



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

DEBATES
and
PROCEEDINGS
(HANSARD)

37 Elizabeth II

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Speaker*



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**MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Fourth Legislature**

Members, Constituencies and Political Affiliation

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

LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, August 9, 1988.

The House met at 1:30 p.m.

PRAYERS

ROUTINE PROCEEDINGS

MINISTERIAL STATEMENTS AND TABLING OF REPORTS

Hon. Harold Neufeld (Minister of Energy and Mines): It is with a great deal of pleasure that I table the 37th Annual Report for the Manitoba Hydro Electric-Board for the year ended March 31, 1988. I am also pleased to present the Annual Report for the Manitoba Department of Energy and Mines for the year ended March 31, 1988.

Hon. Clayton Manness (Minister of Finance): I, too, would like to table two reports. First of all, Provincial Tax Comparisons of major taxes collected by province with rates in effect to August 9, 1988. Secondly, the Stevenson Kellogg Ernst & Whinney Management Consultants' proposal—in other words, the terms of reference—of June 25, 1988, for a review of Government financial obligations and debt policies.

INTRODUCTION OF GUESTS

Mr. Speaker: Before proceeding to oral questions, with us this afternoon in the loge to my left is Laurent Desjardins who was a former Member for St. Boniface. On behalf of all Honourable Members, I welcome you to the Legislature this afternoon.

* (1335)

ORAL QUESTION PERIOD

Budget Fiscal Management Strategy

Mr. Richard Kozak (Transcona): Mr. Speaker, my question is for the Minister of Finance (Mr. Manness). This Government estimates it will spend virtually the same amount of money the NDP proposed in its defeated Budget, the one this Government rejected. This Government pledged competent fiscal management. Yesterday the Minister told us he has, and I quote, "Begun the task of putting Manitoba back on a solid footing."

My question is this: will the Minister tell us how they are putting Manitoba on a solid footing, how they are practising sound fiscal management when they are relying on windfalls and speculative revenues? Will the Minister tell this House what long-term strategies he has in mind to provide for the time when these windfalls vanish?

Hon. Clayton Manness (Minister of Finance): Mr. Speaker, I have been invited by the Opposition critic

to reread the Budget. I do not think you will find that in order. Let me point out some parts of the expenditure list that may not have been detailed, at least to the Member opposite, and the detail that he would have wished.

We included in our expenditure an additional \$21 million in support of MONA and MMA agreements. We included in our expenditure increases of \$18 million in support of drought-related programs, plus \$14 million to fight fires. Those were never contemplated in the former Budget that was defeated, and I can go on and on and on, and I will if the Minister wishes, pardon me, if the critic wishes. If the critic wishes me to do so, I will gladly do so.

As far as the long-run strategy, the deficit has been decreased by \$115 million. What that means to Manitobans is that we therefore will have to go to the lending markets of the world and request that less much money, that the interest payments in years to come will be \$15 million less, and it will be able to be directed toward social and economic programs in this province.

Mr. Kozak: I would hate to predict what would happen if nickel prices fell or if corporate profits fell as the Minister thinks possible.

This Government has pledged to streamline Government—as a supplementary—to trim the fat. Would the Honourable Minister tell this House if this Budget is an example of streamlining we can expect when yesterday's Budget contains a 6 percent expenditure growth on administration throughout Government yet the NDP Budget proposed adding only 5 percent to administration?

Mr. Manness: I am wondering what side the Members opposite want to be on this issue. All the way through the election campaign, Members opposite, particularly the Leader of the Opposition (Mrs. Carstairs), talked and hoped about what would be done in rationalization of higher bureaucracy. We have gone beyond the limits and trying in a very short period of time to do that, and most successfully. There is more that can be done, and we will do it. When the Member talks about a 6 percent increase, he should be aware—and I cannot expect that he would be aware—that the general salary increases through all Government were not totally accounted for in the last Budget that was defeated. Indeed, we had to pick it up in this Budget.

An Honourable Member: Think about that a little bit.

Mr. Kozak: We in the Official Opposition are conscious that spending in the administration area is more than the previous Government's proposal.

Since the Minister of Finance (Mr. Manness) tells us that Manitoba's economic growth may be less than 2 percent in the current fiscal year, why has the Minister failed to stimulate consumer spending—a basic

principle of good economic management—by rolling back the 2 percent tax on net income?

Mr. Manness: There is nothing more that this group of people on this side would love to do than be able to roll back the 2 percent tax on net income. Mr. Speaker, it becomes the highest priority within the personal income tax side—bar none; but Manitobans know that this province has to be brought back on the track of fiscal integrity and fiscal soundness. That cannot be done by increasing the deficit.

Indeed, the Leader of the Opposition (Mrs. Carstairs) had this to say on April 15, 1988, as quoted in the Winnipeg Free Press. She said that she could not possibly promise to hold personal or corporate taxes at the current rates without knowing what kind of fiscal shape the province is in. I quote, and these are in quotes, "I would love to be able to say that, but how can I bring down the debt and the deficit of the province and commit to holding taxes down?"

Mr. Speaker, you cannot have it both ways, it is a term that has been used many times in this House and Members should know that it becomes the highest priority of this Government to attack that terrible task in due course, once we are in an order to do so.

* (1340)

Budget Mental Health Care Funding

Mr. Richard Kozak (Transcona): Mr. Speaker, my next question is for the Minister of Health (Orchard). As I have said, the Government has benefited from a windfall due in part to taxes imposed by the NDP, which this Government did not see fit to redistribute to ordinary Manitobans, not even in services.

Will the Minister please tell this House why—when he tells us health care is a priority—the money budgeted for mental health services is a full percentage point less than the rate of inflation?

Hon. Donald Orchard (Minister of Health): Mr. Speaker, the Honourable Member might take time, as Finance critic, to sit in on the Department of Estimates discussion of mental health spending. He would come quickly to realize that contrary to what I believe was his previous question where we threw too much money at the problem, he might be interested to know that throwing less money at a problem, if that is his accusation today, does not deny services to Manitobans in need. He cannot have it both ways.

Mr. Kozak: Sir, it is the Government's priorities we are addressing.

Budget Day Care Funding

Mr. Richard Kozak (Transcona): A supplementary for the Minister of Community Services (Mrs. Oleson). This Minister has told us that day care is a priority, yet the Minister has no plans to take federal monies available for day care.

Why has this Government, in addition in its Budget, reduced day care subsidies from that contained in the defeated Budget, in a Budget that spends as much money as the former Government did?

Hon. Charlotte Oleson (Minister of Community Services): Mr. Speaker, first of all, I would like to comment on the Member's comment that we have no plan. He is completely wrong in that statement.

Secondly, he says we have—I am very proud of a Budget that includes a 23 percent increase in day care funding in this province. I cannot see where the Member is coming from if he thinks we have no priority in day care.

In answer to the subsidy, the Member might be better informed when we go through the Estimates Debate of that department, but I can tell him at this time that it being later in the year in doing the Estimates for this Budget, we were able to be informed of the money that had been used in '87-88 and so we may be able to give a clearer estimate of what would actually be used. That will become clearer as we debate the Estimates next week.

Some Honourable Members: Oh, oh!

Mr. Speaker: Order, please. May I remind all Honourable Members that a supplementary question should be used for the benefit of the Member to clarify the answer which was previously given by the Minister.

Budget Sheltered Workshops & Disabled

Mr. Richard Kozak (Transcona): A final supplementary, seeking clarification from the Minister of Community Services (Mrs. Oleson).

Mr. Speaker, will the Minister tell this House why, on a related topic, when sheltered workshops and employment agencies for the disabled are a priority, why would this Budget ensure that these agencies will get increases also less than the inflation rate?

Hon. Charlotte Oleson (Minister of Community Services): I think the Member, as in the question before, will get a clearer picture if we are able to debate that subject in Estimates and get a full and proper answer at that time.

* (1345)

Budget Manfor Ltd. Divestiture

Mr. Gary Doer (Leader of the Second Opposition): In the headlong rush to change some numbers with the outside untendered auditing company, the Conservatives have decided to write off Manfor Corporation and write it down to \$1.00.

My question is to the Minister responsible for Manfor. How do you think that is going to help your bargaining position in terms of getting a decent and fair settlement of this long outstanding issue for Manitobans?

Even the most simple transaction, when you are selling a house and selling a car, you do not write down the value of your property down to \$1 and then begin that as a part of the negotiating position.

Hon. Clayton Manness (Minister responsible for Manfor): Mr. Speaker, I will take that question because I am the Minister in charge of divestiture of Manfor.

I can tell the Leader of the NDP, firstly, and he should know this, that there is a vast difference between a valuation allowance and a write-down. The outside auditors have chosen to put this in the valuation allowance category. They have done that after they had access to some reports, internal and outside, that indicated that selling Manfor as a complete entity, as indeed the former Government wanted to do, as we want to do, given the criteria we discussed in the House the other day, that being the full employability and the maximization of employability, employment in The Pas area; the maximization or the optimum usage of the wood resource; and thirdly, of course, the maximum investment in the future.

Imposing all those criteria into the divestiture process begs the question as to what the real value is as compared to dismantling Manfor and selling it piece by piece.

Now, Mr. Speaker, the outside auditor said after he has looked at all of those different considerations, given what has happened usually with Crown corporations that it might be wise to put a valuation allowance of \$1.00.

I can assure the Leader and all Manitobans that that will not affect our bargaining position one bit. We will still attempt to maximize all those criteria and the benefit to the Province of Manitoba.

Mr. Doer: Mr. Speaker, I can assure the Member opposite that it will affect your bargaining position, and it will affect your bargaining positioning on behalf of all Manitobans to have this thing valued at \$1.00.

Mr. Speaker: Question.

Mr. Doer: Mr. Speaker, I can assure Manitobans that we had the money on the table in our negotiations with other firms prior to the election, and I can also assure Manitobans that we were not bargaining away the forestry resources either as the Minister opposite has confirmed in this House last week.

Mr. Speaker: Order, please. Would the Honourable Member please place his question.

Mr. Doer: I find it rather ironic, Mr. Speaker, that somebody who looked like Jack Nicholson in "One Flew Over The Cuckoo's Nest" last week, foaming at the mouth, would ask any Member to calm down in this Chamber. But I thank him for his sane advice for a change.

My question is to the Minister of Finance and the Minister responsible for the divestiture: can he inform this House, and indeed this Chamber, besides the forest

resources that are on the table, whether in fact the forest resources will be moved south in terms of it is a present cut area in terms of a potential sale or giveaway to a new corporation?

Mr. Manness: Mr. Speaker, there are a couple of items that have to be put straight on the record. First of all, let me talk about the area of depreciation. The Leader of the NDP (Mr. Doer) would not know this because he has not been in business. But, indeed, depreciable items that are shown on the books to be worth nothing still can have a large value in the marketplace. Of course, you have to be in business to understand that fact. There are elements of Manfor that have value and we will search out the maximization of that value in the market. So let the Member be aware of that.

He said also that when they left Government, there were firms that had put dollars on the table. That is patently untrue. Nothing could be further from the truth, absolutely nothing. As far as some of the other points involved in negotiation—I say to the Member opposite—we will not in any way enter the negotiations on the floor of this Legislature with respect to those matters.

Mr. Speaker: I would like to caution all Honourable Members on unparliamentary language.

The Honourable Member for Concordia, with a final supplementary.

Mr. Doer: Mr. Speaker, anyone who has been involved in negotiations before, indeed any citizen who is involved in negotiations, knows that you do not take an entity that you are trying to sell and value it down to \$1 in the middle of the period of time you are trying to negotiate a sale of that entity. The Member has stated that he will not negotiate the terms on this floor, and I respect that. That is why we are not raising all the issues of value of that property publicly to further diminish his bargaining position, but the forestry resources of Manitobans are not owned by the Conservative Party, just like they are not owned by the Conservative Party in Saskatchewan.

I have asked the Minister whether he is going to change the forestry cut area to be further south in this province as part of the sale of the Manfor operations.

Mr. Manness: Mr. Speaker, again I reiterate my answer. There are a number of items that are under negotiation, a number of them, many of them actually the same in number that the former Government was considering at the time that it was trying to prepare for divestiture of Manfor. They have not changed the criteria that we want to come to have maximized with respect to the sale, have not changed, and what also has not changed is my commitment not to make public at this point in time any of the negotiating points. That would be unfair to the people that we are bargaining with and ultimately unfair to the taxpayers in the Province of Manitoba.

Mr. Doer: I think the valuation down to \$1 is very unfair to Manitobans, and I can assure the Member that forestry resources moving south were never ever on

the bargaining table from our Government, and that is why I am suggesting very strongly that they not be.

Could the Minister tell Manitobans whether the load weight size is on the bargaining table for changes with any company that will potentially buy the Manfor operation as the Devine Government did in Saskatchewan in terms of highway conditions for the giveaway of the plant, the warehousing?

Mr. Manness: I find it amusing that the Leader of the NDP would talk about giveaways. The only example that we have had in this province of a giveaway is the divestiture of Flyer Bus where Den Oudsten was given \$3 million to buy it and indeed had future indemnities covered by the Government. That was what was a giveaway.

What we are proposing, as we are in our negotiations with Manfor, is not a giveaway, but to maximize the value and again all the criteria, and again I will go through them: jobs, investment and optimum use of the wood cutting resource, everything that every Manitoban, I am sure, wants with the divestiture of Manfor.

* (1350)

Budget Foster Care Funding

Ms. Avis Gray (Ellice): My question, Mr. Speaker, is for the Minister of Community Services (Mrs. Oleson), and it is specific to programs for vulnerable citizens.

Would the Minister tell this House, now that the Budget has been tabled and given her commitment in the Throne Speech to maintain quality social services, what specific rate increases can the foster parents in Manitoba expect with this Budget?

Hon. Charlotte Oleson (Minister of Community Services): I intend to meet first with the executive of the Foster Parents Association to discuss that with them, and I think it would be rather unfair to them to give those figures in the House today. I will be meeting with them shortly and it will be made public after that.

Ms. Gray: We have been somewhat patient on this side of the House in terms of waiting for clarification on foster parent rates. Could the Minister of this department tell us if the commitment is there to increase foster parent rates as has been requested by the foster parents? They, as well as we, are very anxiously awaiting your answer.

Mrs. Oleson: I recognize the importance of the issue. I too am concerned and I know the foster parents are. I will be giving them the answer as soon as possible and, as I said before, it will be made public after I speak to the association.

Budget Respite Care Funding

Ms. Avis Gray (Ellice): Will this Minister tell the House now that the Budget has been tabled—again,

clarification about vulnerable citizens—are the per diem dollars that are available for mentally handicapped individuals who are now on waiting lists for day programs, are these per diem dollars available for new referrals for programs, for the day programs?

Hon. Charlotte Oleson (Minister of Community Services): I think to be fair to the Member and since the Estimates of Community Services are coming up first in the whole Estimates debate, I believe it would be fair to discuss that and get a clearer answer in the Estimates process.

An Honourable Member: You do not know.

Mrs. Oleson: Of course I know!

* (1355)

Budget Mental Health Care Funding

Mr. Gulzar Cheema (Kildonan): My question is for the Minister of Health (Mr. Orchard).

Yesterday's Budget contained no long-term planning to address the needs of health care in Manitoba. Hearing conservation program staff dollars are half of those proposed by the previous Government. There is no increase for northern health care. Maternal and child health only received \$11,300 with most of it going to the salaries. There is a token of \$200,000 for the Seniors' Directorate.

Can the Minister tell this House why this Government is ignoring the deaf persons, seniors, mothers and children, and the northern Manitobans? What is this Government going to do to address the needs of these people?

Hon. Donald Orchard (Minister of Health): There is no reduction in programs present in these Estimates.

Budget Mental Health Care Funding

Mr. Gulzar Cheema (Kildonan): My first supplementary again to the Minister of Health (Mr. Orchard). The Throne Speech stated that the Government would undertake long-term mental health care planning in Manitoba. This Budget allocated only a minimum increase for these services, and funding for the Mental Health Directorate—

Mr. Speaker: Question.

Mr. Cheema: —was actually cut. Could the Minister tell this House when we will see the real proof that he will make good on his commitment to quality mental health care in Manitoba?

Hon. Donald Orchard (Minister of Health): In the Estimates, under the line of Mental Health where the funding is increased; and, secondly, in terms of the direction and planning and coordination of delivery of

mental health by the department, by the Manitoba Health Services Commission, which will mean the more efficient allocation of mental health dollars.

Mr. Cheema: My final supplementary, again to the Honourable Minister of Health (Mr. Orchard).

For the last three months, this Minister of Health has spoken at various times of the need for a more efficient and adequate health care in mental health planning to meet the community needs. How can this Minister initiate any services which will meet the community-based mental health services need given the fact that the increase in the Budget for this area is very negligible?

Mr. Orchard: I would beg the indulgence of my honourable friend who I know is a patient man. We will have those times of—oh, I take it all back. He is not a patient man. My profound apologies to you.

My honourable friend may be very expert in determining the function of bureaucracy in Government. My honourable friend, in the three months that he has been elected and has been an Opposition Health critic, may be able to present during Estimates all of his ways that he would resolve mental health problems that have grown in this province over numerous years of neglect, numerous years of funding being taken away.

I simply ask his indulgence to bear with us during the debate in Estimates because first and foremost, Mr. Speaker, it is my intention to demonstrate to him, and I hope to his satisfaction, that there is a course of action which is appropriate, effective, and will deliver the kinds of services to those in need of mental health over the period of time that it takes to organize that. Unfortunately, for those needing mental health, you do not deliver instant services in mental health, and my honourable friend knows that very well. But my honourable friend will, I know, have the patience to wait and see how mental health will be improved through the coordination of those efforts, those services provided within the department and with the Health Services Commission.

* (1400)

Budget Pay Equity

Ms. Judy Wasylycia-Leis (St. Johns): I have a question to the Minister of Labour (Mr. Connery), and I hope we will be able to get more of a response from that Minister than some of his other colleagues.

To date, there has been absolutely no mention of a very important matter to the women of this province in either the Speech from the Throne or the Budget Speech on pay equity. There is considerable concern arising because of that absence and that silent position. That is coupled, Mr. Speaker, with an apparent more than \$300,000 reduction in the Pay Equity Bureau.

I would like to know from the Minister of Labour (Mr. Connery), given the fact that implementation of pay equity to date has proven so successful but given the

fact that there is still a major gap in the wages between men and women in the private sector, what are the plans of this Government for the steady implementation of pay equity in all sectors of the economy but, particularly, the private sector?

Hon. Edward Connery (Minister of Labour): I really appreciate the question from the Member. Yes, indeed, pay equity is very important with this Government.

I have had several meetings with the Director of Pay Equity. We have discussed where it is at today. Right now, there is an implementation in the hospitals. It has not completed its first mandate, and the agreement was that until we had finished the first mandate, to ensure that the program was working properly, we will finish that first mandate that the pay equity legislation has. We are very proud of how it has worked, but we are concerned that there could be some problem areas. Before we move on, we want to make sure the program is working effectively.

