



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	Rupert Island	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

Wednesday, August 17, 1988.

The House met at 1:30 p.m.

PRAYERS

ROUTINE PROCEEDINGS MINISTERIAL STATEMENTS AND TABLING OF REPORTS

Mr. Speaker: In accordance with Section 42 of The Ombudsman Act, I am pleased to table the Eighteenth Annual Report of the Ombudsman, for the calendar year January 1, 1987, to December 31, 1987.

ORAL QUESTION PERIOD

Native Justice Inquiry

Mrs. Sharon Carstairs (Leader of the Opposition): Mr. Speaker, my question is to the Attorney-General (Mr. McCrae).

The Native Justice Inquiry is scheduled to begin its hearings next month, and in keeping with the objectives of the commission, it is important that as many groups as possible be encouraged to present their concerns and recommendations to the commission.

Unfortunately, Mr. Speaker, certain Native leaders are reported as having stated that they will boycott the hearings unless they receive funding from the provincial Government, the funding which would enable them to undertake their own study and prepare a submission to the Commission based on their own experiences.

My question to the Attorney-General is does the Minister not agree that it is imperative that the Commission obtain a complete and accurate account of the many issues facing Native people as they themselves perceive the problems and the solutions?

Hon. James McCrae (Attorney-General): Mr. Speaker, it is precisely because of a significant commitment on the part of the Progressive Conservative Party, both before the election campaign and since, that we are backing up that commitment by a significant outlay of funds made available to the Hamilton-Sinclair Inquiry to inquire into Native justice issues in this province.

I remind the Leader of the Opposition (Mrs. Carstairs) that the commitment made by the previous Government of this province was doubled in its entirety by the present Government in terms of the outlay of funds for the Native Justice Inquiry.

The inquiry will be travelling extensively throughout Manitoba. I have met with both judges involved, Associate Chief Justice Hamilton and Associate Chief Judge Sinclair, both of whom are very committed to the task at hand and are very concerned about seeing to it that every Native person in this province who wants to be heard from is. They are making every arrangement possible to make such interested parties comfortable

and welcome, and leaving them in a position that they feel that they can come before that commission and make their concerns known.

Mrs. Carstairs: With a supplementary question to the same Minister. We congratulate the Government on its extension of funding for this inquiry, but we would ask the Minister if it is not reasonable to assume that those appearing before the committee, who have been given the opportunity to properly research their data, would indeed prepare better briefs?

* (1335)

Mr. McCrae: Mr. Speaker, both I and the Commissioners of Inquiry are concerned that the Commission of Inquiry not become an exercise for lawyers. We think that the Native people themselves and those interested in Native justice issues should be able to speak directly and unencumbered when they come before the Commission of Inquiry.

I remind the Leader of the Opposition (Mrs. Carstairs) that as recently as last week the Minister Responsible for Native Affairs (Mr. Downey) made available to a Native group in Manitoba \$325,000.00. Any amount of that at their choosing can be whatever amount they decide to allocate to this particular inquiry, they may do; but I remind the Honourable Leader of the Opposition that when we get into a million-and-a-half dollars here and another large outlay there and another large outlay somewhere else when we are talking about research, we may be researching the same things over and over again.

I also remind the Leader of the Opposition that much work has been done in the past throughout this country and there are studies that will stack up fairly high dealing with research done into Native issues.

Mrs. Carstairs: Surely, it is not unreasonable to provide 10 percent of the monies to the Native people themselves to provide their research.

Will this Minister reconsider his decision and provide funding directly for the Native groups in order to do their own research?

Mr. McCrae: I think the Commissioners of Inquiry and myself share the view that this is an opportunity for ordinary, average Native Manitobans to make their case to the Commission of Inquiry. That is the way this Commission is put together and that is the way the plans are put together.

I remind the Leader of the Opposition (Mrs. Carstairs) also that two staff years are made available from the Department of Northern Affairs for this task. The Commissioners of Inquiry, I suggest, have all the resources that are necessary and the Native peoples of Manitoba will be very well represented not only by the work done by the inquiry but also by themselves

as they appear and speak very informally, as informally as possible, to make their views known to the judges.

Aluminum Smelters Development

Mrs. Sharon Carstairs (Leader of the Opposition): Mr. Speaker, with a new question to the Premier (Mr. Filmon). The federal Department of Industry, Science and Technology has just released an industry profile on aluminum smelting. This report speaks glowingly of the prospects for the construction of a world-scale aluminum plant in Quebec for start up in 1991-92.

The report goes on to dismiss prospects for Manitoba. It states: "Prospects for new aluminum smelter ventures in Manitoba and British Columbia are less attractive at this juncture."

My question is to the First Minister (Mr. Filmon): will the First Minister demand from the Prime Minister an immediate explanation of this assumption?

Hon. Gary Filmon (Premier): To begin with, that is an analysis done by some bureaucrats in a Government department in Ottawa. We have seen analyses done before. We know that what it is going to take - (Interjection)- Mr. Speaker, I wonder if I could have attention of the Member for Concordia (Mr. Doer). His constant interruptions are not adding to the opportunity for the Members opposite to get the information.

Mr. Speaker: The Honourable First Minister.

Mr. Filmon: Mr. Speaker, I will begin again.

We have seen reports done in the past by Government departments. What is important is the economic decision that is going to be made by the Party, that is the major Party who is going to be called upon to make a decision. That is not the Government of Manitoba nor the Government of Canada, that is the investor who is going to decide to invest over \$1 billion in establishing an aluminum smelter. They will make their decision based on the market forces, the demand for the product that they are producing, their availability of raw materials and their ability to market their product, the location, the economics of transportation, the major economics, not only of the work force but the cost of energy. All of those factors will decide whether or not somebody is willing to risk more than \$1 billion in an aluminum smelter, and where they will locate it. It will have nothing to do with the report of a department in Ottawa.

* (1340)

Mrs. Carstairs: In light of the fact that the chairman of Hydro has said that the project will need some \$150 million, in addition to the corporate contribution to this project, will the First Minister (Mr. Filmon) demand an explanation from the federal Government on whether this point of view, expressed by the federal Department of Industry, Science and Technology and signed by the Quebec Minister, Robert de Cotret, will be used by Ottawa to determine how much assistance will be given to Manitoba and how much to Quebec?

Mr. Filmon: To begin with—and I want to just ensure that the record is clear—I did indicate it in my discussion with media people yesterday. The Chairman of Manitoba Hydro phoned me after the article was in the paper indicating that he was very concerned that it did not represent what he had said. I understand that in discussions with the reporter who did the article, there was an agreement that he had not in any way indicated that that was the final position or that the Government of Manitoba was in any way committed to \$150 million, that what was there was an analysis of a proposal put forward by Alumax that would have called for—and it was a bargaining position which they put forward—a potential subsidy of \$150 million, possibly spread over 15 years. That is the situation they have put forward. That does not mean that any analysis we have come forward with says that is the amount that should be put forward, or that this Government or any other Government is committed to that.

Having said that, the position of the federal Government with respect to the promotion of an aluminum smelter is as was reported to me in a response to my letter by the Deputy Prime Minister in the Prime Minister's absence. He said, "With regard to the promotion of an aluminum smelter in Manitoba, it is federal policy to encourage and support foreign investment in Canada without prejudice to the investor or the region. It is my understanding that private discussions have been ongoing for some time between the Manitoba Government and Alumax, but that the federal Government has not yet been approached for assistance. I can assure you that the federal Government will give equivalent consideration to any proposal put before it in this respect."

Mrs. Carstairs: With a final question to the First Minister. Is the Minister prepared to make any contact whatsoever with Ottawa and with the Prime Minister on the basis of this report which seems to be prejudicial in favour of Quebec and against the Province of Manitoba?

Mr. Filmon: What I am attempting to tell the Leader of the Opposition is that I have made that contact after that report, that this contact is newer than that report. It was a contact made on Monday of this week and a response received late yesterday. Therefore, the federal Government has put it on the record that they are prepared to consider a proposal to support an aluminum smelter in Manitoba, equally to that which is being put forward in Quebec.

* (1345)

Aluminum Smelters Development

Mr. Gary Doer (Leader of the Second Opposition): Mr. Speaker, the report that was released yesterday and signed by the federal Minister, Robert de Cotret, I think should cause great concern for all Manitobans. Indeed, Mr. de Cotret was the same federal Minister who chaired Treasury Board when merit was allegedly used to award the CF-18 contract to Quebec. It was the same Mr. de Cotret who was defending the decision

to gerrymander that contract in the Province of Quebec and today he is saying, again, Quebec should be preferred on this Canadian playing field, Mr. Speaker.

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

Mr. Doer: My question is to the First Minister: has he read this report and has he put—it is only six pages long—any rebuttal to the Federal Government to get this report rescinded under the same signature of the same Mr. de Cotret?

Hon. Gary Filmon (Premier): Mr. Speaker, I have done more than that. I have gone to the Prime Minister, written to him and asked for his assurance that we will be treated equally with Quebec with respect to the promotion and the development and the use of federal funds for the establishment of an aluminum smelter in Manitoba. I have read today, and I hope the Member for Concordia (Gary Doer) was listening, the response which clearly indicates that the Federal Government will give equivalent consideration to the promotion of a smelter in Manitoba and they are equally happy to have that foreign investment take place in Manitoba, as they would be in Quebec or British Columbia or anywhere else.

Mr. Doer: Mr. Speaker, about 10 minutes ago in the House of Commons, the Prime Minister was asked a question about this project. The Prime Minister stated that this subject was discussed at the meeting that you had some three weeks ago with the Prime Minister and he is still awaiting a proposal from the Province of Manitoba in terms of the aluminum smelter. Could the First Minister please tell Manitobans why in fact he has sat on this issue for the last three weeks while the project potentially could be funded in terms of the Province of Quebec?

Mr. Filmon: Very simply, Mr. Speaker, because we do not have a firm proposal from Alumax to what funding is required, where their location is and what cost will be there, if they were to locate in one area, it might require so many miles of railway spur line, so many miles of additional highway, such and such infrastructure and other facilities to serve the smelter. They are not at that stage yet, so we cannot put before the federal Government a firm proposal in which we say we need X number of dollars. What we have talked about is the concept of federal support in principle for an aluminum smelter and they have given us the assurance that it would be given favourable consideration equally with a proposal in Quebec or anywhere else in this country.

Mr. Doer: Mr. Speaker, with the greatest respect, in case the First Minister has not noticed in this pre-election run up, it seems to be the period of time when the Prime Minister is opening up the Treasury of Canada to the Province of Quebec. Does not he think it is appropriate to get—

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

Mr. Doer: —our submission in before the Prime Minister so it can be considered on its merit.

Mr. Filmon: Absolutely, Mr. Speaker, and that is why we would like to have a final proposal from Alumax that we have reviewed and we understand how much is involved. How on earth could I go to the Prime Minister and say we want \$100 million for an aluminum smelter; we are not sure where it is going to be located; we are not sure what the money will go for; we just want \$100 million. That is absolutely absurd. I know that is the way the former administration worked, but I tell you we work on a very businesslike, logical basis and we have to know what the money is going to cover before we ask for it.

Mr. Doer: Mr. Speaker, there are certain elements and components of this aluminum plant that are known. There is certain financing in this plant that is known. There are Memorandums of Agreement that have been signed to discuss this issue four or five months ago. We have seen what child care, we have seen with other proposals that this Government is slow at taking up the very important issues facing this province. Could he please put a submission in before the federal Government so that Manitoba would be eligible for funding on the same basis as the Province of Quebec, notwithstanding the meddling of the Prime Minister of this country?

Mr. Filmon: Mr. Speaker, this Member is getting silly. There is no such thing as a Memorandum of Agreement that has been signed. These things are at a very preliminary discussion stage. They are a prospect to locate here and to invest over a billion dollars. We are interested in attracting them. We offer them a far more businesslike atmosphere, a far more attractive climate than ever was here under the NDP, so they are talking with us very seriously about investing here. We are pursuing it very, very diligently. We are pursuing it through Manitoba Hydro, through the Department of Energy and Mines and through the Department of Business Development, because we believe that it would be a good investment for Manitoba.

I do not understand what is in the mind of the Member for Concordia. He is suggesting that there are all sorts of things that were there. They were not at all there under the former NDP administration. They blew the Alcan smelter for which there was a Memorandum of Understanding to develop the smelter. They blew it. We are working to develop the smelter and we will let him know as soon as we have got it on paper.

* (1350)

Aluminum Smelter Development Environmental Impact

Mr. Harold Taylor (Wolseley): Mr. Speaker, my question is for the Minister of Labour and Environment (Mr. Connery). As the Minister knows, the province has been negotiating with Alumax of California for a Class 3 mega project aluminum smelter which would require him to issue a permit. According to the new Environment Act, the Minister has considerable discretion in determining the scope and intensity of a Class 3 project and the environmental reviews that would go with it as was

pointed out by our Leader in this House on July 7, 1987. Too many may's and not enough must's. In the worst case, the Minister could simply rubber stamp Alumax's application.

My question to this Minister is will he make a commitment now to this House to a thorough environmental impact assessment of Alumax's application, including public hearings?

Hon. Edward Connery (Minister of Environment, Workplace Safety and Health): Absolutely, Mr. Speaker. A plan of this magnitude would have our total environment impact study. We would have hearings for it, but first of all we would have to find out where it is going to be. We are very enthusiastic and we are very warm to this proposal, but before we can make an impact study we have to find out the location. Once we do, we will do the studies.

Rafferty-Alameda Project Environmental Impact

Mr. Harold Taylor (Wolesey): Mr. Speaker, I thank the Minister for that positive response.

Further on the same subject, aluminum smelters are known for producing a number of noxious by-products which can have serious negative health implications for smelter workers. Will the Minister insist that Alumax use only the most modern and best technology available in its smelter thereby minimizing the contaminant intake for employees and will he further insist that Alumax comment fully on these aspects in its licence application?

Hon. Edward Connery (Minister of Environment, Workplace Safety and Health): That has to be one of the silliest questions I have ever heard. A company who is going to come in and spend \$1 billion is naturally a brand new plant having the most up-to-date equipment. That is absolutely foolish even to question that.

Mr. Taylor: I do not think the potential workers in that smelter think it is silly, but given the firm response that we have received from this Minister as to what he will order as Minister of the Environment for environmental impact assessments on a new smelter by Alumax, when is he going to request his officials to order the same sort of environmental impact assessment study for the Rafferty-Alameda project and the potential negative impacts on the Souris River drainage basin? I would like an answer.

Mr. Connery: Mr. Speaker, as you know, and as the Member opposite understands, and should understand, there has been a draft proposal coming back from the Corps of Army Engineers in the United States. It is a large manuscript and our department is now reviewing it to ensure that the environmental impact in Manitoba will be properly looked after. So until our department has had an opportunity to review it, we cannot comment on it. We made the proposals in the first draft that went back to them, we had proposals in there. Now, we will see if they will follow it up.

Mr. Taylor: Can we have a clarification on that, please? I just want to clarify if the environmental impact assessments in Manitoba will be clarified by the U.S. Army Engineers? Thank you very much.

Some Honourable Members: Oh, oh!

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

* (1355)

Creative Retirement Manitoba Funding

Mr. William Chornopyski (Burrows): We on this side of the House are delighted with the announcement of a new centre for the aged and their rehabilitation. We congratulate both levels of Government for having decided to put Manitoba in the forefront of this very important area. It is fine to build a facility. However, we have seen the erosion of funding for programming and activities over the past few years. An example of this erosion in funding is currently experienced by the Creative Retirement Program. The program provides vital courses for over 2200 seniors. Of these seniors, about 65 percent are on low fixed incomes and are receiving guaranteed income supplements, and yet despite these facts, funding for the program has remained the same over the course of the last four years.

Therefore, I ask the Minister responsible for Seniors (Mr. Neufeld), what steps will he take to make it possible for seniors to continue to participate?

Hon. Harold Neufeld (Minister responsible for Seniors): The review, as any other review, must be ongoing. As we get into the programs, we will be consulting with other departments of Government and we will be putting forth the programs that the seniors want and that the seniors need.

Mr. Chornopyski: A supplementary to the same Minister, Mr. Speaker. It is important that this Minister provide some sort of assistance to have creative retirement in these difficult circumstances. Their Brandon office is in danger of closing. It has served nine communities in the past, it was reduced to five, and it may disappear altogether.

I ask the Minister will he allocate some funding to this office in view of the fact that he has some \$200,000 within the Seniors' Directorate Fund, some of which he could allocate towards this end?

Mr. Neufeld: As the Member for Burrows must understand, the budget for the Seniors' Directorate has not yet been approved. It may be approved tomorrow. We do not have staff at this moment. We had them place a number of programs we wish to proceed with. We are not, at this point in time, in a position to say what we are going to do with the \$200,000, but we will have a detailed spending estimate ready when the Estimates are reviewed.

Manfor Ltd. Chemical Spill

Mr. Harry Harapiak (The Pas): Mr. Speaker, my question is directed to the Minister of Environment (Mr. Connery). Can the Minister inform this House what he and his department are doing about a recent spill at Manfor?

Hon. Edward Connery (Minister of Environment, Workplace Safety and Health): Mr. Speaker, I will take that question as notice.

Mr. Harapiak: While the Minister is taking that question as notice, I would like to also ask the Minister to take into consideration the fact that Manfor's domestic water supply is contaminated. They have been trucking water in for the last month. I would also like him to take into consideration what is being done to make sure that the water supply for the surrounding community is not affected as well.

Mr. Connery: I will take that question as notice.

Teenage Pregnancies

Hon. Leonard Derkach (Minister of Education): On August 15, I took a question as notice from the Member for Ellice (Ms. Gray) to which I would like to respond at this time. The question was with regard to pregnancies in schools and the reporting of those pregnancies to Child and Family Services, and the compulsory implementation of the Family Life Program.

First of all, with regard to the pregnancies in high schools, there is no mechanism. It has never been a requirement of schools to report pregnant students to Child and Family Services or to the public health nurses. At this time, there is no intention on our part to have those things reported to Child and Family Services. This, Mr. Speaker, is a very sensitive area. It is an area which, I think, deems of us to be respectful of people's privacies, and it is not something that we would want to report to Child and Family Services, nor would the parents of those students or those students want to report those things to Child and Family Services.

Family Life Education Program

Hon. Leonard Derkach (Minister of Education): With regard to the compulsory aspect of Family Life Education in schools, we do not have any intentions of making Family Life Education compulsory in our schools at the present time. It makes me wonder where the Liberals are coming from because, although the Member for Ellice (Ms. Gray) is calling for compulsory Family Life Education in schools, it is not so long ago that the Member for St. Vital (Mr. Rose) was a very strong opponent and still is, I would presume, of making Family Life Education compulsory in schools. So it would be interesting to know where the Liberals are coming from.

Ambulance Services Funding

Mrs. Gwen Charles (Selkirk): Yesterday, in this House, I read the speech given on March 3, 1988, by the present Minister of Health (Mr. Orchard), where he chastised the now defeated Government on its lack of caring, lack of funding and lack of commitment to ambulance services in this province. He supported more funding then. He supports less funding now.

My question to the Minister is will he tell us now, this Legislature and the province, the reason for his change of mind?

Hon. Donald Orchard (Minister of Health): I was regretful that I was not here yesterday and I am certainly pleased that my honourable friend from Selkirk has chosen to pose these questions again today.

I want to assure my honourable friend that the ambulance service in Manitoba, despite being the lowest funded in Canada by the provincial Government, operates very, very well for the citizens of Manitoba. That is because, in rural Manitoba, it is primarily serviced and manned and staffed by volunteers who are well-trained volunteer ambulance attendants and drivers who do an excellent job providing service. In the City of Winnipeg, I have to tell my honourable friend, the City of Winnipeg ambulance service is indeed an excellent service with one of the lowest response times of any in western Canada.

