, "nattering nabobs of negativism," I would think of using that to describe the Opposition today. But I won't use it, because it was Spiro Agnew.

Madam Speaker, their cutting, their slashing, their belief in less government is best government led us into economic disaster before the recession hit the rest of the country. Incidentally, that hacking and slashing they were doing then and would do again if they had the chance - make no mistake about that - will not decrease deficits over the long term. It didn't before when they were in office, and it wouldn't if they were to come back.

They would, however, provide no sustenance to the many programs we've begun and strengthened, programs for all our communities, programs that improve the quality of life of all our communities, programs that they've continuously said we should eliminate. Remember the laugh that went up when "Main Street Pete" introduced our Main Street Manitoba Program, and you see now the pride in rural Manitoba as town after town is getting new facilities, improved facilities.

You see what the members opposite said about the Jobs Fund, and what it now does for access for people who can get into community clubs, get into churches, get into other community facilities they were never able to get into. Those kinds of programs were never supported by the Opposition and they're not supported

by them now and would be gone, should they ever come into office, which fortunately won't happen.

Northern Assets Program, where we understood that there were different economic needs for those communities than in the south, and we geared them towards those communities so they would get that kind of money.

And yes, business and wealthy Manitobans will pay greater taxes and a greater proportion of taxes under an NDP Government. At the same time, I've frequently heard from Manitoba businesspeople that from a purely self-interest perspective, let alone any social conscience, they'd rather pay the taxes and have an NDP-type of economy than save a few tax dollars and sink again into the acute protracted restraint of the Tories.

That is not to say we should waste money or that we do waste money. Our expenditure review in fact goes on practically all year. We constantly eliminate out-lived programs, which is fairly easy, but we also constantly take out those programs we find don't target as well as others. It all comes down to a belief by us that government can be an important instrument in ensuring greater production of goods and services by our society and, at the same time, government can assure greater sharing of those goods and services, as well as greater sharing of power, be that at the workplace or in the community-at-large.

Madam Speaker, we as a province - business, labour, government, the community - are pulling ourselves up by our bootstraps with the guiding principle that economic development and social development do go hand in hand. We've been proving between '77 and '81 that delaying social development also delays economic development, and it is not fair. We have been proving since '81 that the two do go, in fact, hand in hand.

Proportionately, as a proportion of gross provincial product, we are extracting no more in taxes from Manitobans this year than was happening in 1981-82. At the same time, they had a Federal Government contribution for things such as, for example, health and post-secondary education, which was roughly half of the amount being spent in those areas. We're down to somewhere below 40 percent now, and we're now in a position, Madam Speaker, that for the next year, while our health expenditures alone - I'm not talking about education, just our health expenditures - are going up by \$118 million, the Federal Government cash contribution to health and post-secondary education together will be a measly \$13 million, and they capped it again. After they said that what the Liberals did in capping it was wrong, they took another bite out of it, and we don't hear a word from the Opposition.

On equalization, in real terms, it is now below 1981-82 dollars and, for next year, there's another drop from \$511 million to \$469 million, which is a \$42 million drop. Of course, I need not tell you what they said when they were in Opposition federally. In fact, the Prime Minister - was it in the Crocodile Room of the Peter Pan Hotel in New Glasgow, New Brunswick? - said that, if he were Prime Minister, there would be 50-50 funding of health care in this country. That's what he said when he was running for office.

We recall what they said as well in terms of procurement policy when they were in Opposition. When we had 3.9 percent of the procurement in this country coming to Manitoba, we had members of the Federal

Opposition Conservative Party saying, that's not good enough, it's not good enough. And when it dropped under their government, after a couple of years in office, to somewhere around 2 percent, do you know what they said? They said, sharpen your pencil. Write Dan McKenzie. He said, sharpen your pencil - "Sunshine Dan." We sharpened our pencil, had the best bid on the CF-18, best quality, and they stuck the pencil in our ear. That's what they did with it. They didn't give us the contract.

Just on that, Madam Speaker, I'm quoting now from the Toronto Star, November 6, 1986, Carol Gore: "The man who made Canadair's case with particular eloquence was Dalton Camp, the Prime Minister's new senior advisor." Dalton Camp is the guy we can thank for following long-time strategy of, unfortunately, two Federal Governments: the Liberals before them taking away Air Canada maintenance from Winnipeg, which is now providing some 6,000 good paying secure jobs in the Montreal area; and now these people.

And what answer do they have for this? What answer do they have for it? Well, Madam Speaker, the answer they have is EEE. Not integrity - EEE. Somehow, EEE, some kind of a Senate is supposed to do the trick that should be done by honest, capable, hard-working governments in this country. And I say that is wrong; it makes no sense in principle to say that somehow Senator Lougheed would have voted differently or Senator Getty would have voted differently than they spoke. Who would believe that? Who would believe that Senator Devine would have voted differently from the way in which he spoke on that issue? Where would we have been on that issue without some integrity and honesty in the Federal Government?

A federal NDP government would have honesty and integrity and would award a bid on the basis of quality and price. Only our party, by the way, stood up and said that this was unfair; our federal leader said it was unfair. I'm quoting now from a February 1, 1987 Free Press story. He said, and this is Broadbent: "The government's decision to send the fighter jet maintenance contract to Quebec's Canadair Limited instead of Manitoba's Bristol Aerospace was glaringly unfair." And he added, further on: "I don't think they, Manitoba New Democrats, will, or ought to, forget their sense of resentment about that at all." That's what he said.

Our party - not the Liberals, not the Conservatives - our party stood up in Parliament and asked for an inquiry by the Auditor-General of Canada to look into the issues, the phony issues, that the Government of Canada raised with respect to that matter, and we hear nonsense about us not debating an issue in Montreal.