Ms. Wasylycia-Leis: My supplementary is to the same Minister.

It would seem to me that the implementation of pay equity in the public sector has given us ample evidence of the effectiveness of pay equity for reducing systemic discrimination and the wage gap that, historically, women have faced.

Mr. Speaker, I would like to know from the Minister of Labour (Mr. Connery) the plans of this Government for implementation of pay equity, as had been outlined previously for a steady progression, for a steady implementation of pay equity from the public sector to the health sector to the school divisions to the private sector. We have waited long enough for some indication of a plan on the part of this Government for further implementation of pay equity. Could the Minister please tell this House what those plans are and, if he has some indication of the plans, how he will do it with a reduction of \$300,000 in his Budget?

Mr. Connery: I guess the Honourable Member did not hear my first reply, that we are concerned about pay equity. We have had a lot of discussions with the Director of Pay Equity and the director agrees with the program that we are on which is let us finish what has been mandated originally and then we will progress from there.

After this year we can see how the program is working. Our Government will watch it very carefully. We will see if the program is functioning right and, if there are problems before it gets moved on, we will create different models.

As you know, the school systems are very concerned about the model that is there today and they are not in favour as I am told. So we will work very carefully with the schools and, before we move on, we will make sure it is in a proper vein.

Budget Pay Equity

Ms. Judy Wasylycia-Leis (St. Johns): Mr. Speaker, given that the Minister responsible for the Status of Women (Mrs. Oleson) has some responsibility as well for this area and given the fact that she full well knows that women in the private sector earn 68 cents for every dollar that a man earns and given that this Government was able in this short period of time to find millions of dollars and tax breaks for private business in the private sector, will the Minister responsible for the Status of Women tell this House what plans she has to the Women's Directorate and what work she is doing with her colleagues to ensure the steady implementation of pay equity in all sectors of the economy?

Hon. Charlotte Oleson (Minister responsible for the Status of Women): Mr. Speaker, presently, as the Minister of Labour has indicated, plans are going forward as the former Government were implementing them and we will be watching them and we will be looking at how to improve them.

Budget Rural students drought aid

Mrs. Iva Yeo (Sturgeon Creek): Mr. Speaker, my question is for the Minister of Education. The drought in Manitoba has presented a multitude of problems and concerns for the farm communities. At a time when they are looking to the Government for assistance, when farmers are in crisis, there is no extra help for rural students. The Finance Minister (Mr. Manness) stated yesterday the education Budget includes funding for important initiatives promised during the election. What new initiatives can you fund when the total increase given to the department is less than your own Government's stated rate of inflation?

Hon. Leonard Derkach (Minister of Education): Mr. Speaker, this side of the House, the Government of Manitoba, is very much aware of the serious drought situation that has struck rural Manitoba. We have, in fact, addressed that issue through several recourses. In the Budget speech that was given yesterday, there was some \$18 million allocated to drought assistance for farmers. In addition, I can assure this House that the relief on education tax on farm land has not just been maintained but in fact has been improved to gain the best possible benefit to farmers and thus to students of rural Manitoba.

Budget Student Aid

Mrs. Iva Yeo (Sturgeon Creek): My question, Mr. Speaker, is to the same Minister. How can you justify significant increases in salaries in both the Student Aid Department as well as the Student Aid Appeal Board when at the same time there are significant decreases in actual assistance to the students?

Hon. Leonard Derkach (Minister of Education): Mr. Speaker, there has not been any decrease in the

assistance to students in the Province of Manitoba. As a matter of fact, if you take a look at the overall increase, for example in programs, you will find that the increases are somewhere in the neighbourhood of 7 percent. So there has not been a decrease to the services and to the programs that students of Manitoba will enjoy.

Budget Rural students drought aid

Mrs. Iva Yeo (Sturgeon Creek): Mr. Speaker, to the same Minister. I beg to differ. Being that you have just cut almost \$240,000 from the Student Aid Assistance, what are you planning to do for the children of farmers, the children who will be unable to continue with their education?

Hon. Leonard Derkach (Minister of Education): Mr. Speaker, I think I answered the Member's question in my first response in that we have addressed the problem of drought -(Interjection)- in this province.

Mr. Speaker: Order, please. The Honourable Member did ask her question. The Honourable Minister is trying to answer that question. Would all Honourable Members try and contain themselves.

Mr. Derkach: Thank you very much, Mr. Speaker. I had indicated to the Honourable Member that through the drought assistance of \$18 million, this Government has addressed the problems to farmers in the best way possible at this point in time. The assistance to rural students is something that we are engaging in studying very seriously, because we recognize that students travelling to a university in Winnipeg from rural Manitoba do have added costs incurred in living expenses, in travel expenses, and so forth. That is the situation that this Government will address as time goes on and we will make positive programs available to those students.

* (1410)

MLAs' Conflict of Interest Declarations

Mr. Steve Ashton (Thompson): My question is to the Attorney-General (Mr. McCrae). I would like to ask the Attorney-General if he could indicate whether any Members of the Legislature failed to comply with Section 11.1 of The Conflict of Interest Act, which required that all Conflict of Interest forms be filed with the Clerk of the Legislature as of last Friday?

Hon. James McCrae (Attorney-General): Mr. Speaker, the Honourable Member raises a question which today—the last I had heard—I was unaware as to whether any Member of this House had not yet filed his or her Conflict of Interest declaration. I certainly know in my own case I am okay.

Mr. Ashton: Can the Attorney-General confirm that two Conservative Members of the House failed to file their Conflict of Interest forms as of Friday, including the Premier. In fact, the Premier did not file his form until a few minutes before—

Mr. Speaker: Order, please.

Mr. Ashton: —question period yesterday.

Mr. Speaker: Order, please. The Honourable Member's question deals with a matter which is not within the responsibility of the Minister; therefore, out of order.

The Honourable Member for Thompson.

Mr. Ashton: Mr. Speaker, if I cannot obtain information in terms of that, I would—

Mr. Speaker: Does the Honourable Member have a question?

Mr. Ashton: —like to ask the Attorney-General whether he could review the Act to determine, in keeping with the talk of the Conservative Government about Conflict of Interest in the Throne Speech, whether the current Act is sufficient to require Members, as 55 Members of Legislature did, to file their Conflict of Interest forms last Friday. Why should the Premier and other Members of the House not file on the same deadline that everybody else does?

Mr. McCrae: I think this question falls under the same category as the last two but, as I understand it, the Members of this House have—certainly on this side of the House—filed their Conflict of Interest declarations.

MLAs' Conflict of Interest Declarations

Mr. Harry Enns (Lakeside): Mr. Speaker, on a question of House order, let me confess to be the other Member not having filed the Conflict of Interest papers. Not being a Member of the Executive Council, I thought it would be highly unlikely for me to have a conflict.

Some Honourable Members: Oh, oh!

Budget The Public Trustee's Office

Mr. Paul Edwards (St. James): My question is also for the Honourable Attorney-General (Mr. McCrae). Yesterday, in this House, the Honourable Attorney-General recommended that this House wait and see what this Government would do for the beleaguered Public Trustee. We waited, we saw, and we are still waiting for any sign of social sensitivity or management ability on the part of this Government. This Government is willing to take \$868,500 in fiscal 1988 from the Public Trustee, yet give back a scant \$80,000 after normal salary increases are taken account of. The Mental Health Act is in effect; the workload in all divisions of the Public Trustee is getting heavier; why has the Public Trustee been left out again?

An Honourable Member: Are you sure of your facts?

Hon. James McCrae (Attorney-General): Mr. Speaker, the Members of this House will by now have become accustomed to the tactics that are used by the

Honourable Member for St. James when it comes to bringing information before this House. Before I would accept the premise of his questions on this issue, I would remind him that we are indeed into the process of Estimates and the Honourable Member's questions would be very in order during the Estimates discussion and Estimates review.

An Honourable Member: Well, Estimates are part of the Budget.

Mr. McCrae: Mr. Speaker, Honourable Members in the Official Opposition have become so accustomed to this place so quickly that they have already forgotten their manners. It is very difficult, Sir, for me to answer a question when Honourable Members opposite do not even want to hear it.

Mr. Edwards: Again, for the Honourable Attorney-General, and I do suggest that he does check Hansard, he did say the Budget—the Budget has come down.

My first supplementary again to the Honourable Attorney-General. The Public Trustee has said it needs nine additional staff. The Honourable Attorney-General should know that the Public Trustee is a body corporate and can be sued just as a private trustee according to the same high standards under The Trustee Act.

Does the internal report mentioned yesterday in my question in fact recommend increases in staff?

Mr. Speaker: Would the Honourable Member please place his question.

Mr. Edwards: How many does it recommend, and what does it say the result will be if that staff is not forthcoming to the most vulnerable people in our society, the people the Public Trustee is supposed to protect?

Mr. McCrae: I look forward to the discussion with the Honourable Member, of the Public Trustee, when we get to the Estimates.

The caseload of the Public Trustee, it has been suggested, will increase with the new Mental Health Act and if that, indeed, is going to be what we are facing, I am committed to ensuring that the Public Trustee has the necessary resources to carry out the very important functions that devolve upon a Public Trustee. But here again, I invite the Honourable Member to get into as full and as frank a discussion on the office of the Public Trustee as he would like.

I would like, however, to suggest to him—

Mr. Speaker: The time for oral questions has expired.

NON-POLITICAL STATEMENT

Hon. Glen Findlay (Minister of Agriculture): Mr. Speaker, may I have leave to make a non-political statement?

Mr. Speaker: Does the Honourable Member have leave? (Agreed)

Mr. Findlay: I would like to briefly pay tribute to the Manitoba Agriculture Hall of Fame and the number of people they have inducted over the last 11 years.

As of last Friday, 58 people have been inducted into the Manitoba Agriculture Hall of Fame. The Hall of Fame has been in place since 1978 to recognize people, men and women of the Province of Manitoba, who have given service above and beyond the call of duty.

Mr. Speaker, I would like to commend the families of Dr. Andrew Hodge, of Hamiota, who was inducted; and Mrs. Marion Fulton, of Birtle, who was inducted last Friday.

Mr. Findlay: It is unfortunate that Dr. Hodge has passed away and he has been given it posthumously, but Mrs. Fulton is still living in Birtle and contributing to the community through the W.I. and the United Church and various other community organizations.

I am very proud that after those two people are inducted from my constituency, we now have nine of the 58 inductees in the history of the Manitoba Agriculture Hall of Fame from Virden constituency. Of that I am very proud and I commend the hall of fame for inducting these two people.

Mr. Laurie Evans (Fort Garry): It is with great pleasure that I add, on behalf of the Members of this House—

Mr. Speaker: The Honourable Member needs leave.

Mr. Evans: I ask for leave to make a non-political statement.

Mr. Speaker: Does the Honourable Member have leave? (Agreed)

Mr. Evans: Mr. Speaker, it is with great pleasure that I take the opportunity, on behalf of those on this side of the House, to add our congratulations to the family of Dr. Hodge and to Mrs. Fulton and her family. We are very appreciative of the contributions that have been made by these two individuals and we certainly are very pleased to see their names added to this long and honourable list of servants to agriculture. Thank you.

ORDERS OF THE DAY BUDGET DEBATE

Mr. Speaker: On the proposed motion of the Honourable Minister of Finance, standing in the name of the Honourable Opposition Leader (Mrs. Carstairs).

Mrs. Sharon Carstairs (Leader of the Opposition): It is obvious today why the Finance Minister (Mr. Manness) did not buy new shoes, but chose to shine the old. The Budget yesterday was a mirror image of that presented and defeated last March. He shined his shoes so the image in them could have been either Mr. Manness, excuse me, the Minister of Finance, today or the previous Minister of Finance, Mr. Kostyra.

* (1420)

But shoes are not the only image that went awry yesterday. Normally the Finance Minister wears a white carnation or a white rose, a sign of freshness or purity. Yesterday he and the PC caucus wore a blue carnation, reflective perhaps of what Manitoba taxpayers feel today. Mr. Speaker, they have the blues.

Their expectations had been raised during last spring's election. They were promised relief from the high burden of taxation. They were promised new and innovative management. They were promised streamlining. They got nothing except proof of the phrase, the more things change, the more they remain the same.

For the past two years this House has heard the impassioned pleas and protests from the now Premier (Mr. Filmon), who berated the Government about the rape and pillage of the provincial taxpayers of Manitoba, the greatest tax grab in the history of the province, he said; that the maximum benefits of that tax grab have come in a fiscal year, 1988-1989, the first fiscal year of his Government's mandate. And no relief is found here. Indeed, the taxpayers better take relief in the form of Roloids, for the bile collecting in their collective stomachs.

No government has ever had a greater opportunity to provide some assistance than this one. Provincial revenues increased dramatically from Budget year '87-88, to Budget year '88-89, an increase of 15.5 percent, but none of it was passed on to the consumer, nor was it necessary to make the cuts dramatic. The net income tax is such an unfair tax. It is a tax paid before deductions, families pay it before children. The handicapped pay it before medical bills are deducted. Students pay it before school fees are deducted. Changes in the deductibilities alone could have made this tax more even-handed. The Finance Minister says the citizens of Manitoba will gladly pay it in order to reduce the deficit.

Well, he is obviously speaking to different citizens this year than last year, because last year he considered it a nefarious tax. Throughout the election campaign his Party advertised the high burden of personal taxes and the need for change. But, given the opportunity, he did nothing to help families, he did nothing to help the aged or the infirm to carry the unfair burden with greater ease.

In addition to easing the personal tax burden on those less fortunate in our society, the Finance Minister had another choice, and that was to set new, bold initiatives, to show forward planning, to change old ways. Here too, regrettably, the people of Manitoba were betrayed. The Minister said, and I quote, "Work has begun on streamlining Government operations, eliminating duplication and reducing overhead costs. This work will secure valuable savings this year and larger savings in the future."

We heard about reduced Cabinet size and indeed we saw fewer numbers gathered on the front benches on the other side. We heard of the consolidation of six departments, but in reality, the bottom numbers line, nothing changed. In a comparison check of the administration and finance budgets of the New

Democratic Party and PC Budgets of 1988, we see a 5 percent increase in the NDP Budget, but strangely enough, a 6 percent increase in the PC Budget.

The communicators, the apple polishers, the former Opposition Leader, now Premier (Mr. Filmon) used to call them. The analysts are still all there. The "hacks and slacks" of which the Premier spoke in Opposition may have changed from tweeds to pinstripes, but the expenses remain the same. We have an example of Tweedle-dum become Tweedley-dumber.

Even the Premier himself failed to show leadership in this matter because the Executive Council budget sees an increase under his new administration than that proposed under the New Democrats. So much for lean and trim, so much for better management. We were poking fun a little earlier at the Minister of Northern Affairs (Mr. Downey) who interestingly enough on our computer came up with an administration and finance increase of some 67 percent. We found that.

Some Honourable Members: Oh, oh!

Mr. Speaker: Order, order, please. If Honourable Members would like to carry on a private conversation I would request that they do so outside the Chamber.

Mrs. Carstairs: But to give the Northern Affairs Minister (Mr. Downey) credit, we did some checking on his administration and finance budget. We saw an item that we do not really think belongs in administration and finance, so we eliminated it. Even then we came up with 14.3 percent increase in the administration and finance section of his budget.

In terms of Culture, Heritage and Recreation, the Budget that was defeated by this Government in March of 1988 saw the administration budget increase in that department of a mere 2.6 percent. The new Minister (Mrs. Mitchelson) shows an increase of 19.4 percent, when in the same budget, library assistance was cut by over \$1 million.

The Finance Minister (Mr. Manness) had an option; he could have chosen to spend his booty on services to people; he could have chosen to help those who need it most; he could have chosen to direct resources to Government programs in such desperate need. But, no, instead the Finance Minister chose to sustain a level of administration his Party has consistently termed bloated and fat. His Government has not cut a single nickel of administration, this at a time when Conservatives rail away at the waste of the former Government. What a commentary, what hypocrisy, what a sham.

But it is in the social service fields that we see the total lack of new thinking, new ideas, fresh initiatives. The budgets mimic one another. The Government, because of revenue increases from equalization and mining and a better Canadian dollar, none of which was caused in this province, had the opportunity to set new directions—an opportunity they ignored. Mr. Speaker, we know of the 20 percent use of acute care beds by chronic care patients; it is well documented.

The Premier ranted last week about the NDP freeze on construction, but the capital Budget projected by

this new Government is less than that projected in the former Budget defeated in March.

No new personal care beds will be built out of this Budget, so we will continue to pay on an average \$216,000 a year for a patient to occupy a chronic care bed when they could be better and more appropriately cared for in a personal care home where the most expensive bed is some \$31,000 per year, a saving of \$184,000 per bed. Acute care beds in psychiatry are dangerously low, but psychiatrists in hospitals will tell you that many of the patients could be released into community placements at reduced costs if the community beds were built. Despite assurances that care would be enhanced in mental health, the increase is well below the rate of the inflation, the increase is 2.8 percent.

What of our seniors population? Those who can lead a full and active life with some supports in the community, Home Care receives less than one-half of 1 percent over that budgeted in the February Budget. Not many more will be served, and a need to organize, to provide appropriate service, the need to prioritize, the need to ensure training for care givers will not be undertaken with no increases in this Budget.

This Government found \$200,000 for a Seniors Directorate—a virtual sham—for the Budget clearly showed that there were no ideas for this directorate. No decisions have yet to have been made as to whether or not it is even to have a staff. The Department of Gerontology, which could be providing guidance to meet the needs of our aging population, received no help from this Government.

Many seniors discover that one of the most debilitating aspects of growing old is hearing loss. This Government actually cut that department by some \$130,000.00. Perhaps they believe that if seniors can talk to some mythical, still to found, bureaucrat in a Seniors Directorate, their hearing loss will be eradicated. This is unfeeling and uncaring but, most of all, Mr. Speaker, it is bad management. It is the antithesis of what we were promised during the election campaign.

During the election campaign, too, we were promised better education funding, at least to the level of inflation, the First Minister said. Well, inflation, according to the Minister of Finance (Mr. Manness) yesterday, is 4 percent; the contribution to education is 3.3 percent. If the Member has a disagreement, then I would suggest he examine his documents, his Budget Address, and the figures of 4 percent and the figures of 3.3 percent will indeed be found there—another broken promise to the people of this province.

* (1430)

We will retain accreditation in dentistry because of an influx of \$3 million, and I support that initiative, even because we have one of the only northern outreach programs, if not the only northern outreach programs, in dentistry in the entire country. But it must be remembered that we are supporting a dentistry school in which half the dentists actually come from out of the province, and there is an oversupply of dentists nation-wide. But -(Interjection)- I told you, I supported it.

But what of other faculties? Industrial and computer engineering, architecture, internal medicine are all underequipped and all underfunded. Our university libraries are in a deplorable shape with some books and periodicals housed in leaking quarters where losses exceed new expenditures. Indeed, the grants to universities are no better in this Budget than they were in the previous Budget. So much for the excellence theme touted by this Government during the election campaign.