To address the specifics of the question, first of all, I have to correct my honourable friend. There is an increase in funding to the ambulance service this year, a direct contrast to what she was saying. Secondly, I wish to point out that I have had discussions with a number of people involved in the delivery of ambulance service. Their concerns not only centre around the level of funding and the provision of funding by the provincial Government which, I fully admit, is woefully inadequate, but there are other concerns they have in terms of how our provincial ambulance program is organized and undertaken.

We have initiated two initiatives in addition to the additional funding this year. Firstly, we are providing municipalities, who formerly were on an annual grant, with a semi-annual grant to get more funding to them immediately. That is something that has met with a great deal of support by the municipalities.

Secondly, and more importantly, we are now in the process of a complete review of the ambulance funding system and its organization in the Province of Manitoba, a review which I am hopeful will provide us with the guidance as to how we enhance the ambulance service in the Province of Manitoba to the betterment of the people of Manitoba.

Mrs. Charles: Considering that local taxpayers support all uncollectable ambulance accounts and considering that rural ambulance services often serve the tourist routes and districts, will this Government and this Minister direct this policy that it is initiating away from an ambulance utility and towards an ambulance health service?

* (1400)

Mr. Orchard: Mr. Speaker, what the Honourable Member for Selkirk (Mrs. Charles) of course is asking for, if I presume the answer to her question, is for a substantially funded and insured service in ambulance provision in the Province of Manitoba. Now that is one of the options that is being studied.

However, I might remind my honourable friend and she might want to consult with her Finance critic who, in the course of his presentation on this Budget, chastised the Minister of Finance (Mr. Manness), the Treasury Board and the Treasury Bench for not reducing taxes to the people of Manitoba because the tax level inherited from our NDP friends is considerably higher than it ought to be. My honourable friend from Selkirk ought to get together with her Finance critic to determine whether you want the money to go to reduced taxes or increased services because you cannot have it both ways.

Mrs. Charles: Having admitted that the ambulance service in Manitoba is woefully underfunded, is this Minister indicating that, because they are not willing to scrape together the funds to support modern ambulance services, is it rather saying that in having diminished services that they would rather scrape the bodies off the roads?

Some Honourable Members: Oh, oh!

Mr. Orchard: Mr. Speaker, let me indicate to my honourable friend that I am not satisfied nor will the ambulance services nor will the municipalities be satisfied with the level of increased funding that was made available to the ambulance service this year. I openly admit that, but that is the difficulty that one faces when one inherits a number of underfunded services from our former Government.

I want to tell you that, in this particular instance, my colleague, the Minister of Community Services (Mrs. Oleson), happened to get a substantial increase in funding for foster children to care for children in the homes of Manitobans who are foster parents. That was a dedication of resource that was woefully inadequate before. We are now the second-highest-funded foster parent plan province in Canada. As a result of that, I was unable to provide the kind of level of funding that I would like to have achieved. In this case, children took priority over the ambulance service as this Budget emerged.

Rural Economic Development

Hon. Jim Ernst (Minister of Industry, Trade and Tourism): About a week ago, the Leader of the Opposition asked me the following question: why staff in the former Department of Business Development and Tourism who have been trained to work in areas of rural economic development, particularly with regard to the North, have been transferred to southern Manitoba, more specifically, Winkler, where they have no expertise and training in dealing with local problems in that area. I took that question as notice.

I am pleased to advise the Leader of the Opposition (Mrs. Carstairs) that her information is incorrect. There is no person who was trained previously to work in the North who has been transferred to the Winkler area, in or around the Winkler area. We do, however, have staff from the department who normally work with the Pembina Valley Regional Development Corporation working in that area with that regional development corporation on projects related to Winkler and Morden.

AIDS Education Pamphlet

Mr. Jay Cowan (Churchill): My question is to the Minister of Health (Mr. Orchard).

The Minister of Health has indicated in the past that he is prepared to provide more funding for AIDS education in the province. I wonder if the Minister can indicate, in light of that commitment, why it is that the pamphlet that was previously handed out entitled, "AIDS—Know Enough to Protect Yourself—Fast Facts," is not now available from his department or any Government agency for distribution to the public. Can he indicate if there are any replacement pamphlets that might be available due to the fact that this one is not readily available to the public?

Hon. Donald Orchard (Minister of Health): The AIDS pamphlet that the Honourable Member refers to was requested by the Department of Health in numerous quantities to have available in an informational booth they had set up for the Red River Exhibition. As a result, unfortunately, most of the supplies of the AIDS pamphlet that he has are exhausted. Now we are in the process of reprinting that pamphlet.

As my honourable friend well knows, the topic of AIDS is one in which new information constantly comes forward, and we are addressing the new information base that is there and hopefully will have a—not that there was anything factually inaccurate in the old pamphlet, but a new pamphlet will provide fuller and more complete information up to date with current research in AIDS.

Mr. Cowan: As the Minister indicates, there is nothing factually inaccurate about this pamphlet. It is my understanding that there are several thousand copies of this pamphlet available, which are not being distributed because there is a concern about the name of the previous Minister, Mr. Wilson Parasiuk, being on the pamphlet.

Can I ask the Minister of Health (Mr. Orchard) if he can put aside that sort of petty partisan politics and ensure that this sort of factual information, whatever quantities are left, is available to the public so that they can have full information about AIDS? As he is well aware, while there is new information being developed every year, there is also a lack of information out there among the general public and this pamphlet, in spite of the names on it, can provide that information to interested citizens.

Mr. Orchard: I just simply want to repeat the answer that I gave to my honourable friend before. Those

pamphlets were accumulated for distribution during the Red River Ex at an information booth that the Department of Health put out to provide information for those who so desired and dropped in on that booth.

Now, in terms of my honourable friend's accusation about the name on the pamphlet, I have little concern about the name on the pamphlet. Those pamphlets, if they exist in the quantities that he indicates, will be distributed upon request. That is going on in probably about 20 other pamphlets and materials that are within the department, some of which even have the name of the Honourable Mr. Desjardins on them and are being distributed to the people of Manitoba as requested. So any accusation that my honourable friend is making about not wanting to distribute a pamphlet because the name is incorrect is a purely false accusation, and I would like him to withdraw.

Mr. Cowan: The fact is I made a phone call five minutes before coming into the Chamber and was told that these pamphlets are not available, even although we know that there are quantities, given the answer of the Minister earlier today that they are available.

* (1410)

AIDS Education Policy

Mr. Jay Cowan (Churchill): My supplementary question is to the Minister of Education (Mr. Derkach).

Can he confirm or can he indicate why it is that he is not signing off the policy guidelines on HIV-positive antibody-exposed students and staff in the public school system, why it is he has not signed that policy off so that can be circulated to the educational system so that those staff and those students who are about to enter the educational system for the upcoming school year in a few short weeks will have an up-to-date policy available to them to guide them in this very difficult area?

Hon. Leonard Derkach (Minister of Education): I can assure the Member for Churchill (Mr. Cowan) that, when the students enter school this fall, there will be an up-to-date policy in place for them for the school year with regard to AIDS.

Free Trade Agreement Hydro Power

Mr. John Angus (St. Norbert): My question is to the First Minister (Mr. Filmon). It concerns the Free Trade Agreement, and the potential, as there is a difference of opinion between the Minister for Hydro (Mr. Neufeld) and the chairman of the board of Hydro in relation to the Free Trade Agreement—excuse me for the preamble, but Mr. Ransom has indicated that he is going to get a legal opinion. As the aluminum smelter depends so much on electricity and cheap power, will the Minister release the report to the House when it is available?

Hon. Gary Filmon (Premier): I am not certain what report the Member for St. Norbert (Mr. Angus) is

referring to, but we will certainly be prepared to share any opinions that are requested with respect to the provision of power at cheap cost to an aluminum smelter, if that is the area of his concern.

I repeat though, as I said yesterday, the fact is that, if you provide a subsidy below the cost of production or below the cost that you would provide it to other consumers in Manitoba, that is countervailable under GATT currently. It has absolutely nothing to do with the Free Trade Agreement. If he is trying to raise some smoke screen or some phony issue on the Free Trade Agreement, I tell him that is already in place under GATT. That would be countervailable, that is well known.

Some Honourable Members: Oh, oh!

Mr. Speaker: Order, please. The time for oral questions has expired.

NON-POLITICAL STATEMENT

Mr. Darren Praznik (Lac du Bonnet): May I have leave of the House to make a non-political statement?

Mr. Speaker: Does the Honourable Member for Lac du Bonnet (Mr. Praznik) have leave? (Agreed)

Mr. Praznik: This morning, on the steps of our Legislative Building, a torch was lit by a former Olympic athlete, Mr. Jim Trifunov, and it would be carried by over 70 young athletes throughout the course of this day to arrive in Beausejour this evening for the official opening of the 1988 Manitoba Summer Games.

As the MLA for the host communities of Beausejour and Pinawa, I would like to join in the expressions of congratulations made yesterday by my colleague, the Minister of Sport (Mr. Ernst), and the Member for St. Johns (Ms. Wasylycia-Leis).

Over the next few days, well over 1,000 young athletes from throughout Manitoba will congregate in Beausejour and Pinawa to participate in the variety of sports that make up the Games. I am sure they will enjoy the thrill of competition, as well as make countless new friends.

Such an event as this would not be possible if it were not for the hundreds of volunteers from the host communities who have given and are giving so freely of their time and resources. Under the excellent stewardship of Committee Chairperson Mr. Archie Warren, the Beausejour-Pinawa Summer Games Committee has worked for nearly two years to make the games a success. On behalf of the people of the Lac du Bonnet constituency, I would like to express our thanks and congratulations to them. I would also like to invite all Members of this House to join with us in Beausejour and Pinawa for the 1988 Manitoba Summer Games.

HOUSE BUSINESS

Ms. Judy Wasylycia-Leis (St. Johns): I have a question, Mr. Speaker, on House Business. I am not sure who I should be asking this question of but it concerns the

supplementary detailed Estimates. If it is in order, I would like to ask the Minister of Community Services (Mrs. Oleson) and the Minister of Industry, Trade and Tourism (Mr. Ernst) when the detailed supplementary Estimates will be available.- (Interjection)- You got yours? I did not get any.

Mr. Speaker: Does the Honourable Member for St. Johns have leave? The Honourable Minister of Natural Resources. Whoa, let us back off a minute here! Let us just hold it here.

Some Honourable Members: Oh, oh!

Mr. Speaker: Let us get this place under control. Let us try one more time. Order, please.

The Honourable Member for St. Johns had asked leave to ask a question of the Minister of Community Services re some documents. Does the Honourable Member have leave? (Agreed) The Honourable Member for St. Johns on House Business.

Ms. Wasylcia-Leis: I understand from my colleague, the MLA from Brandon East, that he has received his detailed Estimates for the Department of Trade and Tourism. I would therefore direct my question to the Minister of Community Services if she could indicate to this House, since her department would be first up in the Committee Room, when we will be able to receive a copy of the detailed supplementary Estimates for the Department of Community Services.

Hon. Charlotte Oleson (Minister of Community Services): Mr. Speaker, I can table that tomorrow for the Members.

NON-POLITICAL STATEMENTS

Hon. Jack Penner (Minister of Natural Resources): Yes, Mr. Speaker, may I have leave to make a non-political statement?

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

The Honourable Minister of Natural Resources.

Mr. Penner: I would like to recognize today those people who spend an awful lot of time and energy and monies in this province to provide habitat for wildlife and the likes. There is, however, a person that I would like to single out today, a person by the name of Noel Ham of Kendall, Manitoba, who donated 20 acres of his farm toward a wildlife preserve. In addition to that, Mr. Ham donated in 1984 a parcel of 60 acres which was set aside as a wildlife preserve. I want to commend Mr. Ham for his generosity and his exemplary action in preserving a parcel of Manitoba for wildlife heritage and for future generations to enjoy.

Mr. Richard Kozak (Transcona): Mr. Speaker, if I might have leave to make a non-political statement.

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

Mr. Kozak: I am sure we all join in extending best wishes for success to the 1988 Manitoba Games which will run until Sunday in Beausejour and Pinawa. Western civilization subscribes to the ideal of a sound mind in a sound body and we congratulate both the Manitoba Games finalists and the 250,000 Manitobans who participate in amateur athletics.

* (1420)

ORDERS OF THE DAY BUDGET DEBATE

Mr. Speaker: On the proposed motion of the Honourable Minister of Finance (Mr. Manness), standing in the name of the Honourable Minister of Labour (Mr. Connery), the Honourable Minister of Labour.

Hon. Edward Connery (Minister of Labour): Thank you, Mr. Speaker. It is indeed a pleasure for me to be able to get up and speak in the Budget Debate.

My initial reason in running for this Legislature was to be able to do something positive for the people of Manitoba. I am very proud to be a part of a Government who has brought forth a Budget that brings my views into focus.

I want to congratulate the Minister of Finance (Mr. Manness), the Treasury Board people, and indeed all of my colleagues for the efforts that have been put forth to bring this Budget forward.

When I was at a meeting the other day, I heard the Minister of Finance say that he was fiercely proud of this Budget, and I think all Members on this side can echo those sentiments.

I would like to very quickly, first of all, go through the highlights of the Budget. The areas that I think—well, all areas are important, but I think some should be highlighted just a little more. The top priority in my estimation to the people of Manitoba is our health. If you do not have health, you do not have very much going for you. Having had the opportunity to be looked after in the Health Sciences Centre with open heart surgery a year-and-a-half ago, I realize that health is a very, very important issue. So the increase of 9 percent to \$1.5 billion, I think reflects the concern that this Party has for the health of Manitobans.

Also, I would like to make note of the \$150,000 for industrial health promotion. We have heard some concerns and questions on the safety of the environment and people working in certain areas. We are very concerned about the health of workers and we are very concerned about the environment. I will speak a little bit more in depth on the environment as I get on.

The \$11.1 million for independent schools shows our commitment to students of all groups and, hopefully, this can be brought up to a higher level in future years.

The 23 percent increase for day care programs shows the concern that we have for working mothers and that we can have people going out into the work force. We

have a lot of single mothers who really require day care service, and we are very proud, and I am very proud of this increase in a very important sector.

I think the increase of 5.6 percent for Employment and Economic Services shows our concern for the unemployed and for the underemployed. There is no question that we have a lot of underemployed and unemployed people in this province. We are not proud of the record that we have taken over from the previous Government, but we will work away at it to ensure that more Manitobans have work.

In the Department of Agriculture, we see an increase of 50 percent. A 50 percent increase is a significant amount and it recognizes the value of agriculture to this province, the importance of agriculture to our rural communities and indeed to the City of Winnipeg, because money that is spent in the farm community, the small towns, eventually gravitates to the larger cities. So while we are spending this extra money on agriculture, that will influence and impact on an awful lot of people in Manitoba.

I am very proud of the money that was put forth in the drought program, the quick action that was taken by this Government to establish a drought committee to monitor the situation, to meet with the federal Government to ensure that the farmers in western Canada will have some assistance under these very trying times. It is bad enough to have very low prices, but when you have a very low crop, it is a double whammy that most people have a hard time coping with.

The increase, and while it is not enough, it is not near what we would like to see, but the increase of \$7 million in the Highways Department is indicative that our Party wants to move to greater funding for the Department of Highways and to bring the rural areas in line with some proper transportation system. We realize that grain elevators are closing, there is rail line abandonment and farmers have to haul farther to their elevators; so it is very important that we have a good highway network to allow this to take place.

But another area that I am extremely proud of is the extra \$1 million for tourism marketing. When I was the critic for Tourism, I realized the importance of this particular sector. It has the potential to be one of the greatest employers of people. There is in the area of 30,000 people who are employed in the tourism industry and it impacts on a lot of others. So the additional \$1 million, I think, is a start in the right direction. They could use much more, other jurisdictions are spending more, but after inheriting a Budget like we did, I think that is a significant increase.

Last summer I had the opportunity to go to Churchill to see this unique and very pretty little, little town. Mr. Speaker, I can tell you that my wife and I fell in love with Churchill. It is not a large community but it has something that is very unique to offer to the people of Manitoba, to Canada and, indeed, to the whole world.

The previous Minister of Tourism, the Member for Logan (Ms. Hemphill), said that if she only could tell the people of the world about Churchill, we would have

a tremendous tourism trade up there. All we have to do is go back to the silly political decision that the NDP Government made to cut out the pavilion in Vancouver at Expo. That was the prime opportunity to tell the world about Manitoba and expressly Churchill. We had Europeans there at Expo. They just would love to know that Churchill was there, and we did not have the opportunity to tell them. So I am very, very disappointed and everybody in the tourism industry understands that not going to Expo was one of the biggest faux pas this previous Government ever perpetrated on tourism.

I am very disappointed in the Member for Churchill (Mr. Cowan) for not putting any emphasis on tourism marketing for Churchill. Just the other day in the debate on the Port of Churchill, a comment went across the floor that the NDP were a one-issue Government and were only concerned about the rail movement of grain through the Port of Churchill.

The Leader of the NDP (Mr. Doer) shouted from his seat that they had quadrupled tourism. I would like to read some of the stats that tell about their way of quadrupling tourism and what their numbers are.

The high point in their time was in '83-'84, there were 21,200 people visited Churchill. In 1986-87, it went down to 11,500, almost in half. So either the Leader of the N.D. Party was attempting to mislead when they were caught on an issue or did not know his stats. Either way, I think he is misrepresenting his constituency and the Town of Churchill and also the Port of Churchill. So I think both the Leader of the NDP and the Member for Churchill were not doing their job.

In the finishing up of the Budget, I think the one significant thing we need to emphasize is that for the first time that I can remember there was no net increase in taxes and that is something the people of Manitoba really appreciate.

* (1430)

But I would like to point out in the speech from the Leader of the Opposition (Mrs. Carstairs), she has continuously said that the deficit has to be reduced. She also agreed the payroll tax should be reduced, but she says here in her Budget speech, "I rejected always the thought of rolling back the payroll tax which I knew was some \$200 million in this province." She was one during the election that said she would roll back the payroll tax. Then she got caught on her statements and then she said she would roll it back in three years. Then she made another revelation and said she was not sure though what three years that would be.

They continuously say that they want to cut the deficit, but what have we heard since this House has gone into Session—spend, spend, spend. The Member for Ellice (Ms. Gray) is continuously saying spend, spend, spend and yet we want to cut the deficit. No, that does not bode very well.

Mr. Speaker, they also say -(Interjection)- Chip 'n Dale are having a good time here.

The Leader of the Opposition (Mrs. Carstairs) says that we need to cut administration and she says we

had all this extra administration in our Budget. Obviously the Finance critic on their side or the Leader of the Opposition really do not know how to read a financial statement and did not understand what was in it because we did indeed cut from the administration costs. She said we needed to streamline and when we did streamline we were criticized for cutting in the administration. I was criticized for the elimination of one deputy and whatever else support that would impact on. She says on one hand we need to cut the administration, and on the other hand she says why are you doing this, so they are going to have to get to be consistent.

She says here, "They have not trimmed expenditures." We have trimmed expenditures where it was possible to do so. The priorities were made to where the money had to be spent, and as the Minister of Health (Mr. Orchard) said earlier in the Question Period that the priorities of the Community Services and children came before some other areas, and that is the area that you have to do. You have to make hard decisions.

While the Leader of the Opposition had many ways of spending money and suggestions where to spend, she did not make any comment as to where the money was going to come from. She did not address the business community. She did not make any recommendations or suggestions. Having the desire to spend is one thing and those of us who are in business recognize it. All of us recognize it in our own personal lives even if you are not in business. You realize you have so much money to spend and you set the priorities within that. If you want to spend more money you have to go out and earn it, and most of us the old fashioned way.