First of all, that's total baloney. We did discuss it, No. 1. No. 2, why should the NDP spend time at our national convention debating an issue the party doesn't disagree with? It was they who made the bad decision. We've come along and our federal leader has said it's unfair, he expects us not to be happy about it, he's asked for a national inquiry on it. My goodness, what more can you want from the leader of a national party? I'm proud of my leader. He's done a good job for us.

Madam Speaker, I know people shouldn't get angry during these debates. There's always some latitude taken, but quite frankly, the Member for Sturgeon Creek, in his discussion the other day, went a little further than

I think we have to take in this House. He said two things: one was that socialists have no morals; the other is he, the Conservatives, were able to have a firm grip on the Crown corporations. He said exactly: "We were able to have a firm grip on the Crown corporations and know what was going on." They knew what was going on. Well, I'll come back to that.

But, Madam Speaker, on morals, this government has been in office for five years. There have been no personal scandals affecting any member of this government. There have been attempts -(Interjection)- Yes, you're talking about my buddy. You people tried to drag him down into the gutter. The Chief Justice of this province said that it was an abuse of the English language what you people were doing, and you still refer to that. And you have people on probation and in jail and in one place or another across this country; from here in Manitoba, former Tory MLA still on probation for bringing dope into this province; in Saskatchewan - I don't have to go through the lurid details; 50 charges against an MP in Quebec; practically every province. And you're telling us we have no morals. I tell you I resent that, Madam Speaker. I don't think we have to take that kind of nonsense from a party like the Tory party.

"We were able to have a firm grip on the Crown corporations," he said. Well, Madam Speaker, it was easy to have a firm grip on Manitoba Housing and Renewal Corporation which they basically shut down during their term in office. Remember, in 1977, Sterling Lyon was attacking the fact that there were lineups in front of our senior citizens housing? Well, he got rid of the lineup by stopping the building, so there's no point in even getting into a lineup. That's what he did, he froze the building. So it's not that hard to deal with MHRC.

How about Manfor when we took office? It's not that long ago. We had acres and acres of excess lumber that they kept piling up. They didn't have the guts to take responsibility for managing that company. They knew what was going on and they let that happen.

McKenzie Seeds, before we took office, over \$200,000 of the money referred to in the court cases had already been paid out. McKenzie Seeds, more than \$200,000 of the money had been paid out, and he says they knew what was going on.

It clearly started under the Tories, and tomorrow, Madam Speaker, we will be dealing with MPIC which they say they knew what was going on between 1977 and 1981. Well, Madam Speaker, we'll see about that.

You know, one thing I do know is that we, on this side, have not gone around . . . Talk about telling the truth. We haven't been the people burning books around here. Remember a couple of years ago when we were in Opposition, the Minister of Energy didn't like an annual report and he had it shredded? We haven't done any of that.

And I know the Leader of the Opposition was on television making some kind of suggestions today. I have no doubt, no doubt whatsoever, that the Member for Gimli will be found to be totally exonerated again and the mud will be back on the Tories. As the Member for Transcona said the other day, every time they throw a little more mud and there's a little more scandal, people are thinking, right, Mulroney, right, down the tubes with you guys, Tories.

You're the people who seem to just glory in this stuff and you can't give a person the benefit of the doubt. You're out there doing those sorts of things - sometimes, Madam Speaker, I have to say - with some members of the Manitoba press. I think the best example is Fred Stupidly. I don't know how many of you saw the column today about barbed wire. Talk about being wired! Can you imagine a man - he's a lifelong Tory, he sees the numbers - during the Tory years, you have a drop in population; under the NDP years, you have a 50,000 increase in population; and he's talking about barbed wire to keep people out. You know, isn't that brilliant? That's the kind of guy I am really grateful is on their side.

But the way -(Interjection)- Oh, and he doesn't remember his name, right, during and after accidents.

Madam Speaker, in the last few days, some of the press reports on this MPIC issue is something I quite frankly take exception to.

I think of the Winnipeg Sun and the article by Donald Benham, who comes to the job through - Well, let's step back a bit on that. If we had our Premier's former executive assistant writing articles regularly in the Sun or the Free Press, I would expect that each time he wrote or she wrote, there would be some mention of the fact that individual is a former executive assistant to the Premier of Manitoba. Mr. Benham recently had a nice resume in the paper which conveniently left out altogether the fact that he was the executive assistant to Joe Clark. I think that's a fact that Manitoba readers of the Sun should be well aware of when they read his material on this government. They should know his bias, just as any writer who is a New Democrat would

always have their credentials shown fairly high up and fairly quickly, because that is the way things happen to us.

Just for example, Sig Laser ran for a nomination for the NDP. Was he ever referred to as anything other than the Premier's former executive assistant? Did the Tories ever refer to him as anything other than the Premier's executive assistant? Did the Winnipeg Sun ever refer to him as anything other than the Premier's executive assistant? Of course not. They may have a couple of times, but they made sure that was something everybody knew constantly. Quite frankly, I think the Winnipeg Sun should do that with their columnists as well.

Madam Speaker, how much time do I have? This Budget, the Budget that I, as a Manitoban, am very proud of, I think our Finance Minister has made an extremely able effort to deal with the province's finances for the coming year, and I have every confidence that this will be again one of the more successful Budgets in this province's history.

MADAM SPEAKER: The Honourable Member for River East.

MRS. B. MITCHELSON: Yes, Madam Speaker, is it the will of the House to call it ten o'clock?

MADAM SPEAKER: Is it the will of the House to call it ten o'clock?

The hour being ten o'clock, the House is now adjourned and stands adjourned until 1:30 p.m. tomorrow. (Tuesday)