We tried earlier this afternoon to get the Minister of Education (Mr. Derkach) to answer the question about student assistance. It was an issue I raised in my reply to the Speech from the Throne. We still have the discrimination in this province against farm children, because their assets are considered when they apply for student assistance. While their parents may indeed have assets, they are at present cash poor. We have asked the Minister to address that problem.

But what did we find in the Budget? What we found in the Budget was \$240,000 fewer to be spent on student assistance this year than last year—\$240,000.00! Not only will we not help

Some Honourable Members: Oh, oh!

Mr. Speaker: Order, please.

Mrs. Carstairs: Not only will there be fewer dollars this year than last year, but there will be no elimination of the unfortunate difficulty faced by rural students.

But let us look for a moment at what this Government calls the strengths of its Budget. It speaks, for example, of a 50 percent increase in agriculture funding. Well even using a number of different figures, the best we could come up with was 32.5 percent. But this Budget does not begin to deal effectively with the agricultural crisis. It talks about the worst drought in half a century and offers an extra 18.3 million, a quarter of which is federal money. This program, already announced, has been widely criticized by Manitoba's farmers for being woefully inadequate.

The problem is only partly an inadequate response. More fundamental is the lack of vision concerning a better, more comprehensive program to deal with these crises, not in an ad hoc Government-rides-to-the-rescue way. There is no strategy in this Budget. There is no sense of planning with the farm community. There is only a sense of pouring a little water on a bonfire, a bonfire that is going out of control.

One initiative we can support is the Education Tax Relief Program for farmers. We believe this initiative should be carried forward on a steady, predictable course so that farmers can build it into their long-range financial planning.

But we looked with despair at the amount to be given, yet once again, to the University of Manitoba for agricultural research. It is the same figure, year in, year out, no changes, no addressing of the need for positive research at this particular juncture of the farm crisis.

We commend the Government also on its signal to some of the members of the business community that

there will be relief from the payroll tax—not right away, mind you, but on January 1, 1989. Suffice it to say, however, that it is still only the businesses with small numbers of employees who will benefit, and certainly those employers were the most unjustly hurt by this tax. Those whose payrolls are over \$600,000 receive no benefit, and that includes our universities, all of our large hospitals, our large nursing homes and many of our outstanding cultural institutions. If they had taken the time to analyze and plan and to make concessions to non-profit organizations, this reduction in tax could have provided relief and could also have been much more equitable.

Finance Ministers all seem to want to play the shell game, the game that says, now you see it, now you do not. The Honourable Member for Morris (Mr. Manness) plays his game with the tax holiday for small business. They offer some a tax holiday for the first year and reduce taxes over the next three. It sounds wonderful, but the Government estimates it will only cost \$1 million. Why? It is quite simple. You see, small businesses traditionally make no money in their first year of operation and the profits escalate so slowly that few, if any, will be able to take advantage of this sweet-sounding tax holiday—an empty gesture, an unfair rise in expectation that cannot be achieved.

This Budget proves above all that this Government had no agenda, simply a desire for power. They have no vision. They have no rationale for Government. They said, "Trust us, it will be different." But it is no different, Mr. Speaker. They made no tough choices. They moved in no new ways. They have not trimmed expenditures. They have not even met expectations in their own Speech from the Throne.

For example, how can there be a new Osborne House when the Budget for MHRC has been cut, unless of course Osborne House is to be funded on the backs of others who are equally unfortunate. How will they enhance health care? With no new initiatives for long-term savings, by moving away from the hospital care model to one based on community delivery. How will they enhance education when the budget is less than the rate of inflation? How will they maintain our highways when the maintenance program budget is 1 percent less than inflation? How will our mentally ill be better served with a budget of 1 percent less than inflation? How will new initiatives be made in non-profit housing when the budget of MHRC has been cut? How will they provide additional services to abused children when \$792,000 was cut from external agencies who deliver those services, when we compare the Budget now before us with the one presented last February? How will they enhance Single Parent Job Access Programs when they will spend \$350,000 less than the Budget announced last February.

* (1440)

They had a choice. They accused the former Government of perpetrating a fraud. They accused them of robbing the people of Manitoba. They are now holding the loot and they are spending it the same way the previous discredited Government did—a Government tossed out of office only three months ago.

On April 26, 1988, the people of Manitoba voted for change; on August 8, 1988, they received none. On April 26, 1988, the people of Manitoba said, "Show me a better way"; on August 8, 1988, they were shown no better way. On April 26, 1988, the people of Manitoba said, "I have had enough, I cannot take the high burden of taxation any longer"; on August 8, 1988, they were told it was good for them.

"Oh, what a tangled web we weave," said William Shakespeare, "when first we practise to deceive."

Robert Frost said, and I quote:

"Two roads diverged in a yellow wood,
And sorry I could not travel both
And be one traveller.
Long I stood and looked down as far as I could
To where it bent in the undergrowth;
Then took the other as just as fair
And having perhaps the better claim
Because it was grassy and wanted wear.
Though as for that, the passing there
Had worn them really about the same,
And both that morning equally lay
In leaves no step had trodden back.
Oh, I kept the first for another day;
Yet knowing how way leads on to way,
I doubted if I should come back.
I shall be telling this with a sigh
Somewhere ages and ages hence:
Two roads diverged in a wood, and I—
I took the one less travelled by,
And that has made all the difference."

Robert Frost said it better than I could possibly say it because Mr. Frost, like the Honourable Finance Minister (Mr. Manness), had the option of taking the new road. He had the option of taking the less travelled road. Manitoba would have been different if he had chosen to do so. He chose instead to take the previous Government's road. It is a sad day when citizens' dreams and hopes are cast awry not because of lack of resources but because our new Government lacked the courage to set new directions.

Mrs. Gerrie Hammond (Kirkfield Park): I am pleased to be able to speak on this Budget.

After listening to the Leader of the Opposition (Mrs. Carstairs), I somehow feel that we are dealing with two different Budgets. We, on this side of the House, have really felt that we have done well for the people of Manitoba in the Budget. When I heard the Leader of the Opposition, I can understand that everybody wants everything done at once, but it is not possible.

I feel that it would be best if we could try and live within our means, which we have attempted to do in this Budget, and do the best we can with the resources that we have. The time to be innovative will be when we have a little bit of our monies more safely in hand and we can see better where this province is heading.

Since this is the first time I have spoken in this Session, Mr. Speaker, I would like to congratulate a number of people in this House. First of all, I would like to congratulate the Speaker and the new Deputy Speaker (Mr. Minenko) from Seven Oaks.

I would like to also congratulate all the Members, newly elected and those re-elected. I think all of us are pleased to be back -(Interjection)- Yes, they are survivors, you might say. And I would like to say I know that although we come from different backgrounds, we come from different areas, we come from different Parties, that we all do have one purpose in mind and that is to serve both our constituents and Manitobans as well as we possibly can.

I am especially pleased, Mr. Speaker, that we now have nine women Members in this House.- (Applause)- I would like to get to a stage where they do not have to applaud when I mention nine women Members. I am sorry that we had to lose some of our women Members. We are not at a stage in the career of women and women in the Legislature that we can afford to lose any of them, no matter which Party, and so I really do feel badly that our numbers are not eleven or more.

I would like to particularly thank the constituents of Kirkfield Park for re-electing me for a third term. I appreciate their support and would like to tell them publicly that I will continue to work hard for my constituents and to make sure that their views and the views of people from St. James are brought to the Government Members, the Cabinet Ministers whenever an issue comes forward, as I know that all Honourable Members will do.

There was one phrase in the Budget that stood out in my mind and I felt that it really said what we want for the Province of Manitoba, and that was the phrase that "We must build for the future rather than borrow from it." I think it really hit me as something that we want to live by because we have borrowed enough in the name of our children that it will be extremely hard to try and pay off that enormous debt.

On April 26, Manitobans voted for sound management. Today's Budget, and I am quoting from the Budget because I plan to just go department by department pretty well, as the Budget states, to give some of the programs that were stated in the Budget because sometimes everything gets lost in one Party, one side of the House wanting to make points over the other, and there are some very good measures in this Budget.

When I was knocking on doors during the election, the one thing that came forward was fiscal responsibility. We told them at the door that we could not promise tax miracles, we know that we cannot do everything for everyone, but we have tried to do the best that we can. I think that is all Manitobans are asking for from us.

* (1450)

In today's Budget, it outlines this Government's plans to meet the challenges facing us in health care, education and other social services; to encourage job creation and capital investment; to speed the recovery of agriculture; to regain control of spiralling debt and the interest costs; to improve management and accountability of Government departments, Crown corporations and agencies; and to make Manitoba's taxes competitive with other jurisdictions.

That last point is so true because we have been so out of step with the rest of the country. We have had the highest municipal taxes, we have had the highest provincial taxes—you name it—and we have had it in Manitoba. It is time that we got back to sound management.

When we knocked on doors, we said that we would not increase personal income taxes. We did not say that we could reduce them in the first Budget, and maybe we cannot reduce them in the second, but we will do our best because no one—absolutely no one—is happy with the 2 percent net tax. We know that, we yelled about it, but even knocking on doors I could not, in all honesty, say to the people I was talking to that, yes, we will remove that tax. I just did not feel it was possible.

We have had no increase in personal taxes in this Budget; no increase in corporate taxes; no increase in retail sales taxes; and we have tax reductions that will be provided to help small business. I know the Leader of the Opposition (Mrs. Carstairs) did not consider it enough but, from what I hear, I do not think we will ever satisfy the Member for River Heights in spending because it seems like there must be a bottomless pit. We all know that there is not.

The payroll tax exemption will increase from \$100,000 to \$300,000 as of January 1, 1989. It is triple, not double, as promised. The payroll tax will be reduced for businesses with payrolls between \$300,000 and \$600,000.00.

Mr. Speaker, we all know and we all have felt on this side of the House, ever since that tax was introduced as a new tax, that this was a disincentive to business. It was one of the first promises we ever made that we would try and remove that tax as quickly as possible, because how can you have a tax on jobs and expect employers to freely want to pay that, to hire new employees when they know it may take them over the limit? That is one of the most pleasing areas I think that we have been able to accomplish. I congratulate the Finance Minister (Mr. Manness) on that initiative.

To encourage new small businesses our Government will give an income tax holiday for one year and reductions over the next four years. We will consult with businesses to try and cut as much red tape as possible because that is one of the things that businesses say constantly: too much paperwork, too much red tape. It cuts into their time and it cuts into the time that they have to do business. It is time to make it easy to do business in Manitoba and it will be good for everyone concerned.

Mr. Speaker, I would like to move on to health. It is up 9.1 percent and I will just read a few of the initiatives that we had promised during the election, and we are keeping those promises.

The Health Budget also includes three important initiatives promised during the election: \$500,000 for the creation of a health advisory network, comprising representatives from Government, health care professionals, administrators, unions and the public, with a mandate to hold public consultations and

recommend a health care action plan for the 1990s, which incorporates new and innovative approaches; \$100,000 for a badly needed new Youth Drug Abuse Program; and \$150,000 for industrial health promotion.

Additional resources have also been provided to expand women's services at River House. This additional funding will ensure the continuation of this important residential facility for women seeking treatment.

All of us have a certain area that we feel very strongly about, and as any of the re-elected Members in this House and as my own caucus Members know, women's issues are very important to me as well as to the other Members of our caucus. River House was especially significant because when the former NDP Government cut funding to the Alcohol Foundation, the first thing that happened was that the program of a separate facility for women, River House, was to be cut.

It was with great pleasure that immediately we heard about this action, that we committed to keeping River House open, and that the Alcohol Foundation's funding would be contingent on keeping River House open as a residential facility. Not only has that happened but I want to thank the Minister of Health (Mr. Orchard) and the Premier (Mr. Filmon) for announcing enhanced funding for this particular facility because it is of great importance to women that they have and keep that home that they have had since 1966. It was the first in Canada to have a separate facility for women to treat for drug and alcohol abuse, and I thank the Premier and the Minister of Health for that initiative.

I would like to turn to education. The Education Budget includes funding for important initiatives promised during the election: \$300,000 for a Task Force on Literacy—but we are determined to take action to help those who cannot read or write and to upgrade the skills of those who have left school before Grade Nine; \$4.9 million, including \$636,000 in new funding, for the Distance Education Branch to improve the delivery of courses for Manitobans in rural and remote areas; and \$11.1 million for independent schools—an increase of 3.3 million—bringing support to 40 percent of the average per-pupil grant received by public schools.

Further to that, on July 22, the Minister of Education (Mr. Derkach) announced \$3 million to fund renovation of the Faculty of Dentistry Building to preserve its accreditation. Although the Member for River Heights (Mrs. Carstairs), the Leader of the Opposition, said that there are too many dentists in Canada but still at the same time supported it. I really do feel that it is important that we take this kind of initiative so that our faculties can keep their accreditation. I know there are other areas that need to be addressed, but we cannot do everything at once. We will try to do a number of things that we can in the first year of this administration and continue in the second, third and fourth.

* (1500)

The early tax remittance gave the school divisions an extra \$3 million, and it was not done at the expense

of the municipalities. They will be reimbursed for the monies that they will be turning over to the school divisions. The public schools in the print-to-print Estimates is up 4.8 percent, and there are ongoing discussions right now with the school divisions who did not get adequate funding through the formula, particularly the ones that never did come under the formula, to make sure that there is funding for critical needs. We are currently working to see that parents have access to all information concerning their children, as they should always have had. It is something that we believe in strongly and always have had on this side of the House. Also, the Education Finance Review is currently ongoing.

Community Services, Mr. Speaker, nearly \$36 million is budgeted for day care programs, which is a 23 percent increase. This funding will enable Manitoba to take advantage of federal funding and to meet our commitments to increase the number of day care spaces and the range of options for parents seeking quality day care.

We need flexibility in the system. We have cried for flexibility all the time that we were in Opposition and that is what we are looking to deliver in day care now. In the workplace, we need day care, we need child care for shift workers, for part time. The farm community has always had special needs that must be addressed, and we are not adverse to independent day care, child care centres, because I think it is good that parents have a choice and they should have a choice.

There is increased funding for the Child Protection Centre at the Health Sciences Centre for training and providing clinical services related to the growing number of child abuse cases.

Osborne House was a promise of our Party when we were in Opposition. It was a promise during the election and it is a promise that we will be keeping for a new, better facility for battered women. The facility that the women presently are in was adequate at one time but not any longer. We have committed to that, and the Minister of Community Services (Mrs. Oleson) has been actively involved in making sure that is something that happens within the next year.

We have also established a Minister responsible for Seniors (Mr. Neufeld), the Seniors' Directorate. There seems to be some discussion that it is a lousy \$200,000.00. I think, to the people of Manitoba, \$200,000 is a significant amount. I feel that, as a start, this is to be a coordinating type of a ministry. It is, I doubt, to be delivering programs, but it is to coordinate the delivery of programs to seniors. We do not want to start a whole new bureaucracy which would defeat the purpose of the Seniors' Directorate.

We will also be releasing a White Paper on Elderly Abuse. Now this was an issue that the Premier (Mr. Filmon) brought forward when we were in Opposition. He put a resolution on the Order Paper dealing with elderly abuse. I believe it was two or three years ago. We will be very happy to release a White Paper and get the feedback that is needed from people in the community who deal with the elderly.

The Attorney-General's Department, reinstating the RCMP services in rural areas is something that we all

welcome because we know what the rate of crime is in the city. I do believe that it is important that we keep our services in the rural areas, that we do not pull them out and put them in one centre. We need our RCMP to be visible, and visible in the rural communities at a time when the crime rate is rising. There is support for community crime prevention: increasing the limit for claims heard in Small Claims Court to \$5,000; developing measures to deal with drunk drivers. Impaired driving is the largest single criminal cause of death in this province, and we must do something concrete about it. It is a disgrace that it has been left this long without specific measures to deal with this very important issue.

Another initiative that is being taken by this Government—whether it passes or not is another thing, Mr. Speaker—is the proposal to reduce the size of City Council to 23 from 29, while keeping the six community committees. This was one of the issues that was very important during a by-election in St. James. I think it was Grants Mill-Booth Ward. The member who won that seat ran on a platform that included the reduction of City Council, and I believe that not all members on City Council are adverse to having the numbers dropped.

I believe it is an area that we as city members, I think, can follow the lead of our citizens who have strongly supported a reduction in City Council. They probably would have liked it reduced even more, but I can see from the response from the Members of the Opposition, both the Liberals and NDP, that they for some reason wish to keep the numbers at 29. So it will be interesting to see, when the Bill comes forward, what the reaction is from the citizens of Winnipeg.—(Interjection)— Mr. Speaker, the Member for St. Vital (Mr. Rose) said, it would be interesting to see what the Tories have to say. Well, I know that two who I know personally are in favour of it. I imagine that there will probably be a lot more. It will be the Liberals that we will have to watch out for.

* (1510)

Another initiative that was taken was The Freedom of Information Act, which is proclaimed to take effect September 30. This was an area that has been ongoing, I think, for the past three years. It was one of our election promises that we would proclaim the Act as soon as possible. I think that our Government is to be commended on bringing that about as quickly as possible. It may not all be in place by the time it is proclaimed, but the majority of it will be. I want to congratulate the Minister responsible for taking such a quick initiative.

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

We also have created a cooling-off period or plan to create a cooling-off period for former Ministers and senior officials. I think that is a wise move in light of one of the jobs that was taken by a former Minister directly from the House. In fact, he had the same position while he was sitting in the caucus. I refer, of course, to the former Member for St. Boniface. I think that, although it was not a direct conflict, people considered that it was.

In the Crown corporations, MPIC and Manitoba Hydro must now submit rate increases to the Public Utilities Board. This is a very positive move, because I think Autopac created such a furor and was one of the main reasons that the former Government fell because people could actually see what mismanagement can do to a company. Now it is time for the people to have a say in what happens to our Government and to our Crown corporations.

The major Crown corporations will be publishing quarterly financial statements and that is a positive move. It was funny, going door to door, people, because of MPIC, because of Autopac, really got a true understanding that there are some Crown corporations out there that no one knew anything about. No one felt that they were accountable to the average citizen. So that was one of the areas that we promised accountability, and the Government is coming through for the people of Manitoba. It certainly gave our Crown corporations a much higher profile than they have ever had. Manitobans do not appreciate their hard-earned dollars being spent on corporations that no longer serve a useful purpose.

Going on to agriculture, I would like to say that one of the things that has always puzzled me about the Members of the Opposition who, from time to time, have indicated that our side of the House, the Progressive Conservatives, do not have an understanding of the needs of the agriculture community. Now we have 18 Members, I believe, who represent agriculture communities, a majority of which actively farm. Who better understands the need of the agricultural community than the people on our side of the House? So it always continues to be a great puzzlement to me when someone stands up and says you do not understand, you do not understand about the drought, you do not understand this, you do not understand that, you do not understand agriculture.