I think the Leader of the Opposition and the Leader of the N.D. Party need to align their thoughts. Sure we want to spend more money. We are going to try to develop the business community so we will generate that income. The Leader of the N.D. Party was very critical of money being spent at Inco. Inco is one of the larger employers in this province and is very seriously needed in the Town of Thompson.

An Honourable Member: City of Thompson.

Mr. Connery: Okay, the gentleman says "city" and I agree with him. Thompson is a city and it is a wonderful city because I was also there last summer on the way to Churchill and we spent some time in Thompson. We find that they are a very friendly group of people and it is a very clean, neat and tidy city. So I compliment the people of Thompson on how they conduct their affairs. Spending money on a smelter is not wasted money. The profits at Inco have been tremendous. The returns to the coffers of Manitoba and the Government of Canada are fantastic. The company has a formula where, as the price of nickel goes up, the employees get an increase or get a percentage of that. I can tell you, Mr. Speaker, the people in Thompson are very pleased with what is happening with Inco and they are very pleased to see this company making huge profits.

While they talk about all of this borrowed money and the debt, we have to be very concerned that we generate

the money we are about to spend. Unemployment has been questioned here many times. I know Members opposite from the Liberal Party have not had the opportunity, having been elected for such a short period of time, to have maybe done all the research on the labour stats. Traditionally, Manitoba was always 2 percentage points lower than the national. Today, they are exactly the same at 7.9. During the Sterling Lyon years, the highest unemployment in numbers of people was 20,000 people. Today, we have 41,000 people unemployed. That is not acceptable in the Province of Manitoba and it is not acceptable to me or to our Government that we would have 41,000 people unemployed.

We have inherited a province where the Government ruined the business climate. Anybody that knows business and knows rebuilding knows that it is going to take several years to completely rebuild this province. We are making these hard decisions now to get this province back on a role where we can have a very low unemployment rate.

I want to speak a minute about pay equity. There is a concern, or at least there is a political concern, on the Members opposite about pay equity. I will tell you it is not a political concern on our side, it is a very real concern that women be paid equally with men. We are not there, but in time it will come. Our department was criticized for not moving quickly onto the next phase which probably would have included schools under pay equity. We have not completed, and it will not be till this fall, the hospitals and other institutions to ensure that we know the cost implications, all of the other problems that can go with it because each group is somewhat different.

In discussing it with the Director of Pay Equity, we tried to rationalize what was the best approach. Do we keep on going, and if there are flaws in the system, create a bigger problem? Or do we stop for a brief period of time, examine what we have been doing and then move on? I have asked the Director of Pay Equity to examine the four big businesses in Manitoba that received aid from the province and because of that they were obligated to implement pay equity. We have written letters to these companies to analyze how pay equity has affected them—what is the cost implications of it and what are the methods, was it a difficult process, so we could set up a system that we can make sure that it flows easily. I have also asked the director to try to take two or three, four companies and to do a model of research on them to understand a little bit of what we are getting into in pay equity so the process would be smooth. We are doing that.

I am very pleased to see one school division implementing it on their own. I compliment them on that. They did not have to. They took it on their own initiative. This will give us, Mr. Speaker, an opportunity to study what they have done, what the implications are, what sort of a program needs to be in place because it is not an easy thing to implement. It is quite difficult. This is where the Department of Pay Equity comes in, that they assist the various groups to implement it. While we are criticized of not moving ahead this year, we think that on this side that what

we are doing is going to be more beneficial in the long run to pay equity.

* (1440)

Another very vital concern is the Affirmative Action Program. We looked and I brought up to date yesterday to this House the fact that while there was a director in place. The Pay Equity Program did not move very well under the previous Government. I have done a lot of inquiring to see what was taking place under pay equity or affirmative action. I found out that this previous Government, the NDP Government, was giving lip service to the role of affirmative action. When the Leader of the NDP (Mr. Doer) was the head of the MGEA, he was very concerned about affirmative action and was not supportive of affirmative action. Now he is Leader of the N.P. Party who is questioning what we are going to do. We have to be very, very sure what we are doing.

In discussing it with the Deputy Minister of the Civil Service, we wanted to ensure that we were going to do the best job possible, to bring along the program of affirmative action. He indicated that, yes, indeed, when the program was first initiated, a director, who would sit down and work and develop the guidelines and the policies and get the various departments working on it, was probably the right direction, but it is working. There is also a committee in place that reaffirms the affirmative action, to study it, to make sure that affirmative action is taking place. That committee will be meeting. We have a joint committee that also meets with the MGEA to discuss all of these issues. I am hopeful that they will be, the new president will be, more supportive of affirmative action programs than the previous head of the MGEA was, the Leader of the NDP (Mr. Doer). We are going to proceed with it.

We did not just cut out a reporting system; there is a reporting system. There is a reporting system to the Assistant Deputy Minister responsible for Human Resources. We have instructed all departments to make sure, to ensure that they have affirmative action in place and that they are following it. We will put a lot of pressure on departments to ensure that they do. We will be reviewing their programs, their initiatives. If their initiatives are not being fruitful and hiring people in the affirmative action group, target group, then we will take some sort of action or pressure on them.

We have in place a policy—or how the program will work, and it is from the Civil Service Commission—who they report to and all of the things that go on. If any Member opposite is concerned and would like a copy of it, I have no worries about making it available to them so they will understand that, yes, indeed, on this side of the House we are concerned and I think Members opposite are also.

It is kind of interesting though, when there is a critic for affirmative action, the Member for Radisson (Mr. Patterson) saying that he was not too concerned about the cutting of the position. He was concerned about affirmative action; he made that statement. He was prepared, like we are, to give it a watchful eye, and if it is not working then we take some other resolution.

At the same time, the Member for Ellice (Ms. Gray) was offended and annoyed that the position was not refilled. Obviously in the camps of the Liberals, the caucus to decide what they want to do—and of course this is the flip flop that we have seen ever since this Session went in. One says one thing and somebody else says another.

The Member for Transcona (Mr. Kozak), the Finance critic, says that we should be cutting the 2 percent tax. The Leader of the Opposition (Mrs. Carstairs) said, no, we will not cut the 2 percent tax. There is the consistent and constant flip flopping back and forth. Can you imagine if they were in Government and we had flip flop like that? We would be changing programs every day.

An Honourable Member: I cannot believe what you are saying about them. Are they really that bad?

Mr. Connery: They are really that bad.

I can tell you very clearly that affirmative action is foremost on our minds and that we will make sure that it works.

Another area in my department that I am quite concerned about is our Labour Relations Review Committee. This is a committee of labour and management to try to work out problems and to make the business and employment climate much more fruitful and effective, both for management and from the employees' position. As everybody knows, when there is strife in the workplace, nobody gains. Nobody gains from a strike; nobody wins from a strike. Our hope is that we will maybe be able to revamp, revitalize that particular committee. We have a gentleman that is on it right now, Mr. Cam Maclean, who has done an excellent job. Mr. Maclean is obviously very busy. We hope that he can get more people involved and get it going. The importance of harmonious labour relations to me and to our Government are paramount. We are going to work very hard to ensure that they do.

Mr. Speaker, when we inherited this Government we inherited a lot of good employees, but we soon found out that what the problem was, that they were suffering from a lack of direction. This whole Government, like the Workers Compensation Board was a rudderless ship. There were people out there who were prepared to do a job but could not get direction. I had a critique of The Apprenticeship and Trades Act, and you would be amazed that they said people were moved from Level 1 to Level 2 before they were completed, because they wanted the numbers moving. They wanted it to look good. The emphasis of the previous Government was for exterior image. They wanted the people to think they were doing a credible job. Their interests were not that of the individual, of the person. We have seen that so many times, that happening. The previous Minister of the Environment requested an appeal. When I took over the office for four years, that appeal had sat and the Minister did not make a decision. That is just one of the little incidental things that has taken place under the previous Government.

When we were discussing environment and the Member for Wolseley (Mr. Taylor) who is my critic for

the Environment, was asking a question about the Rafferty-Alameda program. Unfortunately, in Question Period you do not get enough time to go through all of the reasons and the problems. That is why Estimates are so important, where you can have a dialogue. Even today while one person speaks the others maybe listen, if they desire, but in Estimates there is dialogue back and forth to really get at the issues and that is what I am looking forward to.

But in the Rafferty-Alameda we have to understand that the waters are dammed up on, I think it is the Moose Mountain Creek and the Souris River, and they flow in. The Moose Mountain Creek flows into the Souris and the two dams are on there. After the water leaves there it goes into North Dakota, so we do not have the Interprovincial Waters Agreement to depend on. It is the International Water Agreement, also the concern of the environment because of the dams. It looks like it is a big issue but only 19 percent of the water that comes into Manitoba from North Dakota originates in Saskatchewan. Under the agreement, Saskatchewan has the right to hold back 50 percent of the water, and that I am sure they will do with the drought conditions. They recognize the real problems of water impounding so they are allowed to hold back 50 percent, which leaves us down to less than 10 percent of our water coming into Manitoba originating in Saskatchewan.

Our concern really is not with any agreement between Canada, Saskatchewan and North Dakota, our concern is with Canada, North Dakota and Manitoba. Lake Darling is the control structure for water coming back into Manitoba. Our concern initially, and it is the concern that I have raised with our staff, and our staff have raised with Ottawa and have raised with the United States, is that during the fill-up period, when they are filling those dams, they are going to make sure that they retain all of their 50 percent because they have got to fill them. Once they are full they will only retain as much as they need to maintain the level so we will have water.

* (1450)

There is a plus side to these dams also because we can see a release of water over a longer period of time so we will have something. Right now we are only allowed to have 20 cfs. of water coming into Manitoba, or guaranteed coming into Manitoba from North Dakota, during the months of May, June, July, August and September. We are striving to get with the International Agreement a month longer, at 20 cfs. and 10 cfs., for the rest of the year. If we can achieve that with the North Dakotans and the American Government, then the Rafferty-Alameda and all the things on there will be a plus to Manitoba. So to say that we have abandoned them or not concerned, Mr. Speaker, is not so.

Mr. Speaker, I want to speak for a minute on the fiasco at Flin Flon. When the issue was first raised, I was concerned that why had not our department reported to me that there was a problem at Flin Flon. The reason they had not reported to me was there was no problem at Flin Flon. The Leader of the N.D. Party, I think, got taken in by those two people who sit behind

him, the Member for Churchill (Mr. Cowan) and the Member for Flin Flon (Mr. Storie). They got him to state a bunch of issues and pronouncements that had no relevancy to fact at all.

Mr. Speaker, if there was such a concern over the product coming into Flin Flon and being processed, why did the Member for Flin Flon, who is the Member representing the people at Flin Flon, who was the Minister of Mines, why did not he take some action when he was in Government? We had material coming in and they were circuit boards out of computer systems coming into Flin Flon and that is when the workers first got sick. Some of the stuff came in, the circuit boards came in, with some material on it and in the burning process—the fumes—some of the workers got sick. That is when the company and the union had an agreement that anything coming in would be okayed by the union before they handled it.

There was a load of something that came in from Calgon during the reign of the NDP and the Minister from Flin Flon was the Minister of Mines. They brought in military batteries. The first load of Dow Corning material came in under the NDP. There were no concerns raised, not one. If there really was a problem, the Minister should have taken action at that point. Obviously there was no problem, so he did nothing or he is a do-nothing Minister.

Mr. Speaker, it is a shame that we have to see that sort of debate and we are not debating real issues because it is not a real issue. I had two meetings with the management of the Hudson Bay Mining and Smelting Corporation and they had said they had offered to the previous administration to notify them when any load of something different was coming in. It fell on deaf ears; they did not react to it. We have now set up a line of communication so that we will be able to ensure we know what is coming in. It did not come in under The Dangerous Handling and Transportation Act because it was not a dangerous good. It did not have to be flagged and it did not have to have the documentation.

Mr. Speaker, our first concern was to ensure that workers were safe. We have staff who live in the Town of Flin Flon and are there on a daily basis to ensure what is going on is safe to the workers. We are also monitoring the environment and, of course, the licence the Hudson Bay Mining and Smelting has is for emissions, and their emission controls are being monitored on a constant basis.

Mr. Speaker, the Member for Flin Flon (Mr. Storie) was very anxious to have it said that there was arsenic and cadmium in that substance. Well, if arsenic was not used in the North, there would be no mines in the North. Arsenic is one of the substances that is used in the mining process and also it is in the rock and the ore currently. It is there already. It was only less than one-tenth the concentration of arsenic in that Palo Alto and Dow Corning material that came in, that they use on an every day basis and, yes, arsenic is a dangerous substance if it is not handled properly. We have the monitoring devices in the building to make sure that the threshold limit values are there. We have occupational employee levels, so that nobody is in

danger. They have protective clothing. They have all of these things to handle it properly.

Mr. Speaker, cadmium is another one that the Member for Flin Flon (Mr. Storie) said, "Oh, there is cadmium in it." Hudson Bay Mining and Smelting manufactures or produces cadmium; they put it out. So what is the worry of having cadmium in it? Mr. Speaker, I can say that if we were to refuse the use of arsenic, we would close the mines and we would shut down all the jobs of those people. The Member for Flin Flon knows that the mine at Hudson Bay Mining and Smelting is worn out. It has to be replaced, and they are under an order to reduce their SO₂ emissions from 30 kilotons to 23 kilotons by the year 1994. To achieve that, they have to spend to rebuild the smelter and put in other emission controls, to the tune of well over \$100 million.

Mr. Speaker, we do not need that sort of insinuation and the fear tactics that were used by the Member for Flin Flon, who you might scare off, and the mine or the company say, well, what is the point of it? We have to spend all this money and they do not want us anyway, so why should we bother?

I think it is an indication of the Member for Flin Flon looking for political gain rather than worrying about the workers and the people in Flin Flon. There are 1,400 people employed in that mill in Flin Flon and there are 2,500 people employed by Hudson Bay Mining and Smelting in the North. They are a very, very important part of the environment and the employment in the North.

Mr. Speaker, when I was up there during the election campaign and I was campaigning on behalf of our candidate up there, the Minister said that he was against free trade. All of the mining companies are in favour of free trade. They find it is important that they have access to the American market. Inco is very concerned about free trade, and you can say, well, what is the concern? It is tariff free now, and that is right, there is no duty on nickel going into the United States.

But, Mr. Speaker, the realities are that there is a huge smelter sitting in New Orleans that is doing nothing. It is shut down at this time. And why is it shut down? Because the United States and Cuba are at odds and that is where the ore came from to make that smelter go. All we have to do is have the Americans make peace with Cuba and they would have the smelter going and then, do they want all the Canadian nickel? That is when the problem comes; that is when they will be looking to find some reason to countervail. So it is shortsightedness to take that short political stance without really evaluating all the concerns.

Mr. Speaker, I would like to mention the Workers Compensation Board. It was a good institution. When the NDP took over there was a \$22 million surplus in it. Unfortunately, the NDP came in and politicized them. Who started it? The Member for Churchill started the WCB on the road to a \$184 million deficit. Everything was political in it. They did not know how to manage. And when we took over the Workers Compensation Board, we had no Chief Executive Officer, there was nobody heading the Finance Department, the director

and the assistant director of the Rehab were not there, everybody was in an Acting position. So what we had to do was—and are in the process of—is rebuilding the Workers Compensation Board.

I can assure you that politics will have no role as long as I am Minister, in the Workers Compensation Board. The chief executive officer that we have put in place came out from the Manitoba Public Insurance Corporation, and Brian King, the head of the commission, is very pleased that this is the start. Now we build on that and we will make sure that we have in place—and it will probably take six months to find all of the competent people we need to make the Workers Compensation Board an effective board. It is not just to say throwing money after bad money will not do the job. We have to reorganize it, make it efficient, make it effective.

As you know, in the previous years, the last few years, people would wait over one year before they could go to rehab. Right now, the delay in people going to appeals is about eight months, people waiting to find out if they are going to get assistance from an accident they had. This is absolutely unacceptable. So to try to cure that, we have appointed three more people to the commission, to the board, to ensure that they would just work on appeals.

We hope that by March or April of next year we will have the appeals into a short, short time, but for people to wait a year to go into rehab is absolutely insane. Statistics show that people that are on rehab or out of the work force for a year or longer, only 10 percent of those people end up going back into the work force, and that is a tragedy. People get used to it or whatever the reason, they lose their confidence at being able to do their job, and so they stay out and they do not go back into the work force. We cannot have that.

We talk about a lot of cutting back on money to the payroll tax and the Leader of the N.D. Party (Mr. Doer) is very bitter about us trying to reduce the payroll tax. It is a disincentive to have some of these taxes. The payroll tax is a disincentive, but there are some people that can pass that payroll tax on—other companies cannot. I asked our lawyer and I asked our accountant when that tax first went on, and I said, "Who is paying the payroll tax?" They just said, "You are." We are the customers; they are going to pass it on to us.

But there are companies like ourselves, in the vegetable industry, that deal on the interprovincial and international marketplace and our prices are dictated by the external forces. We have no opportunity to tack it on and we have to swallow it. And what does that do? It makes us less competitive in the international and interprovincial marketplace. It is a two-pronged problem, but any tax that is imposed on a business that can be passed on is eventually passed on and it is the consumers of the province that pay for all of those taxes and charges that are given to business.

We, in this House, have inherited a lot of very serious problems. We are not going to put in band-aid solutions to try to look good politically. Even though we are in a minority Government and I know we are on shaky ice and tomorrow the combined Opposition could defeat

us, but to put in band-aid approaches to try to look good for a short period of time is not in the best interests of the people of Manitoba. I will not put in band-aid programs. We are taking our time. Like Workers Compensation, it will take another five, six months before we have it in place.

In summarizing, I can say that as the Minister of Environment, Workplace, Safety and Health; Labour; Civil Service, I am very proud that we are in a position to attempt to do something good for the people of Manitoba. I hope that after tomorrow night, we will still be in office and we will be carrying on the job that we were elected to do.

Mr. Speaker, I thank you for this time to say my few words on the Budget Debate.

Mr. Bob Rose (St. Vital): Mr. Speaker, I would like to refer to the earlier question period when the Honourable Minister of Education (Mr. Derkach) brought into question the stand and position of myself, as well as my Party, on the matter of family life education in our schools in Manitoba.

First, let me say that I am very proud that some four years ago, almost single-handedly, I led the battle and the fight, as many of you would know, against the secular, humanism family life course that was injected into this province with the okay of the NDP Government. It was nothing but a disaster for this province and it was stopped in the bud in St. Vital. The record will clearly show that well before this election and during that family life battle, I came on record more strongly than anybody else, perhaps, that I wanted to see a full and comprehensive applicable family life course in every school in Manitoba.

I would hope to go one step further, for the edification of the Minister of Education (Mr. Derkach) and Members opposite, that it was myself who went to Calgary at my own expense and brought back a Teen Aid Program which is now expanding by leaps and bounds in Manitoba, put up by private individuals without any Government support, for the comprehensive and Christian education of children in this province for family life education.

I want to make it very clear that I have always been in full agreement and have been in consultation with the Leader of this Party and others that we are in favour of family life even if it is compulsory in our schools, providing it does not touch on secular humanism points and that the parents have the option of taking their children out of the course if they so desire. That, as experience will show, is being done in very limited numbers or cases even with the program that we had previously in St. Vital.

Getting back to the Budget, I was not going to comment because I sat here for the last few days and felt that just about everything that could be said, and I am sure that you will agree, has been said if not once, maybe twice, and more times. Then, driving to work, I thought what would the debate for something like this be without an old Scotsman beefing and complaining about something! So I did make a few notes and I would like to refer to them.