On this side of the House, our Members live and breathe agriculture. It is very important, not only to them representing their constituents, but for their own livelihoods and for their families. So when the agriculture community is hurting, we have people who are physically hurting on this side of the House. I support, as a city Member, and applaud the initiatives taken by this Government to support the farmers in this province in their time of need.

When you live in a small town—I lived in Minnedosa for four years, and as someone who had only lived in the city—it was quite a revelation. They had to drag me away kicking and screaming, and it was only because the business folded that my husband worked for, which was the distillery at that time, that I left, that we left Minnedosa. It was a town that my children made lifelong friends, and so did we. When you live in a small town, you realize how dependent the businesses are on the surrounding areas. The drought creates a vicious circle, and in the end everyone suffers. So, as a city Member, a City of Winnipeg Member, I should say I really do appreciate the problems faced by the agricultural community and the efforts that have been taken on this side of the House to help them out.

We have, on this side of the House, lowered the deficit, have not raised personal or corporate income taxes.

We have increased funding to social services, eliminated the payroll tax for half the employers in Manitoba, and yet it does not seem to be enough for the Members of the Opposition. When I was watching—I caught a few of the newscasts, actually most of them, the other night, August 8 Budget night—Channel 13 the Member for River Heights, the Leader of the Opposition (Mrs. Carstairs), said it is not a PC Budget, spending too much, should be brought in at 4 or 5 percent; and then on Channel 5, just carrying it a little further, it said there was no relief for the majority of Manitobans, no break in personal income taxes, spending too much, or spending too little. So I had a hard time understanding where the Member for River Heights was coming from until I watched Channel 2 where it said that we “May well be trying to please me,” she said.

We would like to please the Leader of the Opposition (Mrs. Carstairs), but we are really not here to please the Leader of the Opposition, we are here to please the people of Manitoba. We are here to please her constituents, but we are not here specifically to please the Leader of the Opposition.

I guess the other commentary that was made, and possibly this was the reason for the negative comments—you are spending too much, you are spending too little type of comment from the Leader of the Opposition—is because that if the Budget was defeated, one of the announcers indicated that the Member for River Heights had said the Liberals could form a Government without an election.

Now, possibly that is where the Member for River Heights, the Leader of the Opposition, is coming from, that they are so eager to be Government that they would like us to hand over the reins of Government without any effort and just say, “Here you have it.” As the NDP Members used to say to us, they won the election. Now I am saying to the Members of the Liberal Party, “We won the election, and until the people of Manitoba really see fit” —(Interjection)— if the Member for St. Vital (Mr. Rose) would like to reign by polls I am sure he can do that, but we will try and bring good Government to the people of Manitoba and we will be happy in two or three years to go to the people on our record.

* (1520)

Ms. Judy Wasylcyia-Leis (St. Johns): Mr. Acting Speaker, I am pleased to be able to participate in this debate on the present Government's presentation of their first Budget. I wish I could say I was happy today. I wish I could say I am pleased with the efforts of this new administration and the time that it has taken, a good two to three months, to put together a Budget. I wish I could congratulate Members opposite and commend the Conservative Government's efforts for this first Budget attempt, but I cannot.

It is obvious that Members opposite have been out of practice of being Government for some time. They have presented something to us by way of a Budget that is similar to the Speech from the Throne. It is inconsistent, incoherent and lacking in any kind of a vision.

I said when I spoke on the Speech from the Throne that my concerns about this Government and this Government's first opportunity to present its vision was that it had totally missed the boat in terms of that opportunity, totally presented to Manitobans a mixed, confused, hypocritical message. When I spoke on the Speech from the Throne, I said I held out hope that, when it came to the Budget, Members opposite would have tidied up some loose ends, would have figured out what their vision actually was, would have put it all together and addressed the real concerns of ordinary Manitobans, of working men and women in this province.

But they have not done that, they have let down Manitobans. They have let down ordinary men and women all over this province by not coming forward with an honest, with an open, with a forthright vision and plan of action with respect to their intentions, with respect to their plans for governing this province that will take us into the 1990s. That is a major disappointment to me, a major disappointment to colleagues in my caucus and a major disappointment to, I believe, people everywhere in this province.

Now I suppose Members opposite, Members of this Government would like, would have expected, since they came in with a Budget with spending levels at roughly the same as the previous administration, my administration, the NDP administration—would have liked me to stand up and say, "Is not this wonderful? What a relief, there are no major cuts. There has been no major erosion of social spending. There has been no major hacking and slashing of programs and opportunities that are so important to the vast majority of Manitobans."

But what is so important for all of us to focus on is that circumstances have changed since the NDP Budget was presented to this Chamber; that new found opportunities have emerged; that transfer payments from the federal Government have increased dramatically; that new resources have been achieved by, I might say, the wise management practices of the NDP administration, by a generally healthy economy caused because we have in this province traditionally and historically worked as a partnership, worked as a partnership of the private sector, of the public sector, of the cooperative movement, and worked together to build a solid foundation of social programs as well as encourage meaningful economic growth and well-being in our province.

So we have today a major disappointment, a major disappointment because this Government was not able to adapt to changing circumstances, to new opportunities, to golden opportunities to improve the situation for thousands and thousands of Manitobans everywhere across this province. What they have done instead is cynical, is hypocritical, is uncaring and out of touch with the real needs and interests of Manitobans.

There are lots of small points one could go after in terms of this Budget. One could talk about the fact that it is basically rather cute that the Minister of Finance (Mr. Manness) can stand up in this House and present to us a Budget where there are basically no cuts in spending, as far as we have been able to determine

to date, no cuts in spending—how many months after he stood up in this House and said this Government was spending too much money and that he could find \$130 million in cuts to programs right across the board, everywhere in the Government of Manitoba.

I think the Minister of Finance should apologize to Members of this caucus and should apologize to the people of Manitoba for making that kind of cute move for being so dishonest and hypocritical in a responsible position like Minister of Finance.

There are other points one could make if one was interested in scoring cheap political points out of this debate. I could talk about the immorality of a Minister of Finance and a Government that is prepared to take deficits created since the end of this past fiscal year and take everything they could and add it to the deficit of last year. I could talk about how they have just looked for everything to dump into the past fiscal year to make it look like the NDP administration was responsible for all of these huge deficits and all of this debt ridden position of the province.

That is, as I said, immoral. That is not ethical. I think again the Minister of Finance should apologize to this caucus and to the people of Manitoba for making that kind of move, that kind of statement. But I really want to focus on—I do not want to make, I am not here to try to regain the support of the Manitoba public for that Budget of some months ago. I believe that the voters have spoken. They have indicated their concerns and I am prepared to accept that decision. But I can say that I appreciate even more the abilities and the competence of the former Minister of Finance, my colleague, the former Member for Seven Oaks.

* (1530)

I can tell you that as much as the people of Manitoba may not have liked everything about that Budget, from what they were able to understand through the biased approach and tone given by Members opposite and by, I must unfortunately say, members of the media, he maintained his integrity and his honesty and was at no point hypocritical. Members in this caucus, when we formed the Government some months ago at no point took a hypocritical—

An Honourable Member: Now, now, watch it, Judy.

Ms. Wasylycia-Leis: I will watch my words, Mr. Acting Speaker.

—inconsistent position. We said at that time this was the fiscal situation before us. This was what had to be done if we were going to preserve and protect social programs. This is what would have to be done if we were going to continue to see the kind of growth in our economy that was so important for overall well-being for us and for our future generations to come. I appreciate now even more the hard work and the consistent approach taken by my colleague, the former Member for Seven Oaks. I am even more dismayed in that context to have to sit here and be confronted with the kind of hypocrisy and the kind of inconsistency and lack of vision that is so apparent from Members opposite.

But what I really want to focus on, as I said, is not the whole question of taking score and keeping points on a political basis in this Chamber, but on what is part of our vision in this NDP caucus, why we are having trouble with this Budget and why the Members opposite, why the Conservative Government has missed a golden opportunity.

This Government was able to reap the benefits of a windfall, yes, a windfall in revenue primarily by increased payments from the federal Government through equalization payments; also because of an improved economic situation generally because of the good management practices of the former Government, this NDP administration, and because of the general improved state of the Canadian dollar.

Now that situation, those circumstances, resulted in at least \$200 million in new money, in new dollars, for this Government to make decisions about. I guess the truth is in the eating of the pudding. Is that the expression?

An Honourable Member: Close enough.

Ms. Wasylycia-Leis: Close enough.

What this Government has decided to do with that windfall money, how it has reacted to changing circumstances and new situations is the revealing sign, is the telltale story. The fact that this Government is, and this collection of Conservatives are truly a group of a very extreme right-wing reactionary regressive individuals not at all representative of the Manitoba population.

Now some would say what we have with this Budget is merely an identity crisis, that the Conservatives still have not figured out who they are and where they want to go and therefore are caught between the various options of maintaining spending, of keeping the deficit down, not increasing taxes and all of those things that have been said to date, but, in fact, what we really have is not so much an identity crisis; although we keep seeing examples of incidents where Members opposite are indicating they are not able to tell Manitobans what their vision is, where they want to take this province, what they see for the future, how they want to handle present problems, how they are prepared to deal with problems down the road.

I guess what is almost more disconcerting, just as disconcerting as dealing with that kind of situation from this new Government, is the fact that what we are getting, and I think this is one point where we will all agree on, is that we are getting even more of a mixed message from Members of the Official Opposition, from Members of the Liberal Party.

An Honourable Member: Right on.

Ms. Wasylycia-Leis: I do not think the Minister of Finance (Mr. Manness) should get too excited about that comment when, in fact, there is little difference between the kind of message coming from the Members of the Conservative Government and Members of the Official Opposition, the Liberal Party.

I can recall quite clearly back in the debate around the previous Budget, the NDP Budget, defeated by Members of both the Conservative and Liberal Parties, and recollect the Leader of the Opposition's clearly articulated statement and sense that she could support the NDP Government, the New Democratic Party, on social issues and she could support the Conservative Party on economic issues. Now, in other words, she is telling us at that time she could support social spending. She could support spending on programs for people—and I believed her at the time—but she could not support any hacking and slashing on the part of the Conservative Party, as had been anticipated.

On the other hand, she has said today and yesterday that her problem with this Budget is that it does not control spending enough, that there are not enough controls on spending and social programs. That is the most inconsistent, unclear, hypocritical message I have heard yet. Well, I should not say "yet." It stands on equal part with the message we are getting from the Conservative Government. There is no clear message coming from either the Conservatives or the Liberals, and they are standing together on the issues they are talking about.

The bottom line is that they always end up talking about spending and about controls on spending and about reducing the deficit, and not about the needs and interests and concerns and hopes and aspirations of ordinary Manitobans. That is the difference between the Conservative and Liberal Parties, and the New Democratic Party. That is the difference that I want to dwell on primarily this afternoon, because I said the Conservative Government missed a golden opportunity. I believe the Liberal Opposition would, if they were in the shoes of Members opposite, also have missed a golden opportunity. They would not have captured the sense of Manitobans, and dealt with that windfall in a way that would help ordinary men and women everywhere.

To go back to my earlier point, when I said this Government had missed a golden opportunity, it has chosen to deal with that new-found money, that unexpected wealth by, in effect, assisting and helping big business of this province.

The Member for Lac du Bonnet (Mr. Praznik) mentions small business, and I can see that there is some benefit in the business tax holiday for small business, but let us not forget that initiative will also benefit big business, as will the failure to move in full measure on issues pertaining to mining in this province, as will the—what is it?—the \$5.5 million tax break to CNR and CPR, as will the reduced payroll tax, as will—(Interjection)—thank you. I heard the Minister of Finance (Mr. Manness) mention that the CNR would not receive any benefit from that, and I would like to correct the record and indicate that, in my enthusiasm, I got carried away and I should have restricted my remarks to CPR.—(Interjection)—Time will tell, and we will certainly pursue this matter at length in debates in this House.

The point of the matter is let us not get hung up on dollars. Let us not get hung up on all of the different initiatives. The fact of the matter is, and Members of the Conservative Government are prepared to admit

it and Members of the Liberal Government are prepared—or Liberal Party, excuse me—to support it. They are talking a lot about Government these days, we get confused.— (Interjection)— The Member for Churchill (Mr. Cowan) says they are both the same. They would be the same Government, and he is absolutely right. That is the problem facing all of us, and that is the message that we have to get out to the Manitoba people.

* (1540)

The point of the matter is it does not matter what it adds up to. Members of this Government are prepared to acknowledge, as members of the press have so wisely analyzed and commented on, this Budget is clearly a move in the direction to benefit in a very substantial way big business, big corporations of this province. The windfall of over \$200 million did not go to benefit a single ordinary person in Manitoba, the workingmen and women of this province, the families of this province, the women of this province, the underprivileged minorities of this province. It went to benefit, solely and wholly, big business, big corporations in the provincial economy.

That is what I mean about a lost opportunity. There was an opportunity here to look at the future to say, how can we take that windfall, that unexpected increase in revenue and put it to our greatest advantage, prepare for the future, and deal with the needs of the people, at least, that I run across on a day-to-day business. I am talking now about families who are struggling on a day-to-day basis to combine work and parenting responsibilities. I am talking about the women of this province who have for too many decades and decades been used as a source of cheap labour in order to keep deficits down and to keep spending where Conservative Members would like to see it and to ensure that profits are bigger and better for big corporations and big business. The list goes on and on.

What we have seen in this Budget is no attempt to take that new-found money and ensure that we have paved the way for meaningful participation by all Members in our society, and ensure healthy, happy family living and community living in this province.

Let me focus on a few specifics, Mr. Acting Speaker. I, today in this Chamber, asked the Minister of Labour (Mr. Connery) what his intentions were about pay equity, what the intentions of this Government were about pay equity? I think we all heard in this Chamber probably one of the biggest cop-outs when it comes to an equality issue yet. The Minister of Labour suggested that we should have to wait and see the results of the current implementation process of pay equity, even though the results of pay equity and its implementation are fully understood, fully acknowledged, and its success resoundingly acknowledged right across this country.

Women of this province have every right to expect that, in a Budget and in any kind of plan presented by a provincial Government, there be a substantive acknowledgement and recognition of the inequalities that exist presently and a real commitment and a real plan of action for changing that situation and reducing

inequalities and moving towards true equality between men and women. We do not get that when you see that the Pay Equity Bureau has been cut by \$340,000 approximately. You do not get that when the Minister of Labour (Mr. Connery) suggests that we have to wait until the current stage is fully implemented, when we know it works well.

What we have instead is what has been historically the situation when it comes to Conservative Governments. I believe that the actions of the Members of the Official Opposition show that the same holds true for Liberal Parties and Liberal Governments right across this country, and that is that women are used as a cheap source of labour. The deficits are reduced and spending kept down on the backs of women, that women for too long have had their work undervalued or not recognized at all and —(Interjection)— as a result—

The Members of the Government are, I think, protesting a little too loudly. If this was not the case, if they were not carrying on a tradition of Conservative Parties and Conservative Governments in the history of this country by dealing with economic problems on the backs of women, then we would have seen in this Budget a recognition and an acknowledgment of the issues pertaining to women's inequality and a commitment to deal with them, for example, a substantive move in the direction of pay equity.

Maybe it would be too much to expect them to announce a move to introduce legislation to implement pay equity in the private sector, but surely the women of this province have every right to expect that this Government will begin consultations with the private sector to find the best way to ensure movement in the private sector and to begin to put in place the steps towards legislation to ensure pay equity in all sectors of the economy, because as long as women overall—and this pertains particularly to the private sector since so much progress has been achieved in the Civil Service here in Manitoba. As long as women earn 68 cents for every dollar that a man earns for work of the same value, for work that amounts to the same contribution to our economy but work that has been historically undervalued —(Interjection)— Mr. Acting Speaker, the Member for Lakeside (Mr. Enns) asks a very important question. He wonders how the situation changed in the time of the NDP administration.

I think the record of that administration, the NDP administration which I was proud to be a part of, is second to no one anywhere in this country. Let me use as one example the implementation of pay equity in the Civil Service. It was a result of that move and the successful implementation of that program that caused the wage gap between men and women in the Civil Service to almost disappear, to increase to about 92 cents for every dollar that a man earns. Now that is a significant, a very major, a very impressive record of achievement.

I could go on with the list of achievements pertaining to women and to the progress achieved by Members on this side of the House—I should not say on this side of the House. I meant by Members who were part of the NDP caucus and who formed the previous NDP administration, because I would not want for one minute

to suggest that Members to my right—and indeed, they belong to my right—Members of the Liberal Party share any of those sentiments, share any of that determination and that commitment to improve equality for men and women. We have heard on every substantive issue Members of the Liberal Party, Members of the Liberal Opposition siding with Members of the Conservative Government and suggesting that there should be no initiative and responsible action on the part of Government to deal with pay equity. In fact, Government should not have any major role when it comes to trying to deal with scarce resources and ensuring that our day care needs are met throughout the Province of Manitoba. On every major issue, the two parties, the Conservatives and the Liberals, tweedle-dee and tweedle-dum, have differed on negligible grounds.

Could I ask how much time I have, Mr. Acting Speaker?

The Acting Speaker, Parker Burrell: Leave? Agreed? (Agreed)

Hon. Clayton Manness (Minister of Finance): You have not made a point yet, so we will give you as much time as you need.

Ms. Wasylycia-Leis: As much as I need. Thank you very much. I will hold the Minister of Finance (Mr. Manness) to those words.

* (1550)

There is much to be said about the kind of missed opportunity that we have seen from the Conservative Government and, I might add, by every indication from Members of the Liberal Party.—(Interjection)—In addition to the question of movement on equality pertaining to women and pay equity, we have seen no evidence yet of a plan of action pertaining to child care to meet the needs of working men and women, meet the needs of ordinary families in the Province of Manitoba.

All of us are interested in seeing what the plans of Members opposite are, the plans of the Conservative Government are, when it comes to day care, an issue that should be at the top of all of our political agendas, an issue which is reaching crisis proportions unless serious action is taken in a very substantive way by this Government; action that would ensure steady progress undertaken by the previous administration is carried forward to ensure that we meet the thousands and thousands of people on waiting lists, the thousands and thousands of families looking for quality accessible child care to ensure that they are able to carry out their responsibilities as contributing members of our economy in the paid labour force, as well as ensuring good quality family life and good quality parenting for their children.

We would like Members on this side of the House—and I again hesitate to include Members of the Liberal Party since their position on day care seems to parallel so much the position of Members of the Conservative Government. We would like to know what those plans are precisely because of the comments made by the

Member for Kirkfield Park (Mrs. Hammond) who today, in her response to the Budget Address, pointed to the scary direction which this Government is prepared to take us on. That, of course, is flexibility but flexibility when it comes to support for commercial day care centres at a time when resources are not even allocated enough to meet the needs of non-profit, community, family-run day cares. I get very worried when—I am pleased, first of all, that we have a situation where day care spending has not been decreased by this administration—I hear that they may be taking that same amount of money and working to meet the needs of the profit motive in the private sector when it comes to care of our children.