I did find it interesting, the pleadings of the Minister of Northern Affairs (Mr. Downey) and the Member for La Verendrye (Mr. Pankratz) and others who were pleading, and it was almost solely, if I am not mistaken, to the Liberal Party to support their Budget. Little or no mention that I recall was—(Interjection)—Thank you, we will get to you later. But nothing was mentioned about the NDP, so we can only assume that the Conservatives made a deal with the NDP or that, indeed, it is a forgone conclusion that they will oppose the Budget like they have sort of indicated. Anyway, as the Minister of Labour (Mr. Connery) alluded to, we will not have long to wait with bated breath on that because their day of reckoning will be tomorrow.

I really think the Budget that we are looking at is more smoke and mirrors than anything else. It really does not look too much different to me and my colleagues than the Budget that was defeated that our Leader voted against sometime ago.—(Interjection)—Did you read? I will not get into that. Anyway, I think it became very evident to myself and many in the province, especially those running, that the first Budget of any Government that would be elected would be a rather easy one, taking into effect the windfalls that were becoming evident.

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

Nevertheless, regardless of that, Mr. Deputy Speaker, I am pleased to see two things as a free enterpriser; and that is, I am pleased to see the message that was sent by the Government in tax relief for new businesses and for reductions in the payroll tax. I think that this sends a message to all, not only Manitobans but people who are thinking of investing in this province, that we are moving away from socialism and we are getting back into business. If nothing else, I commend you for those efforts.

I want to speak a little bit about roads. My colleague has been mentioning this previously. I see there is \$7 million in there—an extra \$7 million for specific projects. I think the Highways Minister (Mr. Driedger) wanted to tell the people that he wanted the Budget to have a smooth ride through this Legislature. Again, I think it was a rather timid move. I think, in looking at the condition of our highways, we could have perhaps made some other taxes or perhaps put the diesel tax in and done a more comprehensive job on our—

Hon. Albert Driedger (Minister of Highways and Transportation): We will try next year.

* (1500)

Mr. Rose: Well, if you are around. If not, we will do it.

Actually, I thought that perhaps, before I got into Government, the NDP had some scheme or plan through on why they neglected roads, Mr. Minister, there, that with their high Autopac rates and their exorbitant driver licence costs and gasoline tax that perhaps they were trying to make it so that nobody could afford to drive anyway, and so they spent all that money. Instead of on highways, they spent it on MTX

and out-of-control Workers Compensation and other programs. I would like to congratulate them on the improvement, but I really think that it was child's play to show any improvement at all. It was a piece of cake.

If they did leave any money for automobiles, and I am referring now to the previous administration, they certainly tried to get it away from you in the form of payroll taxes, net income tax, land transfer tax. I think their objective there was that we would all end up riding on bicycles if we could even afford them. So we do acknowledge that there is some improvement there, but it was a pretty easy act to follow.

There are a couple of my favourite projects that I was disappointed in. I was disappointed to see that there was less and not more money in the river banks for pollution of our rivers in Manitoba. It was a grandiose scheme by the NDP. They fell flat on their face. They gave it an election promise, I think it was \$100 million, and I do not think we saw a nickel. Now I think, if I am not mistaken, the Opposition at that time was critical of that and indeed they have lowered their budget rather than increasing it. We will have a look at that in Estimates and, hopefully, we can convince them maybe to tax the mining companies a little higher or what have you to make room for some more money for cleaning up our river banks, which is such an important resource in this province for recreation not only of our citizens but of the numerous and thousands of tourists who come into Manitoba.— (Interjection)— pardon me? Yes, get more-doctors or dogs?

The other one is reforestation. I know that the previous Government and this Government are doing what they can, but I do not think we are doing nearly enough in reforestation. I understand that this year a lot of our efforts have been of no avail because of the drought. Because of that, I would like to see whoever forms the next Budget increase their efforts there. Again, we will be hoping that some money appears in the Estimates for . . .

An Honourable Member: One tree planted for every tree cut.

Mr. Rose: Yes, but what I am alluding to here is that, with the drought this year, many of the small trees—and no fault of the Government—many of the little seedlings that were planted did not survive because there was not enough water.

On dentistry, here again it was a pretty easy chore to pick a recipient for some money, but it must be recognized that there are probably a dozen faculties that could have used more money in their projects. But for one reason or another, this Government chose dentistry as their priority and undoubtedly the Ministers were wanting to make sure that they put some teeth in the Budget and a smile on the faculty's faces.

We talked a little bit about an election platform here of \$200,000 for the Seniors' Directorate. We have had scant, if any, explanation of what we intend to do there or what programs we intend to implement. Two hundred thousand dollars for the growing population of seniors is a relatively meagre start but it is a start. I am

disappointed that it was not more substantial because there are many other programs—and I am not alluding anywhere along here that we should be spending more money—but I am sure there are other programs that could have been prioritized to help the people who built this country.

A lot of people did not really understand it, but they were either pleased or displeased that the final offer selection was taken out or is going to be taken out. I guess he did this to appease the Minister of Labour (Mr. Connery) who, I understand, has always insisted that he wants the prerogative of having the final offer on all those sorts of things. Certainly, your Party and ours would always like to make sure that the Minister of Labour is satisfied and, indeed, feeling in the pink. On agriculture we certainly did not overdo it. There was some \$17 or \$18 million more. When you consider the conditions in Manitoba, that is not very good. We, on this side, are certainly disappointed that we did not see more money in there for research and development as we go into the year 2000 and thereon. Even though we are not flush in Members from rural Manitoba, we are very cognizant of the need for support of the farmers of Manitoba and what an important role they do play.

An Honourable Member: I tell them about you guys all the time.

Mr. Rose: That is right. So we want to make sure that they are looked after because sometimes you are so close to the forest you cannot see the trees and vice versa.

I am glad to see that the Minister of Agriculture (Mr. Findlay) is going around the province advocating, with the Budget, that the farmers participate in the lotteries on a weekly basis, because as you have already heard, this is one way to keep a farm alive. If you win a lottery then you have a halfway decent chance of survival for two or three years more. That is certainly appropriate in 1988.

I wanted to comment a little bit on the Ministries of Community Services, Employment and Economic Security. I, for one, realize that these are two very onerous and indeed very important departments. The Minister (Mrs. Oleson) of these departments has a unique opportunity to reduce her workload, because the more successful she is when she wears her employment hat and training hat, then the less she will have to wear the other hats in regard to where we are giving out assistance to people who are not gainfully employed.

I want to assure her that we will scrutinize the Estimates and programs very carefully and see where the money is spent. But I also want to assure the Minister of our cooperation in seeing that the programs are developed well. Any assistance that we can give, we certainly will do that.

In spite of the drought, we on this side do not want to see unemployment rise in rural Manitoba. We will certainly keep a watchful eye on the Estimates, to see that displaced people in rural Manitoba will continue, in perhaps a different form, to be gainfully employed.

I think this is one of the most important problems that is facing us right now and we should all be working toward a solution.

I am pleased to see that the Minister is looking at and studying the aspect of welfare recipients who are presently ineligible for income supplements, such as the shelter allowance and child-related income supplement. I hope that it goes further than the studies, and that we can see an end to this discrimination of people because of the type of income that they receive.

We have heard a lot of talk and comment and interesting debate about the Port of Churchill. The fact that when the Premier (Mr. Filmon) speaks the Prime Minister listens, and what have you. I hope in regard to this problem that we look at other aspects of Churchill to make it viable. Because indeed with the drought, if it continues, we may be looking at several years of decreased, and maybe no grain shipments through the Port of Churchill. I notice that the Minister of Labour (Mr. Connery) alluded to tourism up there and that we have had our first ship go in. That is a very encouraging thing.

I would just like to digress a little bit for the edification of those who did not read an excellent article in the Free Press and point to what I would refer to as the Las Vegas of the North and the wedding bliss that was found up there, and would advise that maybe the Member for Churchill (Mr. Cowan) should put part or all of this item on the wire services so indeed all the people in North America would know what a great place that is to start out your wedded life.

* (1510)

I just wanted not to go through the whole article but refer to some of the comments there about this most wonderful town, and that is: "There is just no place in the world that comes anywhere near Churchill when it comes to getting married. The wedding took place at Cape Mary"—what a wonderful name—"on the rocky shore of Hudson Bay with the Fort Prince of Wales in the distance. The couples had met for the first time on the train. The bride was carrying a bouquet of wild flowers they had picked along the way. During the wedding, the sun was setting in a beautiful clear sky." It almost sounds like St. Vital. It said: "The Kelsey Lodge dining room presented them with a large wedding cake. The cake was a great work of art. It depicted two polar bears hugging one another with a heart in the background," obviously a couple of Liberals. Then it goes on to say: "Even the polar bears and whales got into the celebration and it all ended with an evening of entertainment consisting of a show of the spectacular northern lights and meteorite showers." Now if there is any better place to hold a wedding than that, I would like to hear about it.

I was pleased after my mention in the Throne Speech about electrification of our public buildings to see that the Churchill Town Centre is being converted from oil to electricity. I hope that we will see many more such installations to use our abundant supply of inexpensive power in Manitoba.

Before this Session began many people told me that, with a minority Conservative Government, we might

not find too much productivity during the Session. I already note that the Member for Lac du Bonnet (Mr. Praznik), his family has had a new child, middle name of Rose, thank you very much. The Member for The Pas (Mr. Harapiak) has had a grandchild. Maybe the child will get smart and grow up as a Liberal, but I do not know if we will see that.— (Interjection)— It is what happens in the end that is important. I understand that there are at least three more that are expected by Members' families in the very near future. I say to you, that is productivity and the pundits were wrong. I want to offer my sincerest congratulations to all in that respect.

On education, we had a mere 3.3 percent increase. I think that education is a subject dear to most of our hearts and it is certainly the future of this province of Canada (sic). I might point out that there was a fear that maybe the executive assistant to the Premier (Mr. Filmon) would influence Cabinet unduly, and now our fears are put to rest on that one as we can see that was not the case. Otherwise the funding for education, if you know her background, would have been higher. Nevertheless, we will probably see some additional appropriations in the nature of \$5 million to \$10 million to appease that lady, because I am sure Cabinet will not endorse her plan to build houses west of our airport and then bus the children over to vacant schools on the other side of Portage Avenue that are presently closed. So I think there will be probably some appeasement. But we do not have to be worried about, for the time being anyway, any conflict of interest there and undue influence.

I think that, as I alluded again in my reply to the Speech from the Throne, the \$3.3 million for private schools is a good start. I would like to see some continuation of that as economic development, and economic situations allow for it. I personally feel that private schools play a most important role in our educational system. We would be looking for even more funding in the future.—(Interjection)—

An Honourable Member: The way you are talking, Bob, you will have to support the Budget.

Mr. Rose: If I have another 10 minutes, we will get back into the smoke and mirrors and repeat that at least.

I think that this is one area of the educational system where the secular humanism, and you will understand this Mr. Minister is absent. I think that that is a good example for all of the education of our children in Manitoba.

Before I close I would like to pay tribute, in some manner, to a couple or three organizations or groups that I think are most deserving in this year of 1988. I refer, first of all, to the Ukrainian Millennium celebrating Christianity in the Ukraine. I have to reflect back from my childhood and the changes that have taken place in the Ukrainian community in the last 50 years. I remember sitting at my grandmother's knee, who is a real hard-nosed Scotsman, and who could trace her lineage back to the year 1209. She would explain to me the hardship of the Ukrainians in Winnipeg and in

Manitoba, and indeed all western Canada, and how they had difficulty getting into the mainstream of society. Now just look at where we are, just look at Parliament, look at this Legislature, look at the courts and other segments of the Canadian society where Canadians are now playing more than the leading role in our development. For that I say congratulations to all the Members and indeed all Canadians of Ukrainian blood. I think that their progress has been remarkable and will continue to be so.

I have the pleasure also in the Year of the Millennium, celebrating the 80th birthday of my father-in-law, Harry Stelmack, who came from the Ukraine. In that respect I am very proud that my children have Ukrainian blood and very proud to have the association with the Ukrainian community. I also wish him good health for the next 20 years and may he celebrate his 100th birthday, 20 years hence.

The other one has already been alluded to and that is Folklorama. Unlike some people, I did not get to visit 41 pavilions. But I think between the two years, the last year and this, I did, and with the two year - (Interjection)- that is right, you recognize that. But they were very successful this year, in a two-year program. I hope that means that there will be an expansion even further. I think a great deal of credit must go to the 20,000 or so volunteers who put on the show. We can only imagine how much work most of those people put in. I do not think that many people realize the extensive, year-round programs of multiculturalism that is put on by the Folk Arts Council. I think that as the years go by we will recognize them more and more. With my limited association, I admire these people for their dedication and talent. I certainly would like to take this occasion to salute them all.

* (1520)

In regard to Folklorama, I was especially pleased. Like my Leader, I had the same thoughts about the youngsters participating in the Native Canadian, and my colleague from Elmwood (Mr. Maloway) was alluding to the dance there, at the Native Canadian Pavilion and the Metis Pavilion. I had an opportunity for two or three minutes on both occasions to be invited in to do, in the first instance, the powwow and the second one, the jig. I cannot tell you what a tough job that is and how much appreciation I had for the fact that these youngsters carried this on flawlessly for well over, I think, 15 minutes. I was particularly pleased.

Those were not the only ones, incidentally. There were other youngsters in many of the other pavilions, and they were probably equally as good, though I most appreciated those two in particular. Maybe it is because they invited me to get in there and participate, and their food was also ideal.

I want to say that the skills and the education instilled in these youngsters from this program and from many other pavilions will ensure, I am sure, a growth in the success of this largest multicultural event in the world for many years to come. I know it will be even more successful and bigger in 1989. I would like to acknowledge the participation of the provincial

Government in their program and hope that will be sustaining.

One last note on Folklorama, in appreciation that it indicates the large generator of tourist dollars that Folklorama is, you may have noticed as I have, Mr. Deputy Speaker and other Members, how quiet it is around Winnipeg since Sunday and particularly in the Legislature here. There is a yardstick of just how many people do come. We had 191 bus tours alone come in from other areas, and that is only a small sampling of the people who came into Winnipeg specifically and enjoyed our city and will come back, and left their tourist dollars. I want us all to remember that and keep supporting Folklorama and all its events during the year and particularly at Folklorama time.

The last one that I would like to acknowledge your indulgence is the parade that we saw on Friday by the people from Lifeline. They continued marching down Portage Avenue through a very heavy rainstorm. They were there to preserve, even in that heavy rainstorm, their march across Canada—they wanted to acknowledge to the people of Canada and particularly in our area that they are prepared to keep up the fight for life in this country. I think that is very admirable. I know there is a divergence of views on the abortion issue but I feel that, no matter what you feel on the matter of abortion—and my feelings have always been quite clear on that—but whatever your views, I think that these volunteers who take part and keep this item foremost in our minds deserve the respect of all Manitobans and indeed all of Canadians. Thank you, Mr. Deputy Speaker.

Mr. Jim Maloway (Elmwood): I wanted to first off wish the Member for St. Vital (Mr. Rose) well in a future dancing career. I ran into him in—what?—35 pavilions that I went to last week, I ran into him in at least three. In all three, he was participating in the dancing of the pavilion.

I did want to begin by telling the House, if the Members here are not already aware, that my Leader has just announced at a press conference a few minutes ago that the NDP caucus would be abstaining in the Budget vote and would not be defeating the Government at this time. This certainly paves the way for the Premier (Mr. Filmon) to attend the First Ministers' Conference in Saskatoon and, should he decide to come back for an early vote and cost the taxpayers the \$4,000 that the airplane trip will cost, then perhaps he should be sent the bill and should be paying for it for himself.

Yesterday at a press conference, I heard him say as a matter of fact that he was worried about having a vote on Monday because, while he was away, the Liberals and the NDP might be conspiring to form a coalition. It kind of reminds me some of these Third World dictators who are afraid to leave their country, lest they leave and they find that the coup has taken place in the meantime. I am sorry that the Premier (Mr. Filmon) will be taking the Minister of Health (Mr. Orchard) and other potential aspirants with him when he goes.

Mr. Deputy Speaker, I remember from this very seat making my last address of the Budget Speech Debate

in February, just before the fall of the Government. I remember I was in the very same seat. I have not changed, my office is the same. But I remember the Member for Arthur (Mr. Downey) standing up, being very, very sure of himself. In the Speech from the Throne reply, I had a very, very responsive audience here. They were jumping up and down and egging me on as they usually do, but they were very, very quiet during the Throne Speech (sic) and, about 15 minutes before the vote, the Member for Arthur looked over and said: "You're going down." There were Conservative Members' wives in the gallery, so no one can tell me that they did not know in advance that Mr. Walding was going to topple the Government and vote with them.

In fact, Mr. Deputy Speaker, Gordon Sinclair in his columns reiterated, after this had happened, that some person, a "Deep Throat," had phoned him in advance and told him the date that the Government was going to fall, how it was going to fall, and he did not believe it then. He followed this up afterwards and indicated that, in fact, there probably was a conspiracy here.

Mr. Deputy Speaker, I think what happened was, once they realized the full import of this situation, the fact that it could be construed as a criminal offence should any proof of vote buying be established, they backed off and they had legal opinions in this regard.

Hon. Clayton Manness (Minister of Finance): I find it somewhat alarming that the Member for Elmwood (Mr. Maloway) would be bordering so close to making those types of statements, very strong allegations of criminal wrongdoing, Mr. Deputy Speaker. I would ask, through you, the Member to either withdraw unequivocally those statements or to put on the record specifically the charges that he wishes to make, specifically the names of the people along with the proof, because he is making very, very dangerous allegations.

Mr. Jim Maloway (Elmwood): Mr. Deputy Speaker, of course there were no charges ever made or no proof given, but the fact of the matter was that people know that, as far back as 10 years ago, when Joe Clark was the . . .

Mr. Deputy Speaker: Order, please; order please. Will the Honourable Member address his comments to the point raised by the Minister of Finance (Mr. Manness) on this matter.

Mr. Manness: Mr. Deputy Speaker, I indicated that there were no charges laid, that nothing was proven in this regard. But I want it . . .

Mr. Deputy Speaker: Order, please. I believe that the Member may well be imputing motive in his suggestion, and I would ask that the Member consider withdrawing that.

* (1530)

Mr. Maloway: I do not believe that I have said anything that is not in fact on the public record. The Gordon

Sinclair comments are there for anyone to read. The comments of the Tory wives in the gallery, certainly obvious, have been reported in the press. The actions of the Member for Arthur (Mr. Downey) are certainly obvious. They have been repeated on broadcast after broadcast on TV, him standing in this House, gesturing and so on.

I will just simply leave the matter by stating that in fact Mr. Walding, himself, at a news conference, said that he did not expect a job out of this but he expected that a future Conservative Government would not look unkindly at his action.

An Honourable Member: Well, you did not say that just now.

Mr. Maloway: Well, I have said it now.

Mr. Deputy Speaker, if I could, I will . . .

Mr. Manness: Mr. Deputy Speaker, on a point of order, the Member for Elmwood (Mr. Maloway) is imputing motives of the highest order. He is inferring, almost suggesting, that Members of the Conservative Government now, once then in Opposition, in essence, paid Mr. Walding, knew Mr. Walding was going to vote against the Government. That is a very serious charge that imputes motives at the highest level, and it has to be withdrawn unequivocally.

Mr. Deputy Speaker: I would like to thank all the Members for their advice, and I am prepared to advise the House that I will take this matter under advisement and review Hansard, and attend the House at a later date and advise the Minister of a ruling on this matter.

Mr. Harry Enns (Lakeside): Just in terms of being more helpful to the Chair taking this under advisement, the particular phrase I think that offends Members of the then Opposition is the suggestion by the Member for Elmwood (Mr. Maloway) that criminal or near-criminal action was undertaken by the then Members of the Opposition. That is the specific phrase that is offensive to all of us, plus the suggestion.

Mr. Deputy Speaker: I thank the Member for Lakeside (Mr. Enns) for those additional comments. As I mentioned, I will take this matter under advisement, and would ask the Member for Elmwood (Mr. Maloway) to continue in his participation in this debate today.

Mr. Maloway: Thank you, Mr. Deputy Speaker. I will continue by getting into the Budget Address at hand.

What we have noticed is a very sort of subtle right-wing tinkering to the previous NDP Budget, with the Pharmacare deductible increased and breaks for corporations. This particular Budget is not one—as a matter of fact, it is being sold by the Liberals and the people in the media as being really just the same Budget that was thrown out just a few months ago, in fact an NDP Budget. I guess that action itself has upset certain people on the front benches of the Conservative Party because they do not want to be seen as bringing in and supporting a Budget which is essentially being interpreted as an NDP Budget.

In fact, Mr. Deputy Speaker, the reason they are not acting like a real P.C. Government, like a P.C. Government you find in other provinces and similar to the Social Credit in B.C., is that we are in a minority situation right now. Therefore, you really can not trust their motives in opposition. In fact, they are simply attempting to get themselves through a very, very difficult situation right now, buy enough support, move up in the polls a little bit and hopefully pull the plug themselves—call the election. That is their game plan and I think they are edging towards it ever so slowly.

Of course, what they are worried about is being defeated, and they are worried about these coalition rumours and things like this. But what has happened in the process is the alligators in the front row have turned into pussy cats. The Minister of Health (Mr. Orchard) has had a total personality change in the last three or four months. The Minister of Finance (Mr. Manness)—and this again comes about because of the minority situation in Government. In fact, the Minister of Finance and the Minister of Health have really, in effect, based on their previous performance in other Sessions, really been neutered by the Premier's Office.

In fact, Mr. Crosbie a number of years ago, I recall and most of you will recall him saying that if the people knew what we would do, they would not elect us.—(Interjection)—He said that. He went around the country for months afterward, attempting to get out of that one, and in the end it had no long-lasting effect because, of course, the Conservatives did get elected.

But, Mr. Deputy Speaker, if you give them a majority, then you will see the Jekyll and Hyde come out. You will see the hackers and slashers riding once again, the Sterling Lyon days back again. Because quite frankly these people, true to their Conservative principles, do not like these deficits. I do not think they like the idea of simply reducing the increase because that is all they have done. They are still adding to the deficit of the province.

As a matter of fact, a couple of nights ago the Deputy Premier (Mr. Cummings), his reason for not presenting a more conservative Budget in tune with Conservative philosophy was that they had not been in long enough to get a grip on matters, but in another year they might be in more control of the situation. That is what he said just two nights ago.

In fact, they promised to restrain spending and that is a normal P.C. promise. What they are doing is they are increasing the spending. They are also of course very big at deficit reduction, but once again what they are reducing is the growth of the deficit increase. The deficit is still increasing, but at a decreasing rate.

On the spending side, they are spending more than we were going to spend, and they thought that was too high even then. But on the other side, the benefit side, Inco are the people that are getting the benefits of this Budget, not ordinary Manitobans.—(Interjection)—As a matter of fact the savings —(Interjection)—no, the increase, the incremental changes to the Budget benefit Inco as opposed to ordinary Manitobans. In fact, savings to the Inco are nearly \$10 million. Inco's profit for the first six months of 1988 was \$316 million. In fact, their

share prices last year, I believe their dividends were \$2.98 a share, compared to 3 cents last year, so certainly that industry has improved dramatically in the past year.

Now the handouts for Inco and the increase in the Pharmacare deductible of over a million dollars, was this ever checked with the senior citizens of Manitoba? The Minister in charge of senior citizens has readily admitted that he has no budget, he has no staff, he really does not know where he is going, but yet they have been able to proceed and increase Pharmacare deductibles with essentially little or no direct input from the senior citizens and certainly from their organizations because I do not believe they had met with them up to a couple of weeks ago.

The CPR—who in this province thinks that the CPR needs any more breaks on the locomotive fuel tax?

An Honourable Member: They are an eligible benevolent society.

* (1540)

Mr. Maloway: I do not follow that one at all. In fact, which farmers told the Minister to lower these taxes? Which senior citizens told the Member for Rossmere (Mr. Neufeld) to give breaks to the CPR? I do not follow this logic. In fact, let us deal with the payroll tax as it is so often called nowadays.

We had, when we were in Government, a \$100,000 payroll tax exemption. What they are proposing to do now is to increase it to \$300,000 but that will not take effect until January 1, 1989. During the election I spent a lot of time talking to my constituents, which was an absolute necessity at that period of time, believe me, and trying to explain to them how the Conservative and Liberal promises together did not really mean much to the average voter in my constituency. I would explain to them that if you take \$197 million or \$200 million off the payroll tax, you have got to make it up somewhere. In fact it is being paid at that time by people with payrolls only in excess of \$100,000.00. I asked them to look around Elmwood and name me some businesses in Elmwood that actually paid a payroll tax, because the Mom and Pop stores do not have four or five employees; they do not pay the payroll tax anyway. So it was of very little benefit to people in Elmwood anyway.

The fact of the matter is that in order to offset this revenue, where were they going to get this \$200 million? I suggested to many of these people that a logical place for them to get it would be to increase the sales tax. If they were to increase the sales tax at about \$83 million a point, they would need roughly two-and-a-half points of the sales tax. That two-and-a-half cents all of my constituents would pay, young, old, everyone, would pay this 2.5 percent, whereas in my constituency very few businesses would be paying the payroll tax.

I think that whole exercise that the Conservatives and Liberals went through and tried to convince voters actually did not work in my constituency. People saw through that. They got the odd person onside, the odd person got fooled into believing. I remember one guy

who was a locksmith, who worked for the City of Winnipeg, had started up a business in his basement, been operating for two or three years and was making maybe \$10,000 or \$20,000 a year. He was going to vote Liberal or Conservative this time because he wanted to get rid of the payroll tax. I said, my goodness, you are not even going to be in a taxable position on the payroll tax for a number of years if your business does well. Why are you concerned about that? But you will be zapped; you will be zapped by the 2.5 percent that they are going to put on the sales tax or the offsetting revenue-producing areas. It has not happened yet because once again, minority Government, windfall revenue from Ottawa. What other explanations can I give you at this point?

I remember Sterling Lyon back in 1977. I did not think this was possible but Sterling Lyon promised to get rid of nuisance taxes; he promised to get rid of inheritance taxes. I remember canvassing in Wolseley. I had the odd person bamboozled by Conservative canvassers. These people were living just in very poor areas—were saying I am going to have to vote Conservative because I have to worry about my inheritance taxes, or I have to vote for the Conservatives because Ed Schreyer has promised to cap my income at two-and-a-half times.

The Member for Lakeside (Mr. Enns) would know this all too well, that the former Premier promised or wanted to look at capping the top salaries of people in the province to two-and-a-half times the composite industrial index, which was a fairly reasonable objective I suppose at that time and certainly was a fairly high figure too. It was not as if we were going to be rolling back a bunch of people's wages.

But nevertheless these arguments that the Conservatives presented did have some appeal, some limited appeal outside their base of support and some poor people got sucked into supporting them, I guess, on that basis.

As I had indicated, the payroll tax is really—what are we doing by eliminating the payroll tax? Since we have exempted a good chunk of the companies already, we are exempting the federal Government who has been shafting us on transfer payments for the last few years, and we are exempting some big companies whose profits have been fueling the rise in the stock market and in the bull market for the last few years, and the bull market is not over. So corporation profits are not in that bad a shape.

In fact, in Quebec they have a payroll tax of 3 percent and here you are in a panic that we are at 1.5 percent or 1.75 percent. Quebec has had this tax for a number of years.

I do not understand. I think that they had to have some issues; there was not a lot for them to grab onto. This is one they could manipulate and use and they used it very effectively and they bamboozled an awful lot of people, some who have no effect on this at all or the tax has no effect on, into supporting them, and so they had some temporary satisfaction.

The Conservative philosophy, I suppose, and we have talked about this before, really is based on the trickle

down theory of economics. You give to the big companies like Inco in the hope that they will hire some people and they will provide jobs. What has this trickle down theory led to on a worldwide basis? What has it led to even here in Manitoba? It has led to companies like even the Alcan, the aluminum companies, the food processing companies, any type of companies, when they propose to set up a plant in a certain province they get their suitcase at hand and they go shopping from province to province. The former Minister in the previous Government, the Member for Lakeside (Mr. Enns), knows this all too well that you have these business people visiting you, going to Manitoba, going to Prince Edward Island, going to the poorest province, saying, "You give me 100 million because so and so will give me 75," and it is like a big lottery. That is what these people are encouraging by promoting this trickle down theory. It leads to provincial governments, especially governments in have-not provinces, being held to ransom. That has been going on for the last 100 years. I do not have a solid answer on how to solve that, but you do not solve the problem by promoting it.

These companies often have polluted the rivers. We have to look at northwestern Ontario. Before we had any real pollution laws in this country, before these companies had any kind of sense of social responsibility, they would move in 800 jobs. Yes, they would go in, they would create the 800 jobs, they would pollute the rivers, they would take the tax breaks based on their option across the country and then they would threaten to leave town if they did not get some more. Now future generations are having to pay for that cleanup, and the Minister of the Environment (Mr. Connerly) is only too aware now of what those costs are when companies move into an area and simply exploit the resources and then leave town and leave a big pollution problem on our hands. We end up having to pay for that.

(Mr. Speaker in the Chair.)

Once again, I would hope that the Government, if it is going to be involved in the aluminum business or any business that it is going to be attracting to Manitoba, that it makes certain that these requirements for the environment and so on are imposed upon these companies.

* (1550)

Mr. Speaker, I did want to make a comment here. Just a few months ago, I was checking my notes from February and I noticed that the Minister of Highways (Mr. Driedger) was decrying the increase on leaded gas. I think the Member for Lakeside (Mr. Enns) sent out a press release or two on the subject. A couple of other Members—Arthur, Niakwa, Assiniboia, Emerson, Charleswood—they all spoke out against the increase on leaded gas. They said it was a terrible thing. It was a tax on the poor, that poor people drive cars that burn leaded gasoline. It was a calamity; it was just terrible. Now three months later, we have these same people sitting on the Treasury Bench acquiescing to the one cent unleaded fuel. They are not saying that it is a tax on the poor now, Mr. Speaker.

I want to talk about the banks because I know the Member for Springfield (Mr. Roch) is here now and I

know he likes to discuss the banks. It is probably an appropriate time for us to get into that area, but first, Mr. Speaker, I wanted to quote from a letter from a Mr. Peter Meyer who came to see me a couple of days ago.

Mr. Meyer had some dealings with Merchants Consolidated which was just put into receivership on August 9 of 1988. He goes on to explain that he is a vegetable grower, that he has been selling vegetables since July this year and several years past to stores. What he has done, he explains the difficulties involved in growing vegetables. The Minister of the Environment (Mr. Connery) would know that. He is very upset that with Merchants Consolidated being put into receivership, that under the law, his last order here of green peppers, which he gave me a copy of the invoice, \$437 worth, that he put his money into and his sweat and work into growing, are now being sold under the auspices of the receiver and all the proceeds will go to the bank—the bank who made the initial mistake of lending the company too much money in the first place.

So here is a vegetable grower who grew his vegetables, sold them to Merchants Consolidated and now he sees his very same vegetables being sold, the proceeds of which are being taken by the receiver and being paid to the secured creditor who is the bank—the same bank who lent the money in the first place.

An Honourable Member: Maybe he should have been a bank teller to begin with.

Mr. Maloway: Well, you know, this man was very concerned about his plight, and I am sure there are many other people who are in the same situation. I just wanted to use this example to illustrate to you that there are some people that are slipping through the cracks in our system. You can argue that, yes, this is federal law and stuff like that, but the fact of the matter is that there are many situations where people like Mr. Meyer are being hurt because of laws that are set up ready to protect big banks because of mistakes that they make themselves.

I did want to make some comments about the break in the Budget for the new businesses. The Finance Minister (Mr. Manness) has proposed that any new businesses that set up in Manitoba will not pay taxes for the first year. You do not have to look too deeply into that to know that very few businesses in their first year are going to make any money in the first place.

There is also a free trade wrinkle in that whole argument there in that it is yet to be determined but certainly based on an article in the Free Press the other day that, in fact, had this item in the Budget not been brought in before the Free Trade Agreement takes effect, that American businesses could have come into Canada, set up and applied for the same treatment, because under the Free Trade Agreement they would be required to have that same break.

In terms of the banks, I did want to take a look for a moment at—I have had a call from one of my constituents yesterday, Mr. Jim Anderson on Jamison

Street. He phoned to say that he had tried to close out a bank account at the Royal Bank and was told that unless you ask for your interest, if the interest is under a dollar, the bank will not give it to you, that the bank will keep it. I know that the federal Government has refrained from introducing strict regulations on bank charges on the basis that the banks are going to show some restraint and voluntarily restrict their charges. I wanted to indicate to you that I do not believe for a moment that the banks are going to—they may play along for a little while. They may play along for a while just to get the feds off their trail, but as soon as the heat is off, I think they will be back to their old ways.

But just to indicate to you that the Conservatives and the Liberals are really in bed with the banks, I wanted to once again read out a few figures here. The Member for Assiniboia (Mr. Mandrake) would not be aware of these because he was not here when I last quoted some of these figures. In 1984, guess how much the Royal Bank contributed to the Conservative Party? Anyone want to take a guess? The Member for Assiniboia said it was \$75,000.00. The Member for Lakeside (Mr. Enns) said it was not enough. The Bank of Montreal—how much did they contribute to the Conservative Party?—\$75,000.00. The Toronto-Dominion, \$70,000; the Imperial Bank, the Nova Scotia Bank \$70,000.00. Is it not coincidental that the banks would contribute almost identical amounts to the Conservative Party in 1984? Then in 1985 it dropped off to half because obviously it was a non-election year, and probably they were getting a good—the banks were not being harassed by the Government.

Having dealt with the governing Party for a moment, let us try the same quiz on the Liberals. The Bank of Montreal—how much did the Bank of Montreal give to the Liberal Party in 1984?—\$75,000.00. The same amount. I wonder why that is? The Bank of Montreal \$75,000; the Toronto-Dominion \$70,000; the Imperial Bank, Bank of Nova Scotia \$70,000—the same figures.

Mr. Speaker: Order, please; order, please. The Honourable Member for Springfield (Mr. Roch).

Mr. Gilles Roch (Springfield): Mr. Speaker, how much taxpayers' money did the NDP Government give to the banks?

Mr. Speaker: Order. The Honourable Member does not have a point of order. The Honourable Member for Elmwood.

Mr. Maloway: I see I rattled a cage on that side of the House.

To use an old quote from the Member for Arthur (Mr. Downey), he always talks about the sheriff joining the rustlers and the sheriff being on the rustlers' payroll. This is as good an example as I can think of, of that being the case, of the P.C.s trying to regulate the banks. As a matter of fact, if the former Member for Kildonan were still here, I am sure he could have come up with a new twist on that one.

* (1600)

I wanted to deal for a minute with the federal Government's attack on senior citizens. We all know that they tried to de-index pensions of the seniors. When they found out that the pensioners would not take it, they backed off on that.

But they have gone further. They have abolished, as of this year, the \$1,000 interest deduction which is going to affect a lot of senior citizens because senior citizens are not the type of people to go out and buy mutual funds, invest in the stock market, because on that side of the investment quotients you are dealing with capital gains, and when you are dealing with capital gains, you are talking about only 50 percent of the capital gains is taxable. Then on top of that, the federal Government has given each person a \$100,000 capital gains tax exemption.

So just think of the breaks that the educated River Heights/Tuxedo investor has from the Government. Buy mutual funds, buy investment funds, buy stocks, because should they go up, your money will come to you in terms of dividends, only 50 percent of the dividend is taxable, and on the first \$100,000 of dividends there is a lifetime exemption. Juxtapose that to the \$1000 interest deduction where senior citizens have their money in generally low interest because the banks take their money and lend it out at higher rates and make it spread. These senior citizens are a captive audience of those banks, and these senior citizens, those Conservative investors, they have relied on this \$1,000 exemption. That has been snatched away; they do not get that this year. So you want to talk about an attack on senior citizens or Conservative-minded investors, that is what the federal Government has done.

Mr. Speaker, also in the same issue of the "Manitoba Seniors Today" journal, on the other side of the page they have a story about the drug prices where the federal Government, in order to get the Free Trade Agreement with the United States, sold out the process before they started to negotiate. Just to get the Americans' attention, they said, "We will go and deregulate and give patent protection to drug companies," which, as we all know, will result and has resulted in higher prices for drugs. Once again, who in this society uses the most prescription drugs? Senior citizens.

So, needless to say, Mr. Speaker, it is not with a lot of enthusiasm that the seniors of this country are going to be greeting the upcoming election campaign at least from the Conservative perspective. I think that the Conservatives are probably writing off the seniors citizens as a group and concentrating on the young, up and coming business-type professional types who have the most to gain from Conservative economics and Conservative policies.

Mr. Speaker, I wanted to get into an area that my friend, the Member for Lakeside (Mr. Enns), is all too familiar with and will certainly enjoy this. Free trade and Tory Governments seem to go hand in hand philosophically and otherwise, but they are on a kick, on an international basis, and they always have been, of privatizing things. The Highway Czar here wanted to privatize the roads.

Excuse me, Mr. Speaker, can you tell me how much I have so I can judge?

Mr. Speaker: A minute-and-a-half.

Mr. Maloway: One-and-a-half minutes? Oh, Mr. Speaker, I have too much stuff here. I ran out of time last time and I still have not got to where I left off the last time.

I wanted to indicate that in the area of privatization—once again, I do not think that this Government is going to provide us with any initiatives in that area because of fear of the minority Government situation, but I think they would like to look at the privatization of the colleges and airports such as they are doing in England, parks and MPIC.

I have a quote here from Gary Filmon, February 15, 1988, where he said: "The MPIC had to get out of the general insurance business. They must examine options for providing more competition to lower auto insurance rates in Manitoba today and in the future." He said that in the Throne Speech debate February 15, 1988. That is not what his Minister just said the other day.

Mr. Speaker: Order, please; order, please. The Honourable Member's time has expired.

Hon. Gerald Ducharme (Minister of Urban Affairs): Mr. Speaker, first of all, I do not know what straw I pulled to follow my friend from Elmwood. It must have been the short straw. Certainly, seniority was not the factor.

It gives me great pleasure today to rise and speak in support of the first Budget of our Government, the 1988 Manitoba Budget. As Minister of Finance (Mr. Manness), the Member for Morris, stated in his presentation of the Budget, Manitoba is a province rich in opportunities with attractive prospects for long-term development. We have an abundance of natural resources, a strong manufacturing base, an increasingly significant service sector, expertise in health, aerospace industries and agricultural food processing. In fact, the diversification of our economic base makes Manitoba distinctive in western Canada, and provides the underpinning of our continued prosperity.

I would, first of all, like to congratulate the Minister of Finance for the Budget he introduced in this House on August 8. He has in a very short span of time come to grips with the financial predicament of this province, something which the previous administration could not and would not do.

I think that the single most important achievement in this Budget is the reorientation that this Government, through the Minister of Finance (Mr. Manness), has brought towards and that is the deficit reduction. The previous administration pooh-poohed the provincial debt and the deficit reduction, maintaining that their priority was increased spending on health and social services. It is that typical NDP approach to finances instead of responsible fiscal management. They ranted and raved about protecting social services.