That is very worrisome because, of that \$7 million increase, only \$2 million, if that, is for new initiatives, new day care spaces, new developments in the area of child care. We know that there are at least 4,000 spaces on waiting lists from the non-profit, community, cooperative-run, family-run sector. We know, and I am sure Members opposite know, Members of the Conservative Government know what will happen if money is taken from the present child care system and put in the direction of commercial centres which will not increase a single space. It is not a very wise use of current dollars.

It is not a very wise use of resources available for the child care sector in our economy, not to mention it is not a very encouraging signal to the families of Manitoba when over \$200 million in new-found wealth, in new-found revenues, is redirected and directed into big business but not a penny is found to increase, not a penny is found to put in the direction of child care when we know, in fact, the waiting lists are long and the feelings of parents are very, very concerned.

But, Mr. Acting Speaker, there are a number of other issues to go on, but I will not take up much more time of the House. We know that there are many unanswered questions with respect to this Budget. We know that there is a reduction in funding for external agencies in the family dispute area. We do not know what that means. We know that there is no clear statement about assistance for foster parents in the Province of Manitoba, and that was clearly articulated here in the Chamber today. We know that there is no concise plan and no apparent move to deal with the growing demands in the area of needs of families with mentally and physically handicapped children. We know that the whole needs of families in our community and the demands on the system are growing at a much faster rate than anyone had ever anticipated, but we have not seen any of that new found wealth, that windfall of \$200 million or so redirected to meet even some of those new demands and new issues that have emerged in the last few months.

That is the critical point of this debate, the critical issue facing all Manitobans, as we look at this Budget, what—let me rephrase that and say why did this Government not consider any of those new demands and documented concerns when it was confronted with that new found wealth, with that additional \$200-and-some-million in new found revenue?

All of us, in this caucus, in the NDP caucus, implore and look to the Government, the Conservative

Government, to begin to address those challenges. We are disappointed with the Budget today. We are disappointed with actions to date; we are disappointed with both the lack of vision in both the Speech from the Throne and the Budget.- (Interjection)- As the Member for Churchill (Mr. Cowan) said, we are more than disappointed, we are extremely angry that a clearer vision, a more consistent approach, and a more sensitive, progressive attitude towards the needs of Manitobans, ordinary Manitobans, everywhere has not been forthcoming, is not a part of the agenda of this new Government. We urge and implore Members opposite to look at some of those needs and concerns and to begin to address them.

We all now know that the unemployment situation could be taking a turn for the worse. The latest statistics suggest, in fact, that unemployment is on the rise, particularly among very vulnerable groups in our society, particularly among young people. We know the drastic long-term effects that unemployment in that age group will have on our society now and in the future for years and years to come.

We would hope that it is not too late for the Members of the Conservative Government to rethink their position and to say let us take just some of this new found wealth, some of this windfall, and put it in the direction of meeting the needs that continue to go unmet; the needs of women who continue, because of this Budget, to serve as a cheap source of labour for the profit-motive orientation, the competitive orientation of Members opposite. We know that the needs of many members of our visible minority community continue to go unaddressed, that this Budget did not mention the word "affirmative action." It did not address any aspect of the current and growing problems facing the multicultural community of Manitoba. We know that the pressures of keeping up with work and family of communities everywhere in Manitoba is growing. And we know that working men and women everywhere are looking to this Government to share some of that wealth to ensure that it is redirected for its meeting some of those needs.

* (1600)

Mr. Acting Speaker, we do not hold out any iota of hope that this Government will change its priorities away from big businesses and big corporations, and tax breaks only for big businesses and big corporations, and start looking at some of the needs of ordinary Manitobans, men and women of this province. But we hold out hope that they will reconsider at least partially their direction today and look to invest some of that money, some of these new found resources into ensuring a better future for Manitobans everywhere and their families. Thank you.

(Mr. Speaker in the Chair.)

Mr. Ed Mandrake (Assiniboia): It is a great honour to be afforded the opportunity to rise in this House and address this Legislative Assembly.

Allow me to congratulate you, Mr. Speaker, on your appointment to the highest office in this Legislature.

May I say that I was honoured to be introduced to you personally by Mr. Munroe. Mr. Speaker, you impress me as a person of good judgment, pleasing personality, honest, and with a sense of humour. As a new Member, I will look to you for advice and guidance as to the rules and procedures of this House.

I would also like to congratulate my colleague, the Member for Seven Oaks (Mr. Minenko), on his appointment as Deputy Speaker. Also, my congratulations to all the newly elected Members on both sides of the House, and also to those who won re-election.

The village of Ethelbert which is located north of Dauphin on Highway No. 10 is the birthplace of three elected Members of the Legislative Assembly. Firstly, it was Mr. Nick Hyrhorczuk in 1920, and according to reliable sources, my grandfather, Ignace, worked very hard on his campaign. In his second term, Nick won by acclamation.

An Honourable Member: Was he a Conservative?

Mr. Mandrake: Not very likely. The people from Ethelbert do not stoop down that low.

Then in the 1940s or early 1950s, his son Mike was elected, and now, myself. My grandfather who passed away in the early Forties would have been proud of his grandson today.

I grew up in this village working for my father in the evenings and during the summer holidays in his business. During the winter we would sell lumber, and in summer, plane that lumber. In early 1950, the family moved to Regina where my mother, sister, husband and family still reside. Although I represent a city constituency, I am as much a rural Member as any on the Government side. I still have friends in Ethelbert; relatives in Fork River, Dauphin, Roblin, Gilbert Plains and Grandview; and the majority of them are farmers.

I was never the type of person who wanted to follow in the footsteps of his father. I always had the desire to better myself. Therefore, to continue my education, I joined the Armed Forces and served my country for twelve-and-a-half years and received a commendation for this service. Could you say the same? These were the most important years of my life. My wife, Marie, and myself travelled extensively throughout Canada and Europe while in the services. As our daughter was reaching school age we decided that military life, that is the constant moving, was not how we wished to bring her up. Thus, I requested my release in 1968.

Now 20 years later, I was elected to represent the people in the constituency of Assiniboia. My election to this Legislature is a great honour. Our Leader, Sharon Carstairs (Leader of the Opposition), played a major role in this election. She displayed positive leadership, good judgment and sound policies. I am honoured to be under the tutelage of this great lady.

An Honourable Member: And she had no knives in her back either, Clayton.

Mr. Mandrake: That is right.

There is one unsung hero within our Party who does not receive the recognition that he should, and that person is Mr. Al Munroe. From my colleagues and myself, thank you very much.

It is traditional during a person's first speech to address his constituency. Firstly, I would like to thank my wife Marie, daughter Karen, and sister-in-law Anne for their help. Secondly, to the citizens of Assiniboia who elected me, and also the volunteers who helped in my campaign, thank you very much. I promise not to let you down; I will listen to your concerns and act upon them.

Assiniboia is located in the western part of this city. It is bordered on the south by the Assiniboine River, goes along east on Portage Avenue, north along School Road, and extends westerly past Headingley, which of course has farm land in it. This community is a multicultural community—Francophones in St. Charles, German, Ukrainian, Anglophones, Black, Native and many others.

Our community does not have the museums, parks, as my colleague for Sturgeon Creek (Mrs. Iva Yeo) has, but we do have a lovely golf course and a great tourist attraction—Assiniboia Downs. I urge all Members to visit the Downs and enjoy themselves.

This community has been neglected for several years and the problems were never addressed. Because we had built our homes up to the Perimeter, new housing starts are almost negligible. Just lately the school board decided to close three schools in our area. They justified this action because of low enrolment and a lack of funding from the previous Government, yet the school division has spent approximately \$100,000 on an urban study for the development of Saskatchewan Avenue, which is not in their mandate.

* (1610)

When representatives from the various parent groups had made presentations to the board, the board did not even want to listen to their suggestions and/or their alternatives.

To the Minister of Education (Mr. Derkach), the one school which this school board has decided to close is Alexander Ross, and it is only 12 years old. Just to cite only a few benefits that this school has to offer: primary theatre; lab; facilities such as industrial arms room; band room; library; art room; science lab; home economics room; computer room; gym with change rooms; washroom facilities and showers; multipurpose room; tennis courts; air conditioning; homework hotline; nursery school provides parents with a means to adapt the children to the school; before, after and lunch programs; teachers prep rooms; wheelchair accessibility—elevators and wheelchair washrooms; four ground floor entrances.

Mr. Minister, we have in our constituency numerous parents who have to send their children to Laureate Academy because of various learning disabilities. They are mortgaging their homes so that their children can get an education. Why cannot the school division convert one of these schools into a school such as the

Laureate Academy? Mr. Minister, please review these closures. I am sure that your wisdom will prevail whereby these schools will remain opened.

To the Minister of Health (Mr. Orchard), the use of Ritalin for our children has to receive your immediate attention. A three year old had problems sleeping; he would wake up from naps crying. He got colds often and had other disorders. The mother had asked her general practitioner and pediatrician about food allergies; both brushed her off. Then another doctor suggested seeing a doctor who works with hyperactive children. He spent two minutes looking at her son, ten minutes on the phone to someone else. The end result was that her son had an Attentional Deficit Disorder. The mother was convinced that it was a food allergy. She found the answer in the library—Foods for Healthy Children. Since she cut out cows' milk, has supplemented his diet with Vitamin C, Dolomite and Lecithin, her son now sleeps better, is healthy, has lost his shiners, and is a more pleasant child to be with. Mr. Minister, let us not have studies on this drug. Take action now to protect our children. They are our future.

Why has not the city and Urban Affairs taken action to locate the Red River Exhibition near Assiniboia Downs? This would have resulted in a permanent recreational sight. Why not build a similar complex, as Keystone Centre in Brandon, in that area? This would attract business and tourism; yet we have closed our eyes to these suggestions.

Headingley is another sore point. The present Minister of Trade and Technology (Mr. Ernst), who was on City Council, knows of the problem.

An Honourable Member: Nice guy.

Mr. Mandrake: Yes, indeed he is. How does he deal with it? He arranges for a \$30,000 grant for a study as to the alternatives to joining the adjacent RMs or staying within Winnipeg. In 1971, when Headingley came under control of the City of Winnipeg, the city collected their taxes and gave them very little in return. The residents do not have water or sewer. They had their water brought in by trucks. Then came reassessment, and now they are paying approximately the same tax as I do in the city, still no water and no sewer.

Does this Minister accept this type of taxation? Let us stop our studies and work towards bringing down their taxes and give them the same service that we enjoy within the perimeter of Winnipeg.

I will briefly mention other concerns that have been expressed to me during my campaign: child care, recreational areas, storm sewer on Vimy Road—I know it is not within the purview of this, but I thought I would bring it up—bridge to Charleswood, mentally disabled persons, development north of Saskatchewan and west past the perimeter to Headingley. Let us not sweep these problems under the rug. Let us take action today if not yesterday.

Now on a more broader nature, I urge the Minister of Education (Mr. Derkach) to consider Red River Community College as an autonomous body. Build the new Learning Resource Centre and increase funding for day care at that college.

To the First Minister (Mr. Filmon), please depoliticize the Civil Service. Give these professionals an opportunity for advancement instead of placing Party loyalists into these positions. The morale in the Civil Service is low. Let these professionals do their job with Government guidance, not interference.

As a critic for Highways and Transportation, may I congratulate the Minister (Mr. Albert Driedger) on his appointment. I have noticed that you have already taken positive action in your department and, according to the Highways Construction Program '87-88, you have reduced acquisitions of rights-of-way from 129, which the previous Government had requested, to your 22. That makes sense, Mr. Minister. Instead of spending money on acquisitions of rights-of-way, you put the money in repairing of roads.

An Honourable Member: Toll bridges, toll roads.

Mr. Mandrake: In the Budget, the Minister of Finance (Mr. Manness) told Manitoba that your department will receive \$7 million for construction. Mr. Minister, according to Trip Canada in their March 1987 Report, they stated that your department requires funding for construction on primary and secondary highways to the sum of \$403.38 million. I can appreciate you could not increase your Budget to that amount, but \$95 million is hardly sufficient but still an increase over the previous Budget.

Out of that \$7 million that your Government appropriated to your department, you will receive \$3,817,500 from the federal Government, the \$5 million from the 0.9 cent tax on leaded gas. Now, may I take you back to the NDP Government Budget? When they introduced that same 0.9 cent tax on leaded gas, you as the Opposition screamed and hollered of how insensitive that Government was. It is the low-income citizen who owns the vehicles that use leaded gas.

For maintenance programs, you allow \$1,849,900, which does not even meet inflation. Yet, the boards and committees, as an example, your Transport Board, the Traffic Board, Licence Suspension Boards, which you have replaced with Party loyalists, will receive an increase of \$132,900.00. Now we see where your priorities are, Mr. Minister.

Tourism in Manitoba is the third-largest industry. Yet the roads in our parks are in a disgraceful condition. I hope that you will allocate some of this \$7 million to fix these roads. I will cite a few: Highway 367 into Duck Mountain. When it rains, this road is hazardous. The road in the Whiteshell is in dire need of repair. If we want to encourage tourists to come to Manitoba, Mr. Minister, you will have to address the problems of these roads. Highways 11, 12, 15, 44 and, in particular, No. 9 to Selkirk, this road needs repair so that semitrailer trucks can haul scrap iron to the mills in Selkirk. This is a very important industry for the Town of Selkirk.

Since 1981, we have seen the reduction in the road construction companies. As an example, we now have four asphalt plants when, prior to '81, we had nine.-(Interjection)- I hope so. We will have to work hard together to bring back these companies which have left for Saskatchewan and Ontario.

There are other areas within your portfolio that you could take action on. One that concerns me is the amount of rear-end collisions last year. The count was 743. These accidents cost MPIC a considerable amount of money due to whiplash injury and repairs. I would suggest to you that immediate action should be taken to reduce it, and I would be more than willing to discuss this with you when you have time.

Transportation for the seniors should be your first priority. The seniors helped build this country. Now let us give them something in return for their hard work. Mr. Minister, I would be honoured if you would allow me to work with you in a constructive manner for the betterment of the people of Manitoba. Let us put aside our egos and work together.

In closing, I would like to recognize the following: St. Charles Maroons, who won the City Tier 4 Hockey Championship; St. Charles Rangers, on winning the City Atom "A" Hockey Title. To the players and coaches, a job well done. Keep up the good work.

On July 13, a young lady, Audrey Pattie, attended the Echo Valley '88 Guides and Girl Scouts in Fort Qu'Appelle, Saskatchewan, my home town or my home province, I should say. I would urge all our young citizens to join such groups as Girl Guides and Scouts. Being an ex-scoutmaster myself, I might be just a little bit slanted towards these organizations.

What is a Liberal? I like to think of the Liberal Party, first, as an open Party: open to new people where everyone is made welcome; open to challenge of debate where widely diverse opinions are generally received and eagerly sought; open in the truly Liberal sense of being open to new thoughts, new programs, experimentation and open internally so that valid grass-root movements can find expression at policy level. We think of the Liberal Party as being problem-oriented, not formula-oriented. Liberalism is locked into neither extreme of the political spectrum. It rejects a right-wing Government as dangerous because, in its blind adherence to the so-called free enterprise package, it tends to preserve much and change little. Liberalism rejects with vigour the doctrine approach of left-wing Government with its pre-set structures and ready answers. Liberalism is a political attitude rather than doctrine and, since Liberals abhor that pat, dogmatic approach, they are against any formula.

* (1620)

True Liberalism is borrowing from the entire spectrum of political experience to form meaningful and dynamic answers to specific social needs. It is in this regard always there to serve the individual and thinks of Government as an instrument to serve human needs. It seeks to provide enrichment, growth and challenge in our environment to make human life more meaningful. Liberalism is by its very nature self-renewing, and its policies evolve always in response by the time it serves. When this does not happen, reaction and stagnation set in. The Liberal Party was born a Party of reform, and we must continue to be a Party of reform and social progress.

The Liberal Party believes in giving the greatest possible scope to the human enterprise and individual

initiative. We do not, like the Terries, Tories—and maybe they are Terries—make a fetish out of free enterprise. We do not, like the socialists, believe in making the state master over us. We recognize that enterprise must be free within limits of responsibility, so that free enterprise for one will not mean slave enterprise for another.

Liberalism is a fighting faith, not a static creed. It renews itself and gains new life as it attacks each fresh objective thrown up by the changes of history. Liberals place the individual before the state.

Thank you, Mr. Speaker.

Hon. Albert Driedger (Minister of Highways and Transportation): I am very pleased to participate in the Budget Debate.

Incidentally, this is the second time this year that I have had that privilege. We did that just a few months ago, I suppose. I have had the privilege over a period of time to participate in various debates, and this is probably the nicest Budget Debate that I have ever been involved in. In fact, it is a dandy. I am excited about it. I have never been that excited about a Budget Debate in my life.— (Interjection)— Oh, I will tell you something, when we consider the positive feeling, like you feel good about something.

I have had the occasion to sit in this House in the Opposition and watch the Government of the Day bring forward Budget after Budget. Sometimes, you sit there and they come up with a relatively reasonable Budget. You sit there and you sort of figure, as Opposition, I hope they blow it somewhere along the line, that they look bad because we want to get these guys out of office as soon as possible and then have a crack at him. It happened this year, too.

When we consider what has happened, that we now have the opportunity, I just want to indicate to Members in the House here that I am proud to be part of the team that brought forward this Budget. I want to take just a moment to indicate to all of the House Members that the Minister of Finance (Mr. Manness), together with the Treasury Board, have worked like I have never seen anybody work in the last three months to get to this point where we now have a Budget before us. They spent endless hours going through all the Estimates, in fact, to the point where some of us got called in to appear before Treasury on Sundays in their effort to try and get the Estimates forward as soon as possible. I found it very unique the way they were doing it.

Mr. Speaker, I do this without malice. I hope that the Leader of the Opposition (Mrs. Carstairs) is not feeling ill or anything like that. I raise that only because I found to my surprise that, during Question Period, no questions were raised by the Leader of the Opposition. Then in her remarks that she was making today, I realize the mike was set up on the little bench there, and I anticipated really that we would probably have about 9-hour-and-a-half speech coming from the Leader of the Opposition in terms of talking about the Budget. I found it a little amazing that I was in my office trying to do work on some of the Estimates and, all of a sudden—bang!—I hear our colleague, the Member for

Kirkfield Park (Mrs. Hammond), speaking already. I hope there is not anything other than maybe that she did not have that much to say about the matter because, if she is not feeling well, then I would want to sort of tender my remarks.

If however she is in good health, then I wonder why the address from the Leader of the Opposition on an important document like the Budget Debate would be only 20 minutes or a little more than 20 minutes. Then obviously, there is a problem. If there was proper criticism that could have been put forward towards a Budget of this nature, than 20 minutes would not have sufficed because almost anybody can take and pick up 20 minutes or 30 minutes and pick up almost any Bill and speak on that. When the Leader of the Official Opposition has that little to say about a Budget of this nature, then I feel even more proud of the Budget that we have before us.