The inference was that the provision of social programs for Manitobans and responsible management of the public purse were incompatible. That of course

we now realize and we know on this side of the House is a fallacy. A responsible Government can accomplish both of these objectives. In fact, a responsible Government is elected to accomplish both of those objectives. That is exactly what the Minister of Finance has accomplished with his first Budget.

He has altered the course the previous administration had taken and has taken action against the deficit, slicing it from \$311 million to \$196 million in three short months. He has as well not only maintained the core of our social services, but has increased the Health and Community Service budgets by 9 percent.

I stated earlier that the single most remarkable achievement of this Budget was the signal it gives by showing Manitobans this Government has repriorized debt reduction. This Government is aware that every dollar paid in interest to the American, the Swiss and Japanese bankers is \$1 sacrificed from Health, Education and other department budgets. Approximately \$1 in every \$8 spent by Government this year will go to pay off this massive debt this province has accumulated in the last six-and-a-half years of the NDP rule. I am sure that the former Minister of Finance, the former Member for Seven Oaks, and the managers of foreign banks, I believe, must have been on a first-name basis. The previous Finance Minister must have been a very familiar face indeed. The fact that this Budget has reduced the annual deficit to \$196 million is a significant step. However, the ability of the Minister of Finance (Mr. Manness) to repriorize expenditures to assure adequate funding for health and social services is simply remarkable.

* (1610)

I now wish to address the question of taxes. This Government, I am pleased to say, has gone through on its commitment and has held the line on personal income taxes. That is what we promised, that is what we campaigned on, that is what we went door to door on, and now we have delivered on that promise.

The Leader of the Opposition refused to rule out tax increases during the election campaign, but now clamours that we should have reduced the personal income tax. I know the Minister of Finance (Mr. Manness) would like nothing better than to do just that and he has made those remarks, but the financial mess left by the previous administration prevents him at this possible moment from doing so.

At least, the Conservative Government has held the line on tax increases. The Liberal administration, which I believe their message out there is tax, tax, tax, spend, spend, like their colleagues in Ontario—in their last Budget of April 20, what did Mr. Peterson and his Finance Minister do with the buoyant economy that we know is going through Ontario now? Did he reduce the line on tax increases? No. Put a freeze on tax increases? No, he increased taxes to the tune of, I believe, the biggest tax grab in Canadian history, to the tune of \$1.3 billion. This was just in his recent Budget of April 20.

The Liberal Government of Ontario, now let us listen to some of their type of Government that you get and

you should expect from a Liberal provincial Budget: raised the retail sales tax by 1 percent to 8 percent; increased personal income taxes; increased gasoline taxes 1 cent a litre on all grades, and an additional 3 cents a litre on leaded gas; increased taxes on spirits, wine and beer.

The Leader of the Opposition is fond of going down east to seek political advice from old disposed Liberals. I do hope she avoids the Queen's Park accountants and their advice. With those huge taxes, Liberal Ontario nullified and buried the effects of the federal tax reform. With the Budget presented by this administration, personal income taxes were reduced for the first time this decade. This will have been accomplished with no reduction in services Manitobans deserve, and while putting a significant dent in the deficit.

With the benefits of tax reform passed on to Manitoba, Manitobans will pay \$143 million less in combined provincial and federal taxes. We are passing them on to Manitobans, 460,000 Manitobans will see their personal income taxes reduced in 1988. It is no coincidence that a Conservative administration is in place in this province at a time when income taxes are on a decline.

One would think that list of accomplishments would have been plenty for this Budget, but there is more. Unlike our predecessors, this Government realizes full well that the creator of wealth and jobs is the private sector. The new tax measures, the elimination of the payroll tax for half of the taxable employers, is a positive step to that. The new small business tax reduction plan shows this Government understands the problems of small business.

Mr. Speaker, briefly, I would like to comment on the effect of this Budget on the two portfolios that I am Minister responsible for.

The economic health of our capital city, Winnipeg, is important for the whole province. Winnipeg's wealth of human resources, its prominent role in national urban issues, the quality of life offered by stable neighbourhoods, its affordable housing, its cultural facilities, schools, parks, rivers and public spaces, all of these characteristics contribute to the healthy investment climate and long-term economic growth.

It is our Government's intention to support and reinforce Winnipeg's economic wealth, health and key role as our province's leading urban centre.

This Budget contains many measures which are evident of my Government's commitment to Winnipeg. A key part of this commitment is a recognition that cooperation between Manitoba and the City of Winnipeg is essential to the city's long-term fiscal stability and growth.

Our Government supports the provision of adequate financial assistance to the City of Winnipeg. This financial assistance recognizes Winnipeg's autonomy while ensuring that the city has the financial resources to carry out its legal mandated responsibilities.

In this Budget, Mr. Speaker, our Government proposes to remove the cap imposed by the previous

Government on the municipal tax-sharing payments. The removal of this ceiling testifies to our serious commitment to provide a municipal Government with adequate financial resources. The transfer of additional dollars to the City of Winnipeg will help ensure the maintenance of facilities and services at the high standard that the residents of our capital city have come to expect.

Following extensive consultation, our Government has also reached agreement with Manitoba municipalities, including Winnipeg, on an acceptable solution to the issue of remittance of education tax. Consultation took place with the Manitoba Association of School Trustees, the Union of Manitoba Municipalities, the Manitoba Association of Urban Municipalities and the City of Winnipeg. The change in tax remittance procedures will generally improve cash flows for many school divisions.

Our Government, however, has recognized the financial pressures that the loss of interest revenue places on some municipalities. Accordingly, the Budget proposes additional financial support for Winnipeg and other municipalities to offset this loss of revenue. Our Budget proposes that Winnipeg receive approximately \$5.6 million for this purpose. Our Government has shown significant flexibility on this issue. Our extensive consultation with affected municipalities and school divisions has resulted in a solution acceptable to all.

Our Government, through the 1988 Manitoba Budget, confirms its commitments to furthering efforts to revitalize and redevelop the central area of Winnipeg.

The Urban Affairs Department, at the present time, is directly responsible for the implementation of the community facilities and services component of the Neighbourhood and Community Development Program. Approximately 54 projects under the subprogram have been approved to date and a total of \$1,440,000 has been included in the department's estimates to cover program activities.

In addition, the Urban Affairs Department is responsible for the implementation of two projects under the Strategic Capital Program. The 1988-89 fiscal year Estimates include allocations of \$1 million towards the construction of the new Prairie Theatre Exchange complex in Portage Place and \$500,000 for the Winnipeg Education Centre which we built in conjunction with the non-profit housing facility.

The department is also involved in the joint implementation with Canada and Winnipeg of the Public Information Program and, with Winnipeg, of the Riverbank Enhancement program. Development of Winnipeg's riverbanks for the use and enjoyment of its citizens remains a priority of our department. Over \$1 million for activities under the Core Area Initiative Riverbank Enhancement Program has been included in the Estimates.

The Urban Affairs Estimates for fiscal year '88-89 also include increased expenditures for the redevelopment of The Forks. We believe we are fortunate in being provided with an opportunity to redevelop a very historically significant area of Winnipeg that, for many years, was underutilized as a railway

yard. I must comment, Mr. Speaker, that it is thanks to the present federal Government. I know, a short while ago, myself and the Mayor, a contingent in November of '84, went to Ottawa and, on first meeting with the Minister in charge at the time, Mr. Mazankowski, he was very, very receptive. Through the efforts of that particular Government, we now have The Forks program come in on stream.

The budget also includes a preliminary allocation of over \$1.6 million for site development under the auspices of The Forks Renewal Corporation. The recent approval of \$5 million from the strategic capital program for a year-round public market at The Forks will mean that we will have to do some shifting of our budget items in order to accommodate our share of projects expenditures for this fiscal year. However, due to the late start of other capital projects, we will be able to provide the dollars for the public market, the first major project at The Forks, without increasing the department overall Budget.

Redevelopment of the former C.N. East Yards will complement The Forks National Park, which is being constructed at the junction of the Red and Assiniboine Rivers under the Federal-Provincial Agreement on Recreation and Conservation.

I am pleased to have outlined for you these very important commitments to the City of Winnipeg that have been proposed. I am proud to be associated with a Budget that recognizes the province's financial commitment to the City of Winnipeg while maintaining these financial responsibilities.

In her brief convoluted address on the Budget, the Leader of the Opposition asks how Osborne House will be funded while the housing project is reduced. The Leader asks how non-profit housing will proceed with a reduction of the housing budget? I can assure the Leader of the Opposition all this can occur because of this Government's proper management. No, I repeat, no current projects will be deleted from this year's allocation.

To address that just briefly and I know we will have ample opportunity at the time of Estimates, however, the Leader of the Opposition did comment on the reduction of the expenditures. Mr. Speaker, this does not constitute a decrease or change to programming in the housing services provided by my department. Rather, it reflects changes in accounting policy as recommended by Stevenson Kellogg Ernst and Whinney in their report to the Manitoba Government. During my Estimates, I will outline this for the particular Member and also for the critic concerned in regard to my portfolio.

* (1620)

Maybe I could just mention one other item on the transfer payments that were mentioned by the Leader of the Opposition. There is a reduction in the transfer payments of a little over \$1 million. That will not interfere with the programs, and I will tell the Members on the other side of the House where this \$1 million was saved. During the years beginning in 1983 during the federal Liberal Government, there were mortgage rates of

approximately 22 percent. At that time, the previous administration decided that they would go into subsidized mortgage loans under the Affordable New Housing Program, which began in that particular year, in 1983. Now five years later, these particular interest rates have gone down under the present Conservative federal Government, and now the private lenders are taking over this particular new homes program at the very low interest rates that are offered today.

Our philosophy on holding the line on spending increases while, at the same time, maintaining essential services is evident of the housing expenditures in this particular Budget. My Government is very much in favour of non-profit housing and ensuring suitable, affordable housing for all Manitobans. That has been evidenced by our cooperation with Osborne House, with the senior citizens, with the private and public housing that we have extended, plus the Native housing that has been carried on by my particular department.

Although Manitobans are generally better housed than we were 20 years ago and housing is more affordable here than in most other parts of Canada, there are still many low-income people who pay too high a portion of their income for housing. To help these people, we will continue with an aggressive housing program. We expect that, both through federal Government and through our own programming, Manitoba Housing will be directly or indirectly involved in the financing and the development or the renovation of more than 1,000 housing units this year, worth about \$60 million.

I am especially pleased that much of the non-profit, specialty and market rental housing will be developed by the private sector. All Governments are finding it increasingly difficult to fund social programs, so the involvement of the private sector is something we encourage as it allows us to focus the department's resources on meeting the housing needs of those with lowest income and special needs.

As we are all aware, our population is aging rapidly, necessitating continuing exploration by both the public and private sectors on how best to meet the housing needs for our senior citizens without encouraging large subsidy costs. The Seniors RentalStart Program is a good example since it encourages seniors to shift equity from their homes to the housing, utilizing a life-lease concept in these particular apartments. Our Government will continue to develop innovative programs to deal with the increasingly complex needs of our elderly. We are looking forward to participating in the upcoming federal conference on housing options for the elderly being hosted by the federal Government.

We want to give Manitobans a choice in where they live so we will continue to fund Shelter Allowance Programs. These subsidies, introduced by, I must comment, the Lyon Government, currently provide monthly payments to some 5,000 low-income families and seniors who choose to live in moderately-priced private rental housing rather than the public housing. These programs cost \$4.5 million a year, but we view them as a part of our overall strategy for low-income households, a strategy that includes the provision of additional social housing stock where required.

I might point out that the rental vacancy rate has risen over the past year to approximately 3 percent here in Winnipeg. At the same time, waiting lists for public housing have declined. In conclusion to my remarks, I am looking forward to the Estimate process to enlighten the Opposition Members on the other side of the House, to reconfirm, explaining to them the cash flows of the department on how projects come on stream, etc., and answer those questions when we have more time and where the proper method would be. I look forward to that.

To conclude, I am proud as the Minister of Urban Affairs and Housing, and I am proud to be a Minister of this Gary Filmon Government, to be part of this Budget. Thank you, Mr. Speaker.

Mr. Harold Taylor (Wolseley): It is with pleasure that I rise to speak on the Budget Debate, and I would like to begin my address by saying this is a retread Budget. And it, like any retread, Mr. Speaker, is composed of an old used casing and a shiny new outer tread, but the adhesive is not working too well.

In this debate and in the Estimates process, the Liberals will be exposing that casing by peeling back that new tread. What is underneath is actually an NDP Budget. Sure there are some changes but of what significance and with what thrust.

This Government did not balance the tax breaks it did offer and, as a result of a massive one-time windfall of funds from the federal Government, it could have done just that. It could have helped business to some extent and given a break as well to the consumer, while at the same time making a dent in an all-too-large provincial deficit. What did Filmon and the Tories do? Well, they gave it to the big boys at CPR with a major roll back for the CPR's annual taxes. It did not stimulate any consumer confidence by starting to reduce the personal tax surcharge. In fact, the hypocrisy on the Government benches was only too evident.

When Mrs. Carstairs pointed out that by not freezing the NDP surcharge on personal taxes at its previous level, they were in effect levying a new tax. The embarrassment and the sheepish grins on the face of the Finance Minister (Mr. Manness) and Cabinet colleagues over this faux pas being brought to their attention will not be lost on the public. Nor will it be lost on the public the rejoinder to the Liberal Leader that the perception on a new tax on individual earners depends on where you are sitting. I guess it does but maybe you will not be sitting there too long. That is not what the Tories said when they debated against and voted down an almost identical Budget just over four months ago.

There are people in need in Manitoba, Mr. Speaker, and while we in this Party want to see economic stimulation, a Government should stimulate business and consumer confidence, reduce the deficit somewhat, and spend some of that windfall money on education, community services, roads, and health care shortfalls.

Liberals have spoken out numerous times in this Session on agricultural rural matters, be it the drought, rural day care, ineffective herbicides, improvements to

student aids for farm children, highways, grain transportation, and so on.

This Government has most of its Members from rural ridings, yet its agricultural budget is decidedly unexciting and completely lacking in innovation. I do not know if it is sufficiently reassuring to the rural part of Manitoba—those involved in the agricultural side of our economy—that they have rural Members that are PCs in a PC Government, but more action than that is required.

* (1630)

Previous agricultural budgets were roughly 2 percent of the total provincial Budget and guess what, Mr. Speaker, so is this one. I do not see any 50 percent increase in the agricultural budget as claimed by the Member for Morris (Mr. Manness). Of course, I have the admonishments of the Member for River East (Mrs. Mitchelson) to go by that Opposition should not believe the figures presented to us in the Budget. Well, what figures are we to believe? Almost half the special drought fund mentioned in this Budget is actually from Ottawa, almost \$8 million. This is not provincial money but that is certainly not clear in the way that has been presented. I think it should be displayed in a different fashion in the Budget. I think it should be clear where these monies are coming from, what is provincial money, what is federal money, and let us not play games.

Mrs. Carstairs said after the election that the Government should not rush into calling the House into Session. They should be prepared, get on top of their departments, be well informed and be ready to govern. Most evidence to date is that they are not informed on their departments and they are not able to govern effectively. Questions had to await the Budget Speech. There were no answers to reasoned questions when they were brought out. Then we were told to await the Estimates process, but we are not at all assured that the answers will be forthcoming then either.

There has also been the question to the Government House Leader (Mr. McCrae) as to the consideration of effective time management on the Estimates process, I think a reasonable request, to ensure that all the departments are covered, as opposed to what has traditionally been a case of deal with maybe two-thirds of the departments that are dealt with in the House and the two-thirds that are dealt with in committee. I think all departments should be dealt with. This caucus feels that way. The request has been made and we have not seen an answer back on that. I am hoping we are going to see the answer back in the affirmative. The Conservatives are forever saying how good they are in management. Well, let us see them work with us and work with the NDP in proper time management in that Estimates process.

There are as well many questions on the Budget in some detail. It would appear that there is a lack of direction and prioritization by the Tories. I think this is a major failure in a first Budget. As I said in my opening comments, it is a retreat and notwithstanding the rhetoric that was all too evident when they were in Opposition, the proof is in the pudding but it is not too tasty.

One only has to recall the cries for improvement in education that they made while in Opposition and then compare their performance in this Budget. What did they do? The Minister of Finance (Mr. Manness) has the gall to make a cut. This is supposedly where we are preparing young Manitobans for a future in this province and preparing them so that they are ready and able to take full advantage of their talents, and this province will be a beneficiary. We have got an increase here in the Education Department at less than the rate of inflation and that is a cut by anyone's measure.

The Department of Environment—or shall I say the amalgamated Department of Labour, Workplace Health and Safety and—oh yes—Environment is not doing too well in this Budget. With no Deputy Minister of its own, it is a tag-along department. It will have no direction, no focus, no profile and no heart. It will bumble along instead of leading the way to a better, safer, more sound and more concerned society.

This orphan of a department has had no increase in effect either. I come to this conclusion by subtracting the \$2.2 million inserted for the first time this year for the Manitoba Hazardous Waste Management Corporation. Nothing wrong with that in itself, but when one subtracts that from the Budget for the department as a whole, one is left with a 2.5 percent increase over the 1987-88 fiscal year. That is less than the rate of inflation significantly and is a cut. Who said this department would not be ignored and neglected? Why the Honourable Minister for Pink Slips said this great friend of the worker, the protector of those who are discriminated against in our society, and in their first Budget, Manitobans should note that under the Tories we are unfortunately environmentally poor.

It was with real concern that I went over the details as they are available at this time in the Budget, and without getting yet into the finer detail of the Estimates process that I look at a Budget that when you have that \$2.2 million increase, has a 21 percent increase—not bad! Remove it—2.5. We thought we were going to have some rather big savings, by the elimination of a Deputy Minister and his support staff, through the amalgamation that was announced by the Member for Portage la Prairie (Mr. Connery) only a couple of weeks ago, and with which we took issue and will continue to take issue. Well, the savings, here they are. The net, a couple of thousand dollars. Not too impressive! I would have thought we would have seen rather more significant savings; that is what was being touted in any case.

The Clean Environment Commission is going to play an important role in this province as it has had in the past, but I would think on a more important role given the new Environment Act that went into place on the 1st of April this year. There is a very, very tiny increase in that Budget, \$42,000.00. The Environmental Council, that grouping of concerned environmentalists from all across the province which is the advisory group, the volunteer advisory group to the Minister.

An Honourable Member: A good group.

Mr. Taylor: A good group in principle, I agree. A group that I would have been a member of, if the previous

Minister, the NDP Minister had sanctioned the City of Winnipeg's nomination to that council. Some of our other Members here are our long-standing Members on this side of the House of that environmental council. Here is the advisory group to the Minister, to advise him on the implementation of that new Act—\$4,000—wow! That is really, really impressive. I was hoping we would see some revenue in that department. We see a decrease of almost \$7,000 on the revenue side, and I never forget the revenue side of a Budget. Not too impressive!

Natural Resources—one of the larger portfolios in the Government and not surprisingly so. It plays a very important role in Manitoba, and affects Manitobans in many, many walks of life. It is also a department that impacts on other departments and plays a support role for many of the other departments in the Government of this province.

I looked at that and I saw 16.4 percent on my first cut at the gross numbers of the province, or pardon me, the Budget compared to the previous fiscal year '87-88. However, when one gets into the detail of it, and one subtracts \$13.5 million—I do not question that \$13.5 million because it is for extra fire suppression, a special fund set up because of the problems that we have had with forest fires over the last few years. I think the Government did the right thing in doing that. I am not faulting them for that at all.