I did not have that much time to get my notes together, but I did cut out a few little things here from the paper, some of the comments, and I want to touch on them a little later.

However, I want to just indicate to my critic, the Member for Assiniboia (Mr. Mandrake) and his comments here. I scribbled a little note here during the time when he was speaking and figured that, somewhere along the line, he would be making some positive remarks regarding the increase in the highways expenditures for this coming Budget.

He was a very nice gentlemen about indicating that we were on the right track. I certainly anticipate that, in view of the increase in our highways budget, he will be supporting the Budget as such. His thinking and mine are very much alike. I think the road system has been disregarded for a long time. He came up with a list of roads that is almost as long as the ones that my colleagues have. It is surprising the NDP do not have too many requests for roads because they have been Government for the last six-and-a-half years, 15 out of 19. I guess they have satisfied their road situations, but certainly in the rest of Manitoba there is still an awful lot of work to be done. I know that with the support that I have from the Member for Assiniboia (Mr. Mandrake) that we can hopefully influence, the both of us together, the Minister of Finance (Mr. Manness) in next years Budget to have it even escalated much further. With two qualified gentlemen like that requesting the Minister of Finance, I think it should happen.

I had a few difficulties with some of the comments that the Member for Assiniboia (Mr. Mandrake) made. One was when he indicated that—I do this respectfully—he indicated that acquisition of rights-of-way had decreased under our Government and it had escalated under the previous administration, and that is probably well true. I just want to explain the system and how it works. When a road gets put on a priority basis, the first thing that happens is you do a survey and design. That takes time, because that is when the engineers get out there. Depending on the type of road that is required, they do the surveying, the designing, to see what kind of road we build. In the next year's program then it is the acquisition of right-of-way, to

buy up the necessary right-of-way. That can sometimes take up to a year, depending on whether you have to expropriate or not, whether everybody signs themselves properly at the right price. So that is usually the second step in the road program to get a road prioritized.

* (1630)

Normally in the third year you have what we call the letting of the contract for grade and gravel, and that is how we actually get the work done on the road and then normally it is left a year. If the road qualifies for it you put on a base and asp., and then you have a nice driving road. It is a long process to get a road up to that stage.

I just wanted to clarify for him how the system works. I have had the occasion to work together with the Member for Assiniboia—my critic—in terms of looking what has happened in the highway program for a period of time and I think we are synchronized in that.

I have to take some exception when he made reference to some of the boards that happen to be my boards, or under my jurisdiction, I should say—the Licence Appeal Board and various other boards he mentioned quite an increase in the fees for these boards and I am not aware that there has been any increase in these fees. I have checked with the Minister of Finance; there is no increase in fees. The fees are statutory, basically, and so there is no variation on the terms of the monies that are expended on that. I just wanted to put that on the record as well.

Coming back to the Budget, Mr. Speaker, perception. I left this building yesterday elated. I thought we had done a tremendous job. I have to repeat that again because I think that our Minister of Finance (Mr. Manness) addressed almost every aspect that we could deal with. When you consider that in three short months, in fact, today is the three-month anniversary, this Cabinet was sworn in on May 9 and took three months to make that kind of a turnaround.

I know that the criticisms were going to come—there was a windfall, extra money, stuff of that nature, which brings to mind the fact that all the time when the NDP was sitting here, they were yelling and screaming that the Feds were not paying their fair share. Cost-sharing was out of proportion; the feds were not doing it and that is why they had a bigger deficit and that is why they could not address roads. That is why they could not do many things because the feds were not giving their fair share of money -(Interjection)- Yes, the feds cut back, and that is why they could not provide service.

Interesting enough, I guess maybe the fact that in three months time the federal Government allowed us as a Government, and has given us extra windfall, I do not know what it is -(Interjection)- So what must it be then? It must be management.

And that is the crux of what it is all about. That is what we have criticized the previous administration year in and year out for, that they were poor managers; they were poor money managers. That is what makes me feel so good because I think we managed this Budget well. I think it is a super Budget. Good management,

and we managed to bring the deficit down to \$196 million -(Interjection)- You should cringe in your seat, the Member for Brandon East (Mr. Leonard Evans) should cringe in his seat. He has been here a long, long time; he is one of our senior Members and he is an economist. He could never influence his administration to—and he was a Member of the front bench all the time—he could not influence his administration in terms of economy to show them how to spend money wisely, along with the rest of them. All we talk is windfall—I like that—but we have managed it so well, have we not? What a beautiful demonstration has happened.

During the election campaigns, the Liberals never used to play a part, not that major anyway. It was always the Conservatives and the NDP that were sort of trying to vie, because we only had one Liberal Member in the House at that time. At one time we had none. Am I correct? -(Interjection)- Yes, times have changed, so it is a little different when we talk to the Opposition now and we still want to go back to basically what happened.

But the previous administration that ran around and said if you elect Conservatives they will slash, slash, slash, they will cut, cut, cut and they were fearmongering saying to people that you will get thrown out of personal care homes. They used all kinds of tactics. That is why, Mr. Speaker, I feel so comfortable with this Budget because there has been no cutbacks. There has been no cutbacks. I will tell you something, I am pleased.

I can see now why the present Leader of the Opposition has had some difficulty with the Budget because she was sputtering and you know—yesterday after the Budget was made she did not really know how to attack this whole thing, and then she says, "There is no significant increase in the health care budget." In the next statement she says—anyway she indicated that there should have been a reduction in spending. It is difficult when you have a good Budget. Where do you attack it, where do you attack it? I will tell you something. If you want to go out and put your finger to the wind as your Leader is prone to do—which way is it blowing, which way is the reaction coming—do it now because there is good reaction out there and it is feeling good.

It is hard to find anybody out there in this province right now that is going to criticize it. I can understand why the Liberals would not want to bring forward a motion of non-confidence on a Budget like this.

I am trying to stay on the high road but I want to tell you something. I dare say I would be the proudest guy in the world to go to the public with a Budget like this. I hear it is the same Budget that we defeated. It is interesting enough -(Interjection)- Okay, I will give some credibility to the statement made that it is the same Budget that we defeated. Not so, but a portion of the things that happened, because in three month's time you do not redevelop all your figures. To some degree, we accepted some of the budgetary figures that were there, we did. But do not tell me that it is the same Budget as we defeated. It was over a \$300 million deficit. It is down to \$196 million and services have increased. In the Highways Estimates alone we

have an increase of \$7 million over their estimated figure. I say it is too little and I will work for more, but it is \$12 million more than they spent last year, the NDP on road construction.

We are on the right track. We are on the right track with tourism. What is this all about? It is trying to make the people of Manitoba feel comfortable so that they feel they can come and invest—that outsiders will come and invest their money here. Why would we want to do that? We want to do that to create jobs, jobs, jobs. One of the criticisms that comes forward from the NDP is that our Budget is going to discourage jobs.

I want to read a few items here that, "Businessmen are all smiles after Budget." This happens to be in The Winnipeg Sun, I guess from yesterday.

"We think this Budget is fantastic," enthused Garth Whyte, Manitoba director of the Canadian Federation of Independent Business. I agree with him. This is his view.

'A recent poll by the federation found that its Manitoba members wanted the payroll tax reduced, and no increases in personal, corporate or sales taxes.' "We hit them all." That is when you get that positive feeling out there.

'Mike Hill, president of the Winnipeg Chamber of Commerce said the Government has recognized the crucial role of the private sector.' "They've sent us a strong signal that they intend to put the responsibility for job creation back where it belongs, in the private enterprise system. We are the real producers of jobs," Hill said.

'Brian Ander, Manitoba vice-chairman of the Canadian Manufacturers Association, said the new Government "has done a good job of improving the business climate in such a short period of time."

* (1640)

Wonderful things. These are the people who are representing many, many business communities. It feels good, does it not? How do you fight that? My Finance Minister is a great guy and we have addressed these things very, very nicely.—(Interjection)—It has been very seldom. He says stop, but he means more, more. It is just great. These are very positive factors. It says, for example, I'm getting down here—I always get away from my notes a little bit, Mr. Speaker, but when you consider the points that entered into the picture from the short time, the short three months that we have been in Government, we had the flood in the Swan Valley, a major flood, money pumped into that.

We had other issues in which we were involved. We had the drought, which is a major and significant impact financially on the communities out there—and I want to touch on that in just a little while—because the aftermath of what is happening out there in the rural areas with the crops the way they are is something that the ripple effect downward is going to be felt for a long time, and we are trying to address that.

Subject to that, we had the fires in the Interlake, major fires where people got hurt, not hurt physically but financially.

An Honourable Member: What are you doing about them, Albert?

Mr. Albert Driedger: I am still working on it. I am just saying like all kinds of dramatic things are happening as well.

How about the forest fire situation? We had a record year in forest fires this year, a dramatic amount of money that has been spent. These are things that are not normal. These are not the normal things that you get involved with. Then we had the big blow-out in the Gimli area, in the municipalities there.

An Honourable Member: The big blow is right across the way. What do you mean? That is where the big blow is.

Mr. Albert Driedger: Anyway, Mr. Speaker, these are all things that have had an impact as well in the short period of time that we have been Government.

It feels good when something positive happens. Maybe I feel that way about it because when you look at what happened in the past and you have to look back to see why the previous administration was defeated because they had a majority—

An Honourable Member: Jim Walding stood up and voted against.

Mr. Albert Driedger: But why did the Member for St. Vital feel that he should help bring down his own Government? That was a very dramatic moment in their lives and it was a very dramatic moment in the Member's life too when he did that, but even its own Members realized that they were not performing well. We had gone through the biggest tax grab; they really taxed everybody. They did everything wrong. They lost the confidence of the people; it got out of touch. If you talk to them individually, they will admit that they got out of touch with the people. That is important: you have to keep in touch with people.

(Mr. Deputy Speaker, Mark Minenko, in the Chair.)

They indicated at that time it was Autopac that brought them down. No, no, no. It is not one thing that brings you down; it is a series of things, and they escalated over a period of time. They were perceived to be poor money managers.

I found it most interesting when the Member that spoke from the NDP bench a little while ago, the Member for St. Johns (Ms. Wasylycia-Leis), was berating the Government of the Day for all the things that they should have done. She was a Minister in the front bench that had all the opportunities escalate all out of these things. That is why—and I am going to be bordering on trouble here—but that is why some of the Members from the NDP do not feel that comfortable in the House anymore. I will put it that way.

That is understandable. They were in Government for six-and-a-half years and blew it all. It is an embarrassment, and I can understand the frustration and I would feel the same way—I am sure the Member

for Brandon East (Mr. Leonard Evans) feels the same way—when you are Government and you have a majority and you get blown out and just almost dusted right off the face of this earth. I am glad that they are going to be supporting the Budget because they do not want to see an election, because if they have another election, they are gone.

The Member for Brandon East, I feel very strongly—in fact, Mr. Minister of Finance (Mr. Manness), I can guarantee you that the Member for Brandon East is going to support your Budget. I assured my Minister of Finance that the Member for Brandon East is going to support this Budget. It's not a matter of seeing - (Interjection)- The Member for Brandon East knows full well that he would not want to face his constituents with this Budget.

Mr. Leonard Evans (Brandon East): What about all those taxes in there, those personal income taxes?

Mr. Albert Driedger: And we have not raised any taxes. There has been no taxes raised, no cuts.- (Interjection)- We nailed the previous administration and said that was the biggest tax grab in the history of Manitoba.

Mind you, perception, how does this thing work? I found this interesting how everybody perceives it, how the Liberals perceive the Budget, how the NDP perceive the Budget; you have to react somehow whether you do it on a positive note or a negative note. It says here, "Highlights: Personal income tax not reduced." Normally you would say, "There has been no increase in personal income tax." It is the perception out there, how you do that.

Now we have done something wrong because it is not reduced. I mean a positive thing with income tax is not increased. You know, just a little play in words! Reaction—reaction and perception—and we have our perception and we are proud.

I keep saying that, and I think, if I say it long enough, you will be proud of it too. I am sure you will be—both Mr. Deputy Speaker and the Speaker. Yes, I can see the consenting already.

When we talk of what this Budget has done for small business, you know what? If you have ever considered the employment factor, who hires the most people? Government? We hire lots. It is the small businessman that creates the jobs and if you can create an environment where they feel comfortable in hiring more people, where they feel that there is support by the Government, that they are not continually after them by taxing them with the payroll tax—a good issue.

I can recall sitting right where the Member in the back seat is sitting over there at the time when the payroll tax was then introduced by the Member for Rossmere. We knew that the Government of the Day had financial difficulties and they did not want to raise the sales tax. We knew that they had spent too much money and they had to do something.

An Honourable Member: Von Schroeder. Von Schroeder.

Mr. Albert Driedger: Yes. And we were sitting on that side and he was reading the Budget Speech and then

he came forward with the payroll tax, and the elation of the Government at that time, clapping and shaking his hands because he had not raised the sales tax.

We are in the throes of trying to reduce that. That was a commitment all the time. We would have liked to do away with it in one shot but the NDP says you cannot do that. You cannot do that without raising taxes. You cannot even start to do that. We have done a nice job. Call it windfall, call it management; I do not care what you call it—it is a good Budget.

Anybody who wants to challenge that, tell me where. Tell me where. As indicated, your own Leader (Mrs. Carstairs) could not speak for more than 20 minutes in opposition to it and she was floundering trying to find things to say about it. We will all have a chance to speak in this Budget Debate this time, I think, because the criticism is going to be short. It is going to be very short. I am looking forward to operating with this kind of a Budget, and I am looking forward to the next Budget that will be coming up.

An Honourable Member: And the next one, and the next one.

Hon. James Downey (Minister of Northern Affairs): Oh, you are going to vote against it!

Mr. Albert Driedger: Oh, no. No, no! The Minister of Northern Affairs (Mr. Downey) says somebody is going to vote against it. I do not think so; I do not think so.

But why is it important to have a good feeling with the business community? So that they create the jobs. And why do you need the jobs? So you can get the tax money to pay for the services that are required. That is what it is all about.

Mr. Deputy Speaker, while I was driving home yesterday, I had this perception in my mind that in three months time, how can there be such a change? Just in three months time a change of attitude; everybody is enthused with what is happening. In fact, Mr. Deputy Speaker, I had an inkling it would be a good Budget. I did not know exactly what it was but I had an inkling it was a good one. I have been feeling good for a week already and I am looking forward to a great summer. I hope we have a great debate in this House and we can sit here till whatever time you feel that you want to—

An Honourable Member: We will be out for Christmas.

Mr. Albert Driedger: We will be out for Christmas? Fine. That is encouraging because that gives us enough time to set up the next Budget which I think will be even more positive.- (Interjection)- Oh, no. I have to reply and I should not always do that to my colleague, the Minister of Northern Affairs (Mr. Downey). I feel confident that all Members are going to support this Budget.

Recall the Throne Speech Debate when the Leader of the Opposition (Mrs. Carstairs) said the Throne Speech Debate covered the whole waterfront, did too much and in other areas had difficulty criticizing it, but the proof always comes in the Budget.

What the Minister of Finance (Mr. Manness) did, he covered the whole waterfront. There are not too many things that have not been affected positively in this except the smokers—I hope it is encouragement—by having increased a package of cigarettes by about 24 cents-25 cents, that I hope it encourages people to stop. I hope it stops. I hope all of you stop because I will tell you something, they will not be able to afford to smoke any more, I guess. My budget will not carry it any more either. My colleague, the Member for Lakeside (Mr. Enns) has been very determined, like I have, that the cost would not deter us from that habit, but it is getting to the point where it will.

* (1650)

Mr. Deputy Speaker, I have been standing here gloating and enjoying this very much. I hope that we can continue along these lines. I would encourage actually both Opposition Members to be realistic and admit when something good has happened.

The Member for Assiniboia (Mr. Mandrake) and I made reference, and the Member can maybe check in the Hansard the comments he made, but he was very encouraged about working together with myself. I think together we will build a lot of roads—he as a critic and me as a Minister—over a period of time. I am looking forward to that. I say that sincerely, not facetiously. I think we can do that, all Members, when they look at the Budget and look at the Estimates that are going to be put before us in the next little while. Then we will see how it goes.—(Interjection)—Flexible? I am not flexible. I am just building roads, not much flexibility there!

I want to just indicate once more that I have enjoyed my portion of this Budget Debate more than I have enjoyed anything in this House for almost 11 years. With those remarks, I am looking forward to what is going to happen in the months ahead of us. Thank you.

Some Honourable Members: Hear, hear!

Mr. Leonard Evans: Mr. Deputy Speaker, it is my pleasure to join in the debate with other Members of the Legislature on this very important topic; namely, the Budget of the Province of Manitoba as presented to us yesterday by the Minister of Finance.

I enjoyed very much the various informal remarks of my colleague and friend, the Minister of Highways (Mr. Albert Driedger). I was most amused by his continued reference to this being a great Budget and one he could feel good about. When I look at this Budget and when I look at those numbers, I say to myself, essentially, we have the Budget that was brought in by the former Minister of Finance just a few months ago—essentially the same Budget because we are talking about the same level of spending.

In fact, it is even a higher level of spending than what we were proposing; essentially the same tax regime is in place. There is really very little in substantive tax changes. I will get to the payroll tax in a moment. As far as I am concerned, all you are doing is tinkering

with it. It is simple window dressing in terms of the payroll tax, and the Minister of Finance knows that. I am sure he will even admit it perhaps in conversation or in debate eventually. What he has done is very, very minor. He has just touched the payroll tax a little, given it a little poke. He has not really done anything of significance with the payroll tax. I will discuss this a little bit further in a moment.

But I would say that I believe that the Minister of Finance and perhaps his colleagues realized very quickly in a matter of weeks, in a matter of months, that it is difficult to be the Government of the Province of Manitoba. In fact, I heard him this morning just for a few minutes on the radio, on the CJOB Action Line—I did not hear very much, maybe five minutes—and somebody was phoning in giving him Old Harry about the tax increase on gasoline. People can be very unreasonable and I am sure the Minister felt that this man was very unreasonable. You could not persuade him on the merits of what you were trying to do, or what you did do.

The fact is that people expect an awful lot of Government today at all levels, but I can say, as one with a lot of experience around here, that there are great expectations out there. I do not think the people in the province, by and large, appreciate the fact that our resources are limited. Our resources are limited, our financial resources are limited by the income base that we have, and the fact is it is very difficult, it is very difficult to deliver on all the programs, all the demands that are being made out there by the people without increasing revenue sources. You can, as we did for awhile, two years back, we went into deficit financing—to the degree we did very deliberately—to offset the recession of the early 1980s. That was done in a deliberate fashion.

We realized that we could not go on building up our debt because we realize that the interest charges were not satisfactory and that most of the interest payments were going out of the province. We realized that very much and we do not think that there is anything meritorious in just building up a debt and having to pay out more and more interest, although I would observe that if you compare Manitoba debt service charges per capita with the other provinces they were not that much out of line. In fact, that was in the document tabled by the former Minister of Finance.