What I also have to say is that I hope we will see, continue to see the improvement of the water bomber force that basically supports activities of that department. It is run by Highways and Transportation, but it is in support of the forestry industry and the activities of the National Resources Department. I hope we will see a continuing beefing up that water bomber force up to a reasonable level. Now there is another plane on order. I hope we are going to see that other aircraft arrive. I do not see anything further about it in the Budget other than the special funding set up, in any case.

But these are tough times. We have to look to stimulus, to various parts of the provincial economy in a very selective and judicious fashion. There are not pots of dollars all over the place to spend, so the where of the spending is rather important.

Given the track record that we have seen in the clean-up after that terrible windstorm in June of Grand Beach Provincial Park, one of the most popular campgrounds in all of the province—I do not say that just because it caters to Winnipeggers. I happen to represent a Winnipeg riding but it is one that has served the tourist industry well. But when I saw the answer that came out from benches yonder, that, oh, yes, we were a little late getting at it, but we were going to get at it and then we found out, no they did not get at it and they were not prepared to transfer monies. I see now a noticeable improvement to the parks operation and maintenance budget. Good, and I think you did the right thing with that \$787,000.00.

* (1640)

However, when one talks about parks operations and we see grant assistance being cut by \$25,000 in what

is already a rather tiny budget and we see visitors' services an \$11,000 cut when we have got a tourism initiative by the province as a whole, we have a tourism initiative by the province, in connection with the City of Winnipeg's initiative, and we see then a cut in visitors' services, I say, "Is not there somewhat of an inconsistency there?" I would say, "Yes, there is." And I would like to get to the bottom of that and I hope we will see that sort of an answer come out in Estimates, because if there is to be a tourist initiative, you do not make minor cuts like that. You make some small increases and you improve those visitors' services.

Because if anyone has driven across the Trans-Canada Highway, the major east-west arterials of this country, and as you hit a provincial boundary, you will come across the tourism office out there, usually open on a seasonal basis but some year round. I would say we could do a lot of learning from those other provinces in where they locate them, how they design them, how they staff them, what sort of philosophy of services that are employed in those tourist offices.

Those are the doorsteps, that is the welcoming to the province; and whether it be located at the border crossing of Emerson or if we are talking on the western boundary of the province or we are talking of Winnipeg International Airport, they should all be done and done well. So let us have no more nonsense of cutting of visitors' services. I do not think you are that desperate for dollars that you have to save the \$11,000.00. So let us get with it and let us see a little bit of an initiative.

Forestry: Our forest industry the last couple of years has been hit quite badly. In fact, if one goes over the last six or seven years, then more often than not it has been a bad forest fire year and not an average or a good one.

A minor increase in the forest protection budget of \$92,000.00. Not much when you allow for inflation. Administration is up by \$63,000, and I thought we would see that reined in a little bit.

The thing that really bothers me is looking to the future here in forestry. Silva culture—and for those of you who do not know what silva culture is—this is the development of strains of seedlings and the growing of seedlings in numbers, in hundreds of thousands, in millions, for reforestation.

I have said before in this House, I am not satisfied with reforestation programs as they exist. I do not expect this Government to do miracles and to turn around overnight an area that has been ignored for some time, but let us not get ourselves in the box that Ontario and British Columbia have gotten into where they are also dependent on the forest industry to a large degree for their performance in their provincial economy.

What we are seeing in silva culture, instead of the picking up of the ball that Ontario has finally realized and the massive encouragement of the private sector to greater and greater silva culture production, we have got a reduction in our budget of \$83,000.00. I do not think that is good enough, not when we have had the massive losses that we have had particularly on the east side of the province.

The forest development program again is a future-looking element of provincial activity. It is not a small budget but it has been at an absolute zero growth. I do not think—and it is unfortunate that I cannot address my remarks directly to the person I would like—but in any case, a zero growth in the forest development program is not satisfactory, not after the sort of things that we have had happening.

I am sorry to say that and what I am going to mention next is also a zero growth in fisheries in a very key element. It hearkens to the aspect that I mentioned in agriculture—lack of innovation.

What you do need to do if we are going to change and improve the economic structures in our province so that we get better performance, that we take a better slice of the pie in the national performance, then we have to start innovating, we have to start research and we have to start putting dollars in the right place. We are not putting it in agriculture, we are not growing it in forestry and we are not growing it in fisheries in many ways.

Some enhancement for the fisheries—yes—but the northern fishermen's freight assistance—zero growth. How the heck are we going to get that fish out of the North?

I had spoken on wildlife issues before. One of the concerns has been our fur trapping industry particularly critical in the North, particularly critical on the reserves. Many of those reserves are dependent almost totally on that aspect of the economy. Well, you are putting \$210,000 additional in there, Mr. Finance Minister (Clayton Manness). Good. That is the sort of thing that is required. However, the commercial wildlife management is only up \$117,000.00. We have got opportunities to do more in that area in this province. I would ask you to have a relook at that.

Resource support programs—somewhat of an increase—\$281,000.00. This is an area where Liberals are going to be watching very closely. We are not convinced that this Government has a hand on water management in many, many ways. We have talked about it before about Winnipeg and I will be getting to that in a moment.

Before getting into that, I would have to say that one of the things that really concerns us here is that we have a very, very significant reduction in revenue in Natural Resources. If one takes a look at the Budget Book itself, and one turns to the section of Financial Statistics on page 3, you can take a look at the 1987-88 actual figures. Revenue to that department was almost \$32 million. But what is it in the Estimates for this year? Twenty-three and one-half. That is an \$8.5 million drop in revenue. I think that is rather significant.

We have not heard any explanations on this side of the House on where it is from, but it covers the areas of water resources, parks, forestry and fisheries. I do not think, in these sorts of times, we can afford discrepancies of that nature. I hope it was a typo error, quite frankly, but we will be looking for the answer on that and I am sure Mr. Penner will jump into the breach to provide that—pardon me—the Minister of Natural Resources (Mr. Penner).

HOUSE BUSINESS

Hon. James McCrae (Government House Leader): Mr. Speaker, I rise on a point of order regarding House Business.

I am pleased to report to you and to the House, Mr. Speaker, that the House Leaders have reached an agreement regarding House Business, and it has been agreed that at six o'clock today, when the House adjourns, it shall remain adjourned until Monday at 1:30 p.m.

Mr. Speaker: Agreed? The Honourable Opposition House Leader.

Mr. Reg Alcock (Opposition House Leader): Mr. Speaker, I wish to inform you that the Opposition concurs with this, and we want to extend to the Premier our very best wishes in his upcoming meetings.

Mr. Jay Cowan (Churchill): Mr. Speaker, on the point of order, to indicate that it is truly unanimous, I wish to associate the New Democratic Party Caucus with the agreement and indicate that we too share the wishes of all Members of this House that the Premier has a very productive meeting when he visits with the other First Ministers.

Mr. McCrae: With the unanimous leave of the House, that could become a House order, I understand.

Mr. Speaker: I understand that there is leave needed. We need unanimous consent.

Does the Government House Leader have leave? (Agreed) I knew you guys could work it out.

BUDGET DEBATE CONT'D

Mr. Harold Taylor (Wolseley): Thank you very much, Mr. Speaker. That was a most interesting interruption but one I am very grateful for. I am sure the Premier (Mr. Filmon) will do duty for us in Saskatoon. I wish him well.

An Honourable Member: Do not hold your breath.

Mr. Taylor: Some Honourable Member said do not hold your breath, but anyways, I will continue in the debate on the Budget, Mr. Speaker.

I have noted a number of concerns, in some detail, in the Departments of Environment, Natural Resources and I have real concerns in Natural Resources in that given the importance that they have in our provincial economy some \$450 million, I believe, is the forecasted production level this year, something that we cannot sneeze at.

* (1650)

There is one other area of concern that I have on the environment that I did wish to mention. That is the concern of spending of the department on things such as the environmental impact assessments, and also in

the conducting, I would assume, with the cooperation of Natural Resources, a round table that was suppose to take place this fall. To date I cannot find the funding for that. Possibly that will come out in more detail in the Estimates process. I would like to see that on the part of both departments, the round table on Natural Resources.

Also I will be looking for particular funding for environmental impact assessments on the Alumax project, if it is going to proceed and what will happen for funding this year. Also, I will hope we will see, notwithstanding the comments of the Minister of Environment (Mr. Connery) this afternoon in Question Period, that he will be dependent on the U.S. Army Engineers Study. I really hope he will have second thoughts after looking at that document and will say that, no, Manitoba does require its own environmental impact assessment and the funds will be there in his departmental Estimates to cover that off. We are talking about a group of very competent engineers, but when it comes to environmental issues they are very, very low on the totem pole. The U.S. Army Engineers Corps, quite frankly, when it comes to environmental issues are totally discredited. Take a look at it from an engineering viewpoint, but please give us your due in support of this requested environmental impact assessment.

One other area that I cover in my critic's duties is that on urban rivers. We had just earlier, preceding me, the Minister of Urban Affairs (Mr. Ducharme). I was interested in hearing his comments. I looked in the Budget as it is presented to the level of detail it has, I think what I am seeing in there is an expected wind down of the federal-provincial ARC Agreement, the Agreement on Recreation and Conservation, that has been so successful over the last seven years. I hope that is the explanation that I see for this very small amount of money in comparison to last year. But I will give the Minister that opportunity.

I do have a concern though in what I saw on Urban Affairs as it related to another urban rivers issue. I will be looking for an answer as to whether this Government sees rivers issues as being the glamour issues, the issues where you get the pat on the back because you do the nice warm fuzzy things that everybody likes to have happen. I am talking about the dedication of resources out of the Urban Affairs Department for the Riverbank Enhancement Program of the Core Area Initiative. That is a \$5 million program. The office of prime interest, to use a governmentese term, is the province not the City of Winnipeg. I assume what I am seeing is some dollars dedicated to that.

I would hope, however, that the myriad of other issues out there on our rivers, and I could name some 15 or 16 of them, whether we are talking about bank stabilization, we are talking impedance of flow, we are talking enhancement of fisheries, we are talking ice patrols in the winter time, we are talking about the removal of obstacles, we are talking improvements of boating safety. I could on and on. But suffice to say there is a myriad of other issues out there that have not been dealt with by the NDP.

The NDP in the 1986 election raised the profile of the issues of river management and river concerns by

saying in that election that they would put forward a fund of \$100 million for the improvement of Manitoba rivers—it would be over 10 years. It did not quite work out that way because then 10 years became 15 and before the collapse of that Government, 15 became 20. Now, that is not the way for a provincial Government to respond to a need.

I am not saying that there are not needs in certain towns and cities and villages of this province where rivers pass through and where the province might want to get involved. But as a former city councillor and as the city councillor who raised this issue dating back some three-and-a-half years, we have an issue here where this Government, I hope, is going to be much more positive than it has to date in that they are going to put the time and the money and the staff time, I am talking about, to open negotiations with the City of Winnipeg.

It is almost two years now since the largest city in the province requested negotiations. They set out a 12-point agenda. I hope I do not hear again the repeated comments that we had from the Minister of Urban Affairs that I am waiting for a response from the city. I am waiting for the city to request that we do something with the feds. It is sitting there. It came forward in mid-October 1986. It was repeated through the official delegation process. The NDP chose to ignore it.

They went for the glamour project, the River Enhancement. Let us get at those other issues. Let us see that two levels of Government can work something out. Let us get on with it, and I hear some mumbles over there from the Member for Concordia (Mr. Doer), but the action was not there.

I am hoping to see that there will be action there. The city Government has repeated its request for delegation of authority on this sort of thing. Let us see us get on with it. I am looking forward to participating, hopefully, in the Estimates process depending on the result of the vote on Monday evening, and we will get on with the governing of Manitoba.

I hope the agreement that we saw here this afternoon on resolving the impasse on the conclusion of the Budget debate and the resolve that we saw in this House earlier on Churchill, which I hope is not totally lost, will be a harbinger of things that can happen in this House with a three-Party dynamic if the will is there. Thank you.

Hon. Glen Findlay (Minister of Agriculture): It is indeed a pleasure to rise and put a few words on the record with regard to the Budget that the Minister of Finance (Mr. Manness) brought in just a short while ago. The April 26 election was an event that was caused by actions in this House of March 8. Those actions occurred because the people of Manitoba wanted a new direction by the Government of Manitoba because they were dissatisfied with the deficit financing that had been occurring in this province, plus some Crown corporation problems that had emerged over time. People felt that the previous Government was not giving the province the kind of direction they wanted.

The Minister of Finance in his Budget Address did a very good job of addressing the real goals that the

Province of Manitoba wanted. Their goal that they dictated to us or demonstrated to us through our discussions in the election process, they wanted a competitive and diversified economy, an economy that could compete with the other elements of the other provinces, other areas of Canada, and compete on the world market.

The Budget that the Minister of Finance (Mr. Manness) brought down dealt with meeting the challenges in health care, education and social services. He brought in initiatives to encourage job creation and capital investment, and to speed up the recovery of agriculture. I am going to spend some time on that, particularly after the Member for Wolseley (Mr. Taylor) made the comments he made just in his previous speech.

The Minister of Finance (Mr. Manness) put in place actions that will allow us to regain control of the spiralling debt and interest costs that we are paying in this province. The Budget that he brought in will improve management accountability of Government departments, Crown corporations and agencies, something that was very dearly lacking in the previous Government and wanted by the Province of Manitoba. Actions that he has taken in this Budget will make Manitoba's taxes competitive with other jurisdictions.

* (1700)

There are a number of new initiatives in this Budget and, as Members over there have indicated, there are a number of initiatives that were in the previous Budget. But I think, if they stop and reflect, in three months or two months of Budget development, you cannot totally change the direction of the province. You can give it a new look, a small new direction, but this Budget clearly indicates the kind of direction that you will see in further Budgets brought in by this Government in the future.

I am particularly pleased that the increased expenditures in areas, particularly like agriculture, occurred without having to increase personal income tax for the citizens of Manitoba. There was no increase in the corporate or capital taxes, and we were able to address the payroll tax problem by increasing the exemption level from \$100,000 to \$300,000.00. It allows 46 percent of our businesses who are now paying payroll tax to be exempted. That is a very positive initiative for the business community of Manitoba. That was one of the greatest disincentives to business expansion and business beginnings in the Province of Manitoba, particularly small businesses.

Small businesses are created because of new ideas that people develop so the entrepreneurship that they have, and the small businesses create the jobs that make the economy of Manitoba the strong and prosperous entity that it can be. I think that I would like to look at this Budget, and I know many of my citizens do, as saying that the Province of Manitoba is now open for business again, now open for business. There will be other initiatives in the future that will address that to a greater extent.

The one thing that is very important for small businesses that will develop in my constituency and

throughout the province is the encouragement of new businesses through the corporation income tax holiday that will be in place for one year, and phased reductions in the following four years. That will be very helpful as an encouragement element.

We saw an increase in expenditure in Highways of some \$7 million. In southern Manitoba, particularly where I come from, there has been a significant deterioration in highways over the past few years. The previous Government did not address it. My citizens and my councillors have spoken to me repeatedly about needs in the highways area, bridges that have to be rebuilt that are old and are unsafe at this point in time. There seemed to be no plan to do anything in the coming years in those particular areas. Additional expenditures and a redirection of the attitude about building highways in southern Manitoba will be a very positive initiative.

Health, a very significant social service in the rural areas, \$1.5 billion will be expended in that area, approximately a third of our Budget. We really need as citizens a high level of health care. We have become accustomed to it, the public demands it. It is not easy for a Government to deliver the level that is needed. We must look after the basic needs.

In the rural communities, it is hospitals and doctors. We have had a continuous battle in my particular area with maintaining doctors. I do not think it is all throwing money at it. I think it is attitude from the Minister down through the department. There is a new attitude there, and I believe we will see some positive response in terms of getting doctors to address the issue of health care in rural Manitoba. We have had a lot of dissatisfaction out there with the turnover of doctors, the lack of desire of doctors to come, and it is of great concern particularly to senior citizens. They do not want to have to travel 70 or 100 miles to see a doctor. They want to have the doctor in their local town. I think the Minister of Health (Mr. Orchard) has done some significant moves behind the scenes already that will help with that problem.

Industry, Trade and Tourism, I have already mentioned the belief that I have that Manitoba is now open for business again. I think that it is not only tax holidays, but it is just an attitude out there that business is welcome. The jobs they create are of benefit to the economy. The Minister of Finance's (Mr. Manness) announcement that there will be a Rural Economic Development Committee of Cabinet is a very important initiative because there is a big job to be done. We need to have economic development in our rural communities that create jobs to keep our population out there. The recent redrawing of the electoral boundaries very clearly demonstrates what is happening to us in rural Manitoba. Population is dwindling, and I do not think it is healthy when the City of Winnipeg becomes 57 percent, 60 percent, 65 percent of the population of this province. I do not think that is healthy. It is certainly not healthy from our point of view in terms of not having the voice in this Legislature or the numbers out there to keep our community programs active and growing. So we need to have secondary industry developing out there.

The events that occurred in the past years in Minnedosa under the Lyon administration in terms of the Gasohol plant, the CSP plant at Harrowby, those are the kinds of positive initiatives that keep jobs in rural Manitoba. We have, I can tell you, a number of discussions that are going on with various companies that I think we can attract. Lots of discussions occur sometimes that do not bear fruit, but they are coming now with a greater level of desire to locate in Manitoba. I hope that we can do, through this Cabinet committee, some of the things that are needed to stimulate them to locate in rural Manitoba, create the jobs, stimulate the economy of the local areas and, in the long run, keep our representation in this Legislature at an appropriate level.

I would now like to spend a few minutes talking about the agricultural industry. Just for the information of the Members opposite, there have been a number of comments that they do not see much increased expenditure in the Department of Agriculture. The Member for Wolseley (Mr. Taylor) previously said he cannot possibly see where it is 50 percent. The Leader of the Opposition, on the day after the Budget was brought down, said: "I can only see 30 percent." Well, if she had taken the time to look at the Fourth Quarterly Report, March 31, 1988, line 3, Schedule 1, she would have seen Agriculture Estimated Budget for 87-88 at \$84.992 million. If she had looked just a little to the left, she would have seen actual expenditure in the past fiscal year of \$70.773 million, a shortfall of expenditure of some \$14 million.

We are expending \$115 million, \$4.5 million is federal money recoverable from the federal Government. So that means we are really expending about \$110 million. When you take \$110 and subtract \$70, that is a \$40 million increase, and \$40 over \$70—anybody can do the mathematics from hereon.

The shortfall in expenditure is not our fault, and I can give you a couple of the items where they had a significant shortfall in expenditure. One is that the Special Farm Assistance Program of some \$6.5 million has been in the past two Budgets. Two Budgets in a row it has been in there. It is to assist the debt review process under The Family Farm Protection Act, money that can be well directed to assist in settling the mediation problems that farmers are having with their creditors. Not one single penny of that Budget has been spent in the last two years. In the last Budget, that is \$6.5 million that was allowed to lapse.

Another \$3 million was allowed to lapse under the School Tax Rebate Program that the previous Government had in place. They budgeted \$12 million, spent \$9 million, so there is \$3 million shortfall there. Overall, here and there, it adds up to a shortfall of some \$14 million. It is our intention, when we budget funds, we will budget them a little tight in places but we intend that those budgeted funds will be directed to the needs that they are there for.

We have put in this Budget some \$18.3 million for drought—these are not programs that have been previously announced—\$13.8 million of that is provincial money. The Member for Wolseley (Mr. Taylor) says, over half the money that is in the Budget for drought is

federal money anyway. Why is it in the Budget? Well, \$13.8 over \$18.3 is not half. It is \$4.5 million recoverable from the Government, the reason being is because the money that will be paid out under Crop Insurance and the Greenfeed Program is recoverable. Do not forget there is an additional \$9 million of federal money that is coming into the province through the Herd Retention Program, the dollar per head payment. In total, for drought assistance in the Province of Manitoba, in the 50-50 sharing federal and provincial, some \$26 million will be used to deal with the coming problem that we have with the livestock industry.