I must observe in passing that there was an absence of interprovincial comparisons in this Budget document which I found a little unusual because I think there is some merit in comparing Manitoba's situation with the other provinces. I think there is some merit in that to see where we are.

An Honourable Member: If you do that selectively, then it is bad.

Mr. Leonard Evans: I would say do it across the board.

An Honourable Member: Yes, but that was never done, it used to be done selectively.

Mr. Leonard Evans: Well, you had your opportunity to do it across the board, you do not have to do it

selectively, do it the way—so the Minister of Finance said he has made a conscious decision to remove that. But the point is if you do compare Manitoba's debt service charge per capita with the other provinces we are not that much out of line.

Having said that, I am not suggesting for one moment that we should not address the question of debt and interest charges thereon. I am not suggesting that for one moment, but what I am observing at this point is that it is almost an insurmountable problem in a way, it is like the irresistible force meeting the immovable object. On the one hand, you have the people wanting more; and on the other hand, you are very limited in your resources, your financial resources in obtaining new funds.

I think, ultimately, this Government, if it was in a majority position, you would have had a much different Budget than we have today. It would have been more truly reflective of their Conservative philosophy, and as I have said on other occasions, in other years, there is nothing wrong with the Conservative philosophy as such. I do not agree with it, but there is a logical position. In history there is the Conservative ideology as there is left-wing ideology, or Liberal ideology, or whatever.

But the fact is I know this Minister of Finance (Mr. Manness) would dearly have loved to have been able to cut taxes and reduce spending because ultimately I believe their philosophy is that less government the better. That is their position and that is fine; that is not our position. Our position has always been that Government is an instrument that can be used, an instrument that belongs to the people, it is of the people, it is a democratic country, a democrat province. It is an instrument that can be used to achieve positive things for the people of Manitoba that the market system would not deliver for us, whether it be automobile insurance, whether it be hydro-electricity, whether it be telephone services, or whatever it may be. We have been able to use the instrumentality of Government in Crown corporations to do certain things in Manitoba that might have not happened otherwise, or may not have happened to the benefit of Manitobans the way that these events have happened, the way these Crown corporations, these Government programs have occurred to improve the standard of living of the people here.

* (1700)

So this is ultimately the difference. I can detect shades of that philosophical difference in the odd remark, the odd statement made by the Minister of Finance (Mr. Manness), but we do not really see that in this Budget as much, I am sure, as Members in the Government side would like.

I would like to talk for a few minutes about what has happened to taxes. I want to make reference, for one, to the health and education levy, otherwise known as the payroll tax. I think it is hilarious—the crowing that is going on about what they have done to their payroll tax; how they really have taken on this payroll tax and they are going to sock it to that tax. Ultimately, I guess, they think they are going to get rid of it.

What we have got, even with this cut—this cut according to the document tabled by the Minister of Finance—amounts to \$23.3 million, that is the cut—he is going to take \$199.8 million, almost \$200 million this year from that tax. If you add that, plus the cut, that would have been a total of 223. In other words, that \$23 million cut amounts to 12.7 percent. We have a 12.7 or 13 percent cut in the total revenue that could have been achieved if there had been no increase in the exemption level.

I think, incidentally, there is nothing wrong with increasing the exemption level from time to time—you should do that, there is room for that. The fact is that even with that modest cut, you have got a payroll tax that is going to be higher this year than it was last year. In other words, the Conservative Government is going to take more tax dollars out of the business sector this coming year than we did last year.

Last year it gave them \$184.8 million; this coming year the Conservative Government will be taking \$199.8 million, even after the cut. So do not tell me that you are taking on this tax that you hate and that you are really going to do something with it because you have not. You have just toyed around with it a bit.

I know why the Minister of Finance has not gone very much further; he cannot afford to go any further. Secondly, he understands—he knows and it is there—that this is their second largest revenue item in the Budget—this is the second largest single source of revenue as I read it.

There is only one way, unless there is a drastic cut in Government spending which we do not see this year, that I can see this Government or any Government moving to replace the payroll tax and that is to increase sales taxes. There is absolutely no way, short of a drastic cut in programs or some other maybe major windfall from Ottawa that you are going to get year after year; but short of that you are going to have to increase sales taxes by a couple of points.

I am sure the Minister of Finance has pondered that, and I think maybe he has come to that conclusion. We cannot afford to give it up. Of course, I would not urge him to give it up because most of the money comes from large corporations, not the small business. It comes from the big corporations; it comes from the federal Government. It gives us a new source of revenue, revenues that are badly needed to pay for day care, for health, for our educational programs, and whatever.

The breaks for business that were also referred to, for instance, the business break, the tax break for businesses who are just starting up, the first year of operation, no tax on profits, that is a joke because as I heard it, I turned to my colleague, our Finance critic, and said normally businesses do not make any profit the first year anyway.

An Honourable Member: What did she say?

Mr. Leonard Evans: She agreed with me. So you are not giving them anything. The typical business person normally does not earn any profit until the third year; that is the average. To say that you are not going to tax the profits in the first year is to give them nothing.

An Honourable Member: With your philosophy you would never want business to make a profit.

Mr. Leonard Evans: That is not true.

Really, the most significant thing I can say about the tax side is that there has been no reduction in the personal income tax rate. Mr. Filmon, the Premier and then the Leader of the Opposition, included in the resolution of no confidence, in effect the amendment to our Budget Address, he included this reference. This is on page 355 of Hansard, February 29, 1988: "THAT the Motion be amended by deleting all the words after 'House' and substituting the following therefor: Regrets that in presenting its Budget, the Government"—and I will go to Item No. 2, and this is a quote—" . . . has dipped into the pockets of ordinary Manitobans for an enormous tax haul of \$185 million more in personal income taxes."

That was one of the key factors why he said that he could not support our Budget, that he and the Conservatives would vote against it. That same tax haul is in this Budget. That is the major complaint that I understood the Conservatives had in the last Budget, and you still have it here. Okay, it was back then, but you are the Government now. You could have removed it and you have not.

What they have done at this time is they have not followed through on what they said during the election. Really, I repeat that this Budget is essentially the Budget that we put in place. There has just been a little window dressing in terms of minor tax changes and even spending. I mean, another few million on highways, given the amount of money we spent on highways, is not very significant either. Given even the extra money you are giving agriculture in total is not that significant. Really, you have got a rather modest Budget in terms of change. The change has not been very drastic.

The expenditures, as I have observed, are actually higher. Our Budget Estimates would have shown a spending of \$4.218 billion. This Budget is \$4.591 billion, about \$370 million more approximately. I say that, in spite of all the rhetoric, what we have got is a Government that is spending more and is taxing as much virtually, basically is taxing as much.

I would like to go on and talk for a moment or two about the economy, because ultimately it is the economic base of the province that provides us with the revenues to run the Government programs. I note that the Minister has recognized that there is some weakness in the Manitoba economy. He believes that in the next several months, perhaps the next year, the economic situation might not be as favourable as it has been the last three years or so. I think that this may regrettably be very true.

There are already signs of weakness in terms of employment or, rather, in terms of unemployment. These figures that have recently been released by Statistics Canada shows a very serious weakening in our unemployment and employment situation. The unemployment rates, as have been published by Statistics Canada in July of 1988, are 7.4 percent. These are actual figures, so I compared with July of last year

when they were only 6.4 percent. That is a full percentage point increase. If you take the seasonal figures, you get not quite as dramatic a change. It is only a half-a-point increase. That is comparing June with July. If you take July over July actual, there is an increase of one point in the rate. That is bad news. It is a signal of some weakness.

* (1710)

I would refer you in particular to the youth rates because that, to me, is the Achilles heel in all this, because this is where normally the greatest unemployment is and this is where we see a very serious decline in our employment. As a matter of fact, something very unusual has happened in this past month. Normally, youth unemployment in Manitoba is less than the national average, less than the national rate. In July, the national average has fallen, has improved. Manitoba's rate has worsened to the extent that Manitoba's unemployment rate for youth, that is people under 25, is worse than the Canadian average. I say that is a serious situation. That is a signal of weakness in the Manitoba economic situation, and it is something that has to be addressed. This is something that has occurred in July of this year compared to July of last year. We can look at these figures published by Stats Canada and see some other bad news. I will not go into any further detail at this time, but they do show a significant deterioration.

You could look at other economic indicators as well and, whether they be retail sales or manufacturing shipments or whatever, you will see that there are signs that the economy is not as strong as it could be or as it should be. Recently, in fact just last week, Stats Canada issued a report on investment spending intentions. Regrettably, the Manitoba scene—I am looking at private investment spending not public, because the Members opposite are always talking about the private sector. The investment increase that is forecast, and this is a forecast that is done in the last month or so since the Conservatives have been in office, shows that the increase in investment spending in the private sector will be below the Canadian average. In fact, we are the third lowest in terms of percentage change in investment spending.

Although I have not had an opportunity to calculate it on a per capita basis, I suspect we are at the low end of the totem pole among the Canadian provinces in terms of additional investment spending. So there are signs of weakness—and I say that Governments of Manitoba have had to be, in my judgment, very alert to this kind of situation, have had to be ready to take action of whatever kind to alleviate the situation. As I said back in the early '80s, we deliberately did some deficit spending in order to offset the business cycle. Also we brought in the Manitoba Jobs Fund and made efforts to bring in employment programs, training on the job.

Incidentally, not only did these programs provide jobs directly for people, particularly our young people, but they helped the private sector as well. They helped the small business sector, because all of those monies, all of those employment program monies went to the small

sector. They did not go to the big corporations. They went to small enterprise in Manitoba. So I say that this Government should be ready, should be alerted to the fact that we may have worse news this coming fall and this coming winter. There is some deterioration that is taking place.

The Minister said from his speech, he said in his Budget—and I guess he did not hear me a few minutes ago, because I acknowledged that he made reference to this. I said, I am taking him up on that observation, in quoting some figures, saying, yes, I agree with them, we have to be alert. The Government of Manitoba has to be alert. It has to be ready to meet that challenge. It is not good enough to have this number of young people or indeed any age bracket, to have that number of people unemployed, but particularly the young people who are usually getting started are having the most difficult time in obtaining new employment, in obtaining a first-time job, as a matter of fact.

I would like to take a few minutes also to touch on the Free Trade Agreement, or I should really call it the Mulroney-Reagan trade agreement because I do not consider it essentially a free trade agreement. It goes way beyond free trade, per se (Interjection) The fact is this, in my judgment, is a threat to the Manitoba economy and, therefore, it is worth observing. It is worth making comment upon. As I said, it is not a Free Trade Agreement as such. It is really more than that, it goes beyond that.

The reductions in tariffs are really insignificant since some have already been made or they were in the process of being made under the GATT Agreement, but there are some new elements in this trade agreement which incidentally go far beyond the McDonald Commission that had originally recommended to the Government that there be some move towards a new trade agreement with the United States, such as the inclusion of services in the agreement.

There has been complete free trade in most service areas included in the deal, in spite of the fact that even the Economic Council of Canada indicated it was not sure of the impact of including it in the deal. The McDonald Commission recommended against the inclusion of services. One organization that has studied trade in business services has demonstrated that a loss of 350,000 Canadian jobs in this one service area alone could take place. This loss far exceeds even the most optimistic estimates of gains in jobs.

The trade agreement will have some significant negative effects on Manitoba manufacturing. The example was referred to the other day in this House by one of our colleagues from the Liberal caucus, namely, the impact on McCain Foods. The answer from the Premier was, well, we talked to the president and he did not say that. I do not have the permission of the president to table this, but I have a copy of a letter from the president of McCain Foods to the former Premier, Premier Howard Pawley, dated November 3, 1987, where he says: "We fully understand that the free trade pact should not stand or fail based only on how our industry is affected but, for the sake of good record, please let us register this point." He underlines

it, and this is signed by the president, G.W.F. McCain. "The proposed free trade deal with the United States is bad news for Canada's food processing industry." So that is the president of the company. I would submit, in no way did he contradict the statement made by his vice-president on the potential loss of jobs.

The absence of tariffs—you know, Manitoba manufacturers will soon realize or should realize that wages south of the border, particularly I am looking at North and South Dakota, our neighbour states, and some of the labour laws are maybe more favourable to their particular interests than they find in Manitoba. I can see northern states offering incentives for some of our manufacturers to move there, and it may be very hard for our companies to resist.

The point is that Manitoba has existed in the centre of the Canadian east-west economy. We have an economy that is stretched along the border. It is rather thin. Our population is spread thinly across the border but this is the base of our economy, certainly of our manufacturing. Manitoba has experienced certain benefits from being in a central location, particularly with regard to transportation: an east-west railway system, an east-west trucking system. I say that we should ask ourselves, if access is going to be easier, then will we be able to sustain the same degree of traffic through the City of Winnipeg, through the Province of Manitoba, the same degree of railway traffic, the same degree of east-west trucking.

If access to the United States market is so beneficial, I say why do not the States of North Dakota, South Dakota, Montana, Idaho and so on have cities as big as we have in the Canadian prairies like Winnipeg, Calgary, Edmonton and so on. They do not have. In fact, the American prairie region is characterized by the lack of large cities. We have the City of Winnipeg. I will just talk about Winnipeg in the Province of Manitoba. Our capital city, our largest city, is here because of the particular trade pattern that has developed since the formation of this country. I say that the existence of Winnipeg as a major transportation centre, as a major manufacturing centre, is being threatened by this particular agreement.

* (1720)

The Canadian economy generally has turned on an east-west communication system over the years and I think you will find that when you get into the effects of the Trade Agreement that you will have more north-south traffic, more north-south patterns. I say that not only with the physical goods but also with services, including computer services. There are recommendations being made by the Canadian Independent Computer Services Association which has offices in Winnipeg, among other places, that are very concerned that their industry is being threatened by this arrangement as well.

I refer back again to the fact that the MacDonald Commission did not recommend the inclusion of services in the trade deal. They looked rather worried as to what will happen from this deal; they see a threat to their business. I might add, Mr. Deputy Speaker, that

we have a lot of people working in computer services in Winnipeg. We have seen some deterioration over the years at Great-West Life and other companies as well. Companies can now, I suppose, shift those kinds of services, but I am suggesting there could be an even greater shift because of this particular deal.

So there are a lot of concerns that I have, and I wanted to take this opportunity to draw it to the attention of the Minister. I have been referring to sources that are not NDP business associations—I have been referring to the present McCain Foods. I would like also to refer to the Bank of Nova Scotia which has issued a report assessing the amount of risk from the Mulroney-Reagan trade arrangement. They have assessed the overall impact of the agreement and have itemized by resource sectors those that had maximum risks, those that had maximum benefits. They acknowledged that there is some benefit in the resource industries; the lumber industry is one example. They stand to gain, but we have relied too much over the past in merely extracting our natural resources and sending them to the rest of the world, rather than processing them in this country. But there could be more there.

There are certainly losers in manufacturing, there will be a net negative impact in the manufacturing sector according to the Bank of Nova Scotia. The bank states that in manufacturing the losers will be up front while the winners will tend to collect further down the line in the manufacturing sector. The agreement reflects a hard hit on small manufacturers while larger manufacturers generally face a neutral, or perhaps a slightly positive outlook in the immediate future.

Under the agreement it will be the small Canadian-owned manufacturers that will be hardest hit. It will be the small Canadian-owned manufacturers that had an excellent employment growth record who will be the losers. In the meantime, the winners will be the multinationals that have been guilty, really, of a poor record of employment.

Another loser is in agriculture. The bank states that the agriculture sector is at a serious risk in poultry, dairy, fruits and vegetables. Grains will be unaffected, and in cattle and hogs there will be a small benefit, but these benefits will not offset the general negative impact of the agreement in agriculture. The setback in poultry, fruit and vegetables could be quite sharp and similar for food-processing in these areas. As can be expected, Mr. Deputy Speaker, fruit and vegetable processing will be severely hurt, and despite lower prices for raw materials, major U.S. owned canning companies will likely move to the United States where excess capacity and overall costs are lower. This is something that we have to observe. In this instance, when we talk about impact of trade and adjustment in sight location, capital is much more mobile than labour. The capital can move, the industry, the company can make the decision to move its location, the labour, the persons, the workers, do not have that same opportunity. They do not have that same ability to simply move down and follow the jobs. So I say, Mr. Deputy Speaker, that God forbid, this agreement ever comes to pass, that it ever does see a final authorization, I

hope it is stopped, I hope it does not proceed. I hope there is a Canadian election, and that the people of Canada will tell their Members of Parliament that they do not want this particular deal.

At any rate, looking at the service sector, they will produce an even more serious negative result. The bank states that the Canadian service sector is smaller, weaker, and less competitive compared with the service sector in the United States—there will be a big hit on trucking services and railway services. In the financial services, the bank says that the agreement is quite lopsided, Canada has made a large concession up front by conceding national treatment. Benefits to Canada are smaller, less certain and further down the line. Overall, it appears that the financial services industry segment of the agreement will about maintain the status quo for Canadian firms operating in the United States while providing a sizeable concession for American firms operating in Canada, conceding national treatment is fundamental to Canada's disadvantaged because our market arrangements are more national and more liberal than those in the United States.

I am quoting from an analysis made by the Bank of Nova Scotia on the economic impact of the agreement. I am saying that there are a few minor benefits, but there are a great deal of companies that will lose, and so they go on. I do not have the time to go into all the details, but there is some very specific items here of rather bad news.

(Mr. Speaker in the Chair.)

I say that what happens with this agreement will have a very serious impact on the future of the Province of Manitoba, on the future of our economy.

The bank, in their risk evaluation index included the clothing industry which we have in this province; they included trucking services, which is a very major industry—they rate them as minus four. That is the maximum risk. They have a medium risk, which is rated as minus two level, includes furniture, which we have in this province, it includes bus manufacturing, it includes railway services.

Very specifically, I would urge the Minister of Industry, Trade and Technology (Mr. Ernst), and the Minister of Finance (Mr. Manness), to talk to representatives of the furniture industry in Manitoba, and they will tell you some of the problems that they have with this agreement. They have some serious—and I have seen correspondence on this—the agreement as it is, the specifics of the agreement, is detrimental to the Manitoba manufacturing industry. Why is not our Minister of Industry standing up on their behalf? I have not heard one word from that Minister in regard to protecting specific industries which are being jeopardized. Instead, he is being an apologist for the Conservative federal Government.

The publishing industry is another area of serious concern in terms of the negative impact by the Trade Agreement.- (Interjection)- Three minutes, okay. I am being given the sign that I have to draw my remarks to a close. I am just saying that it is time for this Government to stand up on behalf of the Manitoba

economy—not only on behalf of the workers that are being affected but also on behalf of the companies that are going to be affected—and tell their federal cousins that this is bad news for us; it is going to hurt our economy.

* (1730)

I want to refer to many other sources but I just have one very fast quote from Desmond Morton in an article that appeared in a magazine called "Assent" in the Spring of 1988.

He says: "Virtually everything Canada wanted from the agreement is missing. Canada is losing jobs, sovereignty and the right to protect her energy reserves against future world crises or cartels. Every public policy that might affect trade or American economic interests in Canada, with the exception of cultural industries and the brewing industries, will be open to American scrutiny and potential veto in the name of the level playing field."

An Honourable Member: What does Canada Packers say about this?

Mr. Leonard Evans: At any rate, this trade agreement is very bad for Manitoba.

In conclusion, I would suggest that this Budget really has no sense of direction in guiding this province in the year ahead or, indeed, the years ahead. There is no sense of direction, there is no sense of strategy in terms of economic development. Where is this province going in terms of economic development? There is no conscious attempt to grapple with this problem and, as the Minister has admitted, there are serious signs of weakness.

We have got to do something to prepare ourselves for worsening unemployment. It is simply not good enough to be able to say you are going to cut taxes and reduce spending as the Conservative philosophy would have us do in Government, and I say the people of Manitoba do not want that.

The people of Manitoba want their Government to stand up on their behalf, whether it be with the trade agreement, whether it be with regard to protecting jobs, whether it be with regard to providing social services, health services or whatever. They want action from their Government. Therefore, they do not want a Conservative ideology. They do not want cutting of programs or simply cutting of taxes for the sake of cutting taxes. They want an activist Government.

I think, Mr. Speaker, if we did not have a minority Government sitting across from us, we may have seen a much different Budget than we have been presented with so far. Thank you very much.

Hon. Leonard Derkach (Minister of Education): I am very pleased to be able to rise today and make a few comments on the Budget Address that was so eloquently delivered by the Minister of Finance (Mr. Manness) yesterday afternoon. I must say that yesterday afternoon was, indeed, a very happy and a bright day for Manitobans.

As we enter this fiscal year with the kind of Budget that was delivered yesterday, I know that Manitobans

will be pleased. They will be motivated to invest in this province and, indeed, they will be happy with the kind of direction that is being set by this Government.

I am somewhat concerned that the Leader of the Opposition (Mrs. Carstairs) does not seem to be a very happy lady these days even though last year she did not appear unhappy. I hope that our direction here will, in fact, allow her to look positively at the direction this province is going, and she will be able to support us in the direction that we are going.

I think, Mr. Speaker, that this Budget reflects not only the economic needs of the people of this province, but it also is a realistic approach to the health and educational needs of this province, and also the social programs that we have in this province at the present time. I know that the Members of the New Democratic Party have indicated that this was a Budget that they had proposed a short time ago.

I say to you that had the former Government proposed a Budget of this nature just a few short months ago, one of their own Members would not have voted against the Government to bring it down. The approach is different. The approach is one whereby we have recognized the plight of those Manitobans who need some assistance. We have recognized that social programs are indeed important. We have recognized that there is a need in this province for business investment, for entrepreneurs to get involved in the economic growth of this province.

I would like to first address the area of agriculture. Agriculture is still basically the backbone of this province, and many Manitobans depend, in one way or another, on the activity of agriculture. This year is probably one of the toughest years that farmers have faced in a very, very long time. For the last several years, farmers have faced indeed difficult times, and have appealed to Government at the provincial level to allow some support or recognize the fact that they were in desperate straits.

While we were in Opposition, we addressed the issue of agriculture on many occasions, but were not able to convince the Government that some positive programs should be developed. Finally, after April 26, when this Government took office, we are very happy to say that this Government has indeed taken action to help farmers in their desperate plight. This Budget reflects this Government's response to a situation which is indeed probably the worst in 30 or more years.

The drought is not only going to affect farmers. It is going to filter down through our business section, through our small towns, and eventually will affect the larger communities in this province. We have already heard from the Members of the New Democratic Party about what we are going to do to help those people who are going to find themselves out of jobs in the grain-handling industry. Well, we did not hear that kind of cry from those same people when the farmers found themselves in desperate straits in the last few years. It is unfortunate that they have closed their eyes to the plights of farmers, and perhaps that is why they are sitting where they are today. That is one of the reasons.

Some Honourable Members: Oh, oh!

Mr. Derkach: Well, there are other reasons as well. I know there are. We will tell you what they are.

One of the things that is very significant is the federal-provincial relationships that have been developed since the election. We have seen our Minister of Agriculture (Mr. Findlay) go down to Ottawa, and he was very quickly able to arrive at a Stabilization Beef Program for this province, which was a tripartite program. On several occasions in the past, the former Minister of Agriculture did attempt or was encouraged to meet with the federal Minister of Agriculture and the federal people to arrive at some kind of a sensible approach to beef stabilization, but unfortunately was not able to do that. After a couple of short months in office, this Government has been able to address that problem and to resolve it.

The Feed Security Program that was announced by the Minister of Agriculture (Mr. Findlay) and the support of \$18 million to agriculture in times of need are certainly positive, and are received in a positive way by farmers.

We have also improved the Education Tax Relief on farm land. This is an issue that has been kind of a thorn in the sides of farmers for a long time. We cannot do it all overnight, we recognize that, and certainly we feel that any farmer who pays tax should be eligible for a rebate. Therefore, the program has been improved to allow all farmers to benefit from the Education Tax Relief that was announced in the Budget.

What about business and investment? Well, I think we have seen what has happened to Manitoba over the last six years with regard to the attitudes that prevailed in terms of the economic climate and the approach to business and investment. I have to say that the payroll tax was probably the greatest disincentive for businesses and for industry to locate in this province. We should not discourage businesses and industry from locating in Manitoba.

My goodness, we are at the centre of a continent. Our transportation network is second to none in terms of our availability to reach other ends of the country and also other points in the continent. Therefore, we are ideally located for manufacturing and industry to locate in North America. Yet, we saw industry avoid us. It all depends, of course, on the kind of attitudes that are set or the kind of atmosphere that is set by Government.

Since the election, that attitude has changed. We are seeing businesses come to Manitoba and are starting to inquire about the possibilities of investing in this province because this province does have a bright future. We have resourceful people. We have Manitobans who would like to invest here, who would like to create jobs. It is not up to Government to create jobs, Mr. Speaker. Let us create a climate in this province whereby businesses will locate, whereby industry will locate. They will create the jobs for us and, in that way, our economic prosperity will be second to none if we approach it in a practical and sensible way.

Job creation, as I have indicated, is not the job of Government, but I think the last administration kind

of took it on themselves as though they were the biggest employer and wanted to be the largest employer in this province. Of course, that is all done at the expense of social programs, of education and health programs in this province. You cannot be an employer and not create an atmosphere where businesses will locate, and yet try to deliver the programs that are so essential to the province.

We know that economic growth in the province will also mean that we will be able to afford better social programs. We will be able to give education the kind of support it requires. We will be able to give our citizens the kind of health care that citizens in Manitoba deserve and need.

It is not hard to pay lip service to the preservation of programs in health, education and seniors and social programs, but you can only do it by creating a climate which has an economy that is thriving, that is vibrant, and that is going to pay the kinds of taxes that will support these kinds of programs.

In the Budget Address, Mr. Speaker, the Minister of Finance (Mr. Manness) indicated that our pledge to health care in this province is an important priority. The promotion of good health is indeed an important aspect. We have to encourage Manitobans in our society to conduct themselves in ways whereby they will preserve their health and whereby healthful living will lead to less need for critical health care.

To that end, I am happy to see that some \$100,000 has been allocated to a drug abuse program and alcohol abuse program in the province, because it is our youth who we have to get to and encourage them that a healthful style of living when they are young will continue in their senior years as well.

This Government is not going to close hospital beds. We are not going to abandon the rural areas of Manitoba in terms of health services. As a matter of fact, since this Government has taken office, we have seen that the Minister of Health (Mr. Orchard) has met with people in rural Manitoba to see what he could do to encourage doctors to locate in rural Manitoba. That is a drive that will continue, Mr. Speaker, so that the rural residents of this province will be able to have the health services as readily as people in urban centres and in the larger centres of this province.

That is not the only issue that has been addressed. We saw the former Government take away essential services in rural areas, and I refer to the RCMP service in case they have forgotten. Quickly, after this Government took office, we were able to restore those services to rural Manitoba where those services belong and where those services are critically needed. It is kind of difficult to realize how important those services are when you are sitting in the city here. As a matter of fact, it relates to anything. For me, sitting in the House here, it takes the pain away in not being at my farm on a daily basis. When I travel there on the weekend, I see the devastating drought and I see the kind of impact it is having on those people. It kind of causes a sick feeling in my stomach when I take a look at those people who are suffering under those conditions, who do not have the opportunity to get

away and to have another source of income. So you have to project yourself into the situation of those people to completely appreciate it.

* (1740)

Mr. Speaker, I would also like to address the area of education. Since taking office, I have had the privilege of meeting with a lot of people who are involved in education—school boards, interested parent groups, organizations, people who deliver educational services in this province. I think Manitobans were ready for a change in Government long ago. Unfortunately, they had to wait until April 26.

We have a challenge ahead of us in education; there is no question. We have to address a whole series of challenges that exist out there not only in the elementary and secondary areas of education but also in the post-secondary areas, university, our community colleges and also our adult areas of the province.

Primary and secondary education, Mr. Speaker, is the foundation. It is the foundation because that is where we begin to instill in the young people the importance of education, importance to a good social life and importance to economic prosperity in this province.

The support to these kinds of programs in the primary and secondary areas have to be equitable and adequate. We cannot allow the kinds of inequities in school funding to exist that exist today. That is unfair; it discriminates against many of the school areas which need the assistance.

I have met with several school divisions who are getting the low increases in funding. They have a concern because their enrollments are declining, they cannot offer the programs that other larger centres can and they find themselves even having to go to taxpayers with exorbitant rates in increases in special levies. That is not an equitable system and we are going to address that. You cannot do that in a period of two months or three months.

There are other problems as well, as are indicated from Members opposite. We have problems where some school areas are increasing in enrollment faster than we can actually build accommodation for them. That has to be addressed because we have to have institutions in this province where students can attend and get an adequate education. There has to be a different approach in terms of the educational opportunities in this province.

We are also awaiting the High School Review. Although this review was commissioned by the former Government and was supposed to be handed down in January, some delays were incurred and therefore June 30 was a date that had been promised in terms of delivery of the review. Now we are finding that it is not ready yet, but I have the assurance that it will be in its final form in September and will be in my hands before the end of that month. I have received the preliminary draft of the High School Review, but it is not in its complete form and still requires some work to be done on it. This is going to give us some idea—

it will not give us all the answers—but it will give us some idea of where there are needs and what people in Manitoba think about the education system at least at the high school level.

We know there are some problems and challenges out there. We know that the standards perhaps in the high school area are not necessarily high enough. We know that we can water down programs and probably deliver some sort of high school education, but that is not really the answer to some of the problems that are out there. We understand also that there are students who have special talents, special skills, are advanced and require programs to challenge them, and we have to provide those in some way, shape or form.

We know that we have special needs students. Some of those students' needs have not been addressed and for that reason we have the emergence of such facilities as the Laureate Academy. One has to ask himself, why can we not provide those services within our public school system? Is it because we are not willing to, are we not able to, or is it a specialized kind of service that we should be taking a different approach to? All of these are legitimate questions that have to be answered over the next while with regard to education in this province.

Post-secondary education offers a different challenge, and here we have to take a look at whether or not our post-secondary institutions are meeting the needs not only of the students but of society. Are we graduating students out of those institutions who can go out into society and obtain gainful employment and get jobs that are relevant to what they have been trained at?

I have met in the last short while with the Canadian Manufacturing Association who have indicated that we need to take a different approach to some of the training that we provide in this province, an approach that is geared to the kinds of industries that we have in the province. There is a shortage of certain skills in the workplace right now; yet we have an employment rate that is really not acceptable.

So, therefore, we have to address that issue. We have to make sure that Red River Community College, Assiniboine Community College, Keewatin Community College are addressing the needs of this society, whether it is through apprenticeship programs, whether it is through a proper training program.

The role of the colleges is changing. We know that colleges have to address the market and what it requires. Therefore, we are moving to a different kind of mode in terms of the way that programs are being delivered by our community college system.

Mr. Speaker, I was asked a question today and there was reference made by the Leader of the Opposition (Mrs. Carstairs) about the shortage in funding to education. I have to make mention of it because although we saw the figure of 3.3 percent thrown about, there has to be some clarification with regard to where this figure comes from.

I have to say that if you compare the print-to-print Estimates, you will find that the increase is not 3.3 percent but in fact is 4.7 percent. Therefore, the 3.3

percent comes from the preliminary actual figure, and if you compare the preliminary actual figure to what is being budgeted, you will find that that is where the 3.3 percent comes from.

But if you compare it from the last year's print to this year's print, you will find that in fact it is 4.7 percent and is in keeping with the promise that was made during the election by the Premier (Mr. Filmon) in that we would support education to at least the level of inflation.

Mr. Speaker, there was another area of concern and that had to do with the Student Aid Program and again it is a complete misunderstanding of what is there and how the Budget was presented. I guess it is very easy to pick out a figure and say, "Aha! They are cutting." But what we should remind ourselves of is that perhaps we should do a little bit of research and find out why the figure is there.

If you take a look at the actual spending in the past years, you will find out that in the Student Aid Program something like \$0.5 million was not spent. Therefore, what you see in the Estimates book is the fact that there has been a tighter budgeting control placed on student aid. There is still an increase in the actual number of dollars that will go to student aid. The needs will be met; there is no cut backs in any way, shape or form. In terms of salaries, there has been a position added. As a matter of fact, I think it was added in Brandon to accommodate the needs of the students who are from rural Manitoba.

So, yes, we are addressing the needs of rural students and rural Manitobans to provide them with the best possible educational opportunities that we can.

Mr. Speaker, I believe that this Government has an approach that is effective for the people of this province. I think that we need to take a little time. We cannot just throw money at a problem and think that it will be solved, and in education, we have not given education a 10-percent increase.

* (1750)

We have to remember when we took office. We took office in May. On May 9, we were sworn in as Ministers. At that time, the school year was already in progress in terms of the fiscal year. The budgets had been set. We had schools that had made their plans in the way that they were going to spend their money. If we were going to move in at that point in time and make radical changes to the entire system in the way that we were going to conduct our funding for this year, we would have, indeed, caused chaos in the entire system. It would have been chaos that you could not correct very quickly in a system like education which is very broad and very diverse.

Mr. Speaker, we did address those areas that needed to be addressed. One of those areas was the tax remittance. When we took office, we found that the tax remittance issue was in a state of chaos. We had municipal bodies—the UMM, MAUM—the City of Winnipeg were opposed vehemently to the approach that was taken by the former Government because there was no consultation in the process. The former

Minister of Education made an announcement that this is how remittances would be handled and these are the dates, and that was it.

Of course, there were financial implications to school divisions, to municipalities. School divisions, believing that they would get the results of the announcement, budgeted on the basis that they would get the money. On the other hand, municipalities did not know what to do, and neither did the City of Winnipeg. So when we came into office, we were facing a dilemma—either we were going to have to support the school divisions to the amount that they had budgeted or we were going to have to support the municipalities, but then face the repercussions of the Provincial Auditor as well.

What we did is we launched a series of meetings with municipal bodies and with the City of Winnipeg and through a consultative process, we were able to arrive at a settlement which was acceptable to the city, acceptable to the municipalities. We are proud to say that we were able to do that within the first two months of office. I do not think that our approach is indeed a wrong one. We said we would consult with municipal groups, we said we would consult with all bodies that are affected by our decisions, and we intend to continue that.

With regard to the dentistry program, Mr. Speaker—I should backtrack a little bit, and I am glad the Minister of Finance (Mr. Clayton Manness) brought that to my attention. I should backtrack a little bit.

When we took office, with regard to the tax remittance program, we found out that the City of Winnipeg did not know the extent of the PMTS and the CAP. They did not know the amount of funds that were in there and were legally theirs. When we told them the amount of dollars that were in there, they were almost shocked because the former Government had kept it from them. They were going to use this money to appease the municipalities at a later date and were going to become the heroes because they were going to give this little tidbit to the municipal bodies to compensate for their giving up the interest that they were giving up. It did cost us some dollars; it cost us somewhere in the neighbourhood of \$2 million or \$3 million, I think, in the end in doing this. Nevertheless, it was accomplished.

Mr. Speaker, the School of Dentistry—for some time we badgered the former Government that this issue had to be addressed because by July of this year, when the accreditation assessment was going to be done, there was a fear that the University of Manitoba, the School of Dentistry, would lose its accreditation. Therefore, we had to accelerate the negotiations and the consultation with the University of Manitoba to ensure that it could retain the accreditation in the School of Dentistry.

There were some negotiations that went on. We gave a little, the University gave a little. We were able to arrive at an agreement whereby the School of Dentistry would receive its accreditation, would retain its accreditation and we would see a new School of Dentistry or a revamped School of Dentistry here in the City of Winnipeg and in Manitoba for the enhancement of education in the province.

Mr. Speaker, I do not think we can be criticized too severely for taking that approach. We know that we have to address the area of PACE, Post-secondary and Adult Continuing Education; we know there are problems out there which have to be resolved. We know that enrollment in Keewatin Community College, for example, is too low. We have to somehow find a way for that institution to be utilized to its fullest extent. We have a spattering of training, retraining agencies all over the province that we have to get a handle on and make sure that we are not duplicating services, that we are not spending money foolishly, and that we are not spending where it is absolutely unnecessary. So that will go on.

In my term as Minister of Education, as I said in my reply to the Throne Speech, I would welcome Members opposite to come in and discuss issues that perhaps are of concern to them. We know that there are many issues out there. We can only approach education because it is so important to this province. I feel that education is the key to our economic prosperity in this province. Illiteracy in this province cannot be tolerated at the level that it is at. We have to attack. We have to know where the illiteracy is, and we have to approach it in a positive way. We intend to do that because illiteracy breeds poverty, and we cannot continue on that road.

We have a task force that is going to be taking charge, it is going to be identifying where the problems are,

is going to be reporting to us, and at that point in time we will make some positive action toward implementing programs that will help those people who, in fact, are somewhat illiterate in that sense.

In closing, I think Manitobans have received a Budget that is a breath of fresh air. It is one that is probably the most positive we have seen in six years. When you can reduce a deficit to \$196 million from the level that it was at, I tell you that is a positive approach toward the betterment of Manitobans.

Mr. Speaker, I congratulate the Minister of Finance (Mr. Manness) and the Treasury Board for the extraordinary amount of work that has been done over the three months, and it is certainly a pleasure to see a Budget like this brought in, in such a short time of office. Thank you very much.

Mr. Gary Doer (Leader of the Second Opposition): I believe it is the will of the House to call it six o'clock.

Mr. Speaker: Is it the will of the House to call at six o'clock? (Agreed) This matter will stand in the name of the Honourable Member for Concordia (Mr. Doer).

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