* (1710)

Just so that the Members opposite know, the \$9 million that was targeted for the Greenfeed Program seems to have been well planned. We had indicated that we thought maybe 6,000 producers might enroll, and we would hope to have some 600,000 acres producing about a tonne per acre. I guess, fortuitously, it has ended up that we have about 5,800 producers enrolled, pretty close to the target, some 630,000 acres enrolled. If it produces roughly a tonne per acre, we will pay just exactly the \$9 million. Certainly, there are some unknowns yet in terms of the production from those acres enrolled, although the \$15 per acre will definitely be paid on all that land that was seeded for Greenfeed production after June 20. The money will flow and, hopefully, the production will come in at the level we had hoped it would.

Some of those acres are salvage acres. They are crop acres that were not that good and were converted over to greenfeed. We have no idea at this point in time what the percentages of salvage acres versus seeded acres for forage production. In 1980, when this was done previously, there was approximately 20 percent salvage to 80 percent seeded acres. We are pretty confident this time that it is vastly increased acres in the salvage area, without doubt. We hope that the overall between the salvage and seeded acres, of the 630,000, that there will be significant production of feed.

The department tells me that generally there is a fair supply of feed in the province between the Greenfeed Program, the normal forage off brome alfalfa and the wild hay production. Because of our low level of water in our potholes and our ravines, there is a fair bit of hay being produced in the province. Because undoubtedly there will be a market for hay, those producers who have hay that maybe they would not harvest if it had no value, that hay is being rolled up.

There has been criticism in the press of the amount of hay that is being sold to Saskatchewan or sold to the Americans. I see no problem with that, because many producers are in the process of producing hay for sale and they do it every year. Four years out of five or six years out of seven, there is little or no market for it and it is low priced. This year is their opportunity to make a better income and that money is coming, if it is going to the States or going to Saskatchewan, into the province and money coming into the communities. Essentially, it is another export crop.

The dollar per head payment is money that is in the producers' hands that have to buy feed. That money

admittedly is not in their hands at this moment, but that money will come in the hard-hit areas and producers have some assurance that they can go out and make the expenditures that they have to make in terms of buying feed or renting pasture or hauling water or hauling feed or fencing off a field that was not worth harvesting and pasturing it. Those activities can occur with some degree of assurance that money will flow.

The dollar per head payment is going to be calculated, as I said earlier, by the measurements that are presently being made under the Livestock Feed Security Program to determine the actual level of production in the various municipalities. That program is ongoing at this time. It has been speeded up this year because not only do we have to make the payments under the Livestock Feed Security Program of crop insurance, but it is important that those figures flow in so that the per head payment can get out to producers as fast as possible.

We have 19 crop districts in the province, and every one of them has a weighing truck this year, which is the first time that has happened, so that they can speed up the measurements. We have also requested the municipalities to review the monitors that are used in that program in their municipality. If they have any concerns, please address them to the crop insurance people now before the measurements are made rather than after, as has occurred in previous years.

In terms of the drought effect on the crops, it is becoming evident now that we have a very large area in the province that is going to have relatively low yields, in fact, very low yields. We are hearing yields in the southern part of the province of two, six, eight, 10, 12, 15 bushels, areas that often produced 40, 45 and up to 50 bushels—a significant impact on them, there is no question. In other parts of the province we are hearing of yields of 30, 40 and some areas that are north of Riding Mountain probably will get 50 bushels an acre when they get the crop off. It is still not off because they had a normal time frame and it is still to be harvested.

* (1720)

Once the total harvest is in, when we know the yield—and in a couple of months—we will have a fairly secure idea on the eventual value of that in terms of dollars per bushel. Farmers will have had the measurements made so we will know the amount of crop insurance money that will have flowed out into the farm community. We will have the Western Grain Stabilization payment in approximately November as normal, which will put again another several hundred thousand dollars into western Canada, maybe a \$100 million plus into Manitoba. There are discussions going on now between the federal Government and the various farm organizations across western Canada and in Ontario and Quebec with regard to evaluating the economic impact of the drought so that a potential deficiency payment related to drought can be targeted to the worst hit areas. A meeting was held last August 9 in Saskatoon where the Western Canadian Farm Organization met with the federal Government. There has been no provincial participation of those meetings to date. We have not been requested. We will talk about the federal Government later.

The Keystone Agricultural Producers were the one organization that brought forward a proposal to that meeting which is a fairly responsible proposal requesting approximately \$40 an acre for the worst hit areas, using the 30 percent, 70 percent criteria we used in the Feed Security program. I understand that proposal received a fair bit of favourable discussion. I think it is some period of time before we have a decision at the federal level in further discussions with those organizations as to what is to be done.

I can assure Members opposite that when all this information is in and we know where farmers are at, we will have ongoing discussions with farm organizations and with credit institutions to get a feel for what the problems are for farmers putting a crop in 1989. We will be moving in programs and other activities that will be responsible in terms of meeting the need of the farm community. The fact that there is not a figure in the Budget right now, indicates that it is way too early to indicate what might be needed in the future, it may not even be needed till the next Budget. The economic crunch at the farm level will not really occur, I do not believe, until people start to plan for the 1989 crop which means March, April, May of next year. We have to anticipate that there will be some problems but we will be responsible in dealing with them at that time.

In terms of the response to the Budget, the Member for Wolseley (Mr. Taylor) used the words "lacking innovation and woefully inadequate." I would like to refer him, if he would not mind, reading the Manitoba Co-operator of August the 11. On the right hand side of the front page, it is referring to the Budget that was brought in by the Minister of Finance (Mr. Manness) and it says, "farm groups pleased, Budget earns high praise." That does not sound like "woefully inadequate." I would request that the Member keep up with what is going on before he makes derogatory comments. I do not mind being criticized, but when you try to do a responsible effort and the people out there that we are dealing with believe that we have done something responsible, I think it should be reflected—it comments from Members opposite.

The leader of the Keystone Agricultural Producers goes on to say he gives us 8.5 out of 10 marks for the Budget. As he says, it is addressing the drought concerns of producers in rural Manitoba, realizing that nobody can predict the future with complete accuracy.

He also goes on to comment on the Education Tax Relief Program we brought in—some \$12 million with a 25 percent across-the-board reduction for producers on education tax on farm land. That is a very important initiative in my mind because the previous Government—we talked for two years to get them to move on that program. They did put \$12 million—as I said earlier, only spent \$9 million—but they had such restrictive guidelines on that program that it was highly criticized by the farm community because it did not uniformly give all landowners the 25 percent reduction that we have given them now. It did not address the problems of spouses owning land. They were ignored. If you lived common-law, the woman got the credit last year but the wife did not. Highly criticized in that respect.

Widows and retired farmers that were paying taxes on land, had done it for years and years, got no relief from the education tax. They were ignored. In the R.M.s, our secretaries in all our R.M. offices had considerable administrative problems with the guidelines that the NDP Government put in that program.

We addressed all those problems—all four of them—in the program that we put in place and announced in the Budget, but the Leader of the Opposition (Mrs. Carstairs) says that it was almost identical to the NDP program, almost identical. Again, she has not talked to the farm organizations. She does not know what they think of it. I can tell you that they are praising the way we have approached that program. They know that we are committed to removing education tax from farm land because it is an unfair tax.

I am just a little bit surprised that she would make that kind of statement having listened to us on that side of the Legislature when we criticized the NDP. And watching the farm press, if she ever did, she would have seen the concerns out there. If she had looked at our program and the way we were addressing it and got any response from the farm community, she would not have made that kind of statement. I think it is a requirement that any Member of this House be somewhat responsible in their criticism. We do not mind criticism. That is what you are there for. We get it from all directions, but it needs to be responsible because we have a major concern out there, a major problem, and we have to address it.

Some other areas that I feel fairly proud of that we have moved in is the water development area. Normally in the provincial Budget there is approximately \$650,000 spent each year. We are spending an additional \$700,000.00. Normally the PFRA spends about \$1.3 million in the province. This year they are spending an additional \$2 million. That is the announcement that occurred when the western Ministers of Agriculture met in Calgary in the beginning of June. That means in the province, instead of spending \$2 million on water development, we are spending \$4.7 million.

The Water Services Board indicates that they are receiving an increased request for their services in a variety of areas that they operate in, but with the additional funds they believe they can meet the majority of needs that producers and small communities are having with regard to water problems. There is really no way we can generate water; it has to come from above. We are going to have some real problems with dugouts this coming fall and winter. And next spring, we are going to have major problems in terms of any kind of crop production unless we get significant rain this fall. I understand in the last day or so there has been some rain around the province, some places reporting an inch, up to three inches. We need that sort of thing to happen after the crop is off, through the month of October, in order to get a decent opportunity for next year.

Some other things that we are doing that I think that the Members opposite should be aware of—the Tripartite Stabilization. We have signed the program for beans. It is in the Budget. Sugar beets are in the Budget. The hog money is in the Budget and the

tripartite plan on beef is in the discussion stages, and I would be, I think, fairly happy if we can get that resolved by the beginning of October and a signature on a tripartite plan. The producers of Manitoba want that. It is a very important opportunity to be competitive with the rest of western Canada.

Another initiative that is in the Budget, and it was in the previous Budget that the NDP had brought in, is \$100,000 for a Rural Development Institute at Brandon University. It is an initiative developed at Brandon University and we support that initiative. I would like to have had more money for research but that is an area for the future. As I said earlier, we cannot do everything in two to three months. There are areas of development in that direction that we are very desirous of moving in. With the University of Manitoba and the federal Department of Agriculture, we hope to see some additional moves in that direction.

Other areas of activity that have occurred that were not really in the Budget, and I think Members maybe would like to hear what is going on, we have made some major changes in the Crown lands lease transfer policy so that when a producer sells his own holdings he can transfer the lease that he has held to the purchaser of his own lands. The previous Government put a stop on that and upset producers to no end. We have had an ongoing discussion with producer organizations in putting that policy together and there is a high level of satisfaction with what we have done.

We have made some changes with the Beef Commission in terms of not requiring farmers to sell just through the Beef Commissions. We have opened it up so that producers have the choice of selling their livestock either through the Beef Commission or through auction marts or direct to packers, wherever they believe they can get the highest return for the animals they are selling. It has been a highly regarded action because there has been no criticism come to me at all about that program. We still require that producers that are in the plan have to pay their levy to the Beef Commission. That is mandatory because they signed an agreement that they owed their levy and we are requiring them to do it.

One other area I would like to just touch on briefly is the Debt Review Boards. We are in the process of putting together our election commitment that we will streamline the process of debt review so that there is one review at the farm level and one financial review by a fieldman. That review will go to both federal and provincial boards. The two boards will stay in place. They both have some money at their disposal to help the mediation. That process has been in a fair level of discussion, and from what feedback I am getting, there is no negative comment on that process. In fact, I met with the National Farmers Union yesterday and they even agree that process was probably more efficient and that the money would be better spent on helping resolve the cases.

* (1730)

One other thing I would like to comment on, I was not here almost two weeks ago on a Friday when the

Member for St. Norbert (Mr. Angus) raised an issue about McCain's and the Free Trade Agreement. I wish that Member had done a little more research on the activity of McCain's in Manitoba and the potato industry and the producers of potatoes in Manitoba.

I think the attitudes of McCain's and the producers are fairly well reflected in the editorial in the Brandon Sun which said: McCain Foods is no stranger to using high pressure tactics on Manitoba farmers. There is a long-standing history of producers of potatoes—processed potatoes—in the Province of Manitoba having severe difficulty in negotiating with McCain's.

They have had virtually no trouble with Carnation. There are those two processors in this province. Farmers are very happy with the sort of corporate responsibility of Carnation and they have an ongoing continuous battle with McCain's. They are of the belief that McCain's will do anything to reduce the producer price. They will do anything.

I think the latest skirmish on free trade is just one more scare tactic. McCain's says they will pull out. Why did they come to Portage in the first place? Quality potatoes produced in the Province of Manitoba—that is why they came here. They are selling a fair percentage of their production into Japan in competition right now with their own plants in the United States. So they are trading quite successfully; I am sure they are not losing money. They are a very wealthy corporation. Why do they have to keep continually wanting to pressure the producers?

The Keystone Vegetable Producers organization who negotiates with them came to see me and they were appalled that McCain's would use this kind of tactic and that it would get the Liberal Party in this province onside with them to put pressure on the growers of this province.

And McCain's, at the same time, were making a presentation to the Committee on Free Trade, and in it, many pages, and really all they are talking about is their old arguments of saying, "We cannot compete with the United States because our labour costs are higher here, our transportation costs are higher here and our raw product costs are higher here."

But they have obviously been in business for a lot of years in New Brunswick and Manitoba, selling into an export market in competition with the United States, and they are using the Free Trade Agreement hearings to bring out their old problems.

What they said here has nothing to do with the Free Trade Agreement. It comes right down to in here that they make a statement that you read between the lines and they are talking about supply management and a cost-plus system in Canada versus the free market in the United States, and really what McCain's wants is to do away with marketing boards. They want to do away with marketing boards. They want to do away with the producers' rights to get together and negotiate against them. They wanted, out here in Manitoba, not to have to negotiate with Keystone Vegetable Producers; they wanted to negotiate with each farmer. The farmers got together and said, "We negotiate as

a group." The farmers got smart. McCain's have always been trying to put the pressure on to get the farmers to start breaking ranks and the farmers in Manitoba are too smart for them.

But the Liberal Party over there got onside with McCain's, the big corporate entity from New Brunswick, to put pressure on our producers—an appalling position to be in—and that company and I guess the Liberal Party is against marketing boards.

The one thing that is important about the Free Trade Agreement is that we have the marketing boards in safe harbour, protected. Are you against marketing boards? If you are not, you be careful who you line up with when it comes to arguing the position. You ask our producers. Those producers out there in rural Manitoba have been selling potatoes competitively into the United States, into Grand Forks, at a profit.—(Interjection)—There we are. See the Members opposite now, the old rhetoric of fearmongering.

The producer organizations believe that the problems that they had here and there have been dealt with by the appropriate process. As I said earlier in the Speech from the Throne, not one producer organization has come to me and said, "I want you to stand up against the Free Trade Agreement." Some say that they are in a neutral position relative to their industry, but for the benefit of agriculture in total, particularly the red meat industry, they are not going to stand up and speak against it. Certain issues that have created a small degree of problem for them have been dealt with through the negotiation process.

I find it appalling that the Members opposite would side with McCain's, who I do not think have the interest of the producers at heart at any time. You can ask any potato producer in Manitoba and you can ask anybody that has had any association with the negotiations of the producers what potato producers have had to put up with over the past number of years.

I think the Members opposite have a very important decision to make as to how they are going to vote come Monday, as we now find out when the vote is, because if they vote against this Budget, from my point of view, you will be voting against deficit reduction which the Minister of Finance (Mr. Manness) has a deficit of \$196 million.

When was a Budget brought in of that low a deficit in this province? Think back. It was a Conservative Government, the Lyon Government. Are you going to vote against that kind of deficit in this province? You are going to vote against payroll tax reduction? I thought you were in favour of it.

* (1740)

Are you going to vote against business promotion, the Tax Relief Program, the tax holiday for new small businesses where the jobs are created? Are you going to vote against that? Are you going to vote against an expansion in highway construction which rural Manitoba wants so desperately? Are you going to vote against the drought assistance package that we put in place, which the producers have praised through the farm

press? Are you going to vote against the School Tax Reduction Program which they also praised, because we dealt with the problems that the previous administration had in trying to deliver that program? Are you going to vote against producer organizations having checkoff legislation, which I know you support? Are you going to vote against that? Are you going to vote against the Rural Development Institute in Brandon, which is going to serve the needs of trying to identify problems in various rural communities? Are you going to vote against our putting \$3.5 million into work in the debt mediation process?

I think you can be critical but sometimes you have to be responsible. This Budget is a new direction for this province and from an agricultural point of view there are a number of new initiatives, some of which you may not be aware of, that I brought to your attention today. The farm community basically is happy. If we could get some good rain and some good crops in 1989 we would be on a roll. Thank you very much for the opportunity to speak and I hope the Members opposite will think of their responsibilities when Monday, 5:30 comes.

Mr. Herold Driedger (Niakwa): I confess that I do have a problem with this Budget response, not so much because I cannot find things in it to criticize and to debate, but rather because I have a difficulty understanding what we have to do on this side of the House. Because when I have listened to the debate from the Government side, there is a perception that I have that leaves me in a quandary. The perception is that from the other side, the quality of debate is not determined by what we say but by how long we speak.

If you do not speak for a long enough time, that means you obviously have nothing to say. Somehow I do not like what I am hearing in that. I hear that there is an implication that the only time it is valuable to criticize is if you go on and on and say nothing. I thought that we were here to actually debate and state things and be precise. So that is what I intend to do. In fact I cannot tell you how long I am going to be speaking. It could be for 40 minutes, for 20, for 10 or for 25. There is an implication there.

The Minister of Highways (Mr. Albert Driedger) when he spoke, and spoke about perception, as I indicated in the first few words of my address, the perception of how long to speak, he spoke about the fact that the perception on his side was that the Government was so good that nobody could speak against it, that the Budget was so good that the Members opposite were quite pleased to call this an election Budget and go to the people on this.

I do not know if that is a good perception to have because when you are dealing about perception here, the perception is very clear that it is not really, truly a Tory Budget. We have heard people say it is a retreat. In fact, the Minister of Municipal Affairs (Mr. Cummings) was able to say the other day that this Budget will be remembered for a very long time. I have to agree. It is the first time we have heard a Budget introduced twice, and twice heard, it will be remembered twice as long.

However, that again is still merely perception. It does not have the substance. There are some more perception problems with this Budget. When I spoke to people asking them what their perceptions were, the reaction was it was a ho-hum Budget; it was a non-event; it had no imagination, because in this Budget there was no way of indicating or determining what the Government's agenda was. True, we had the attempt to address some campaign promises but these did not actually indicate an agenda, a long-term view. So we have here a Budget that does not indicate an agenda. We have here a Budget that does not really indicate true Tory philosophy.

The Liberals have been criticized because Tories tell us that we cannot have it both ways. You cannot speak about increasing spending here and say you are not cutting taxes there. They say, you cannot burn a candle at both ends. But, Mr. Speaker, the method that we have from the other side there, as they say, in trying to gain control of the economy of this province, I will now come back at them and say, you do not try to gain control by melting the candle in the middle.

The Liberals had been criticized furthermore for their particular stress on social issues, because criticisms in the social area always ask for more spending. But then we are after all a Party of compassion. Our criticisms are based upon the fact that we have a prioritization as to where we would like to see money spent.- (Interjection)- Thank you.

With limited resources, you have to try to spend wisely. You do not announce a general 7 percent increase in the social spending area, the scattergun approach, saying, everything is going to get just a little bit more. If you do not prioritize, you are taking your few resources and spending them poorly.

This Budget has very little difference from the defeated Budget in specific areas. It just has a little bit more money attached here and there. This, essentially, is not what you do when you are attempting to go in a new direction when you say you have an agenda. I ask: where is this Tory agenda? I am looking for direction. This Budget does not reflect the true roots and principles of conservatism, which is what we would expect from a Conservative Government.

Once again, as I indicated in the beginning, we have a problem of perception, and I wonder how I am going to get the Members opposite to listen. We have tried general approaches, we have tried entertaining approaches, we have tried short speeches in order to try and keep the attention span. We cannot even count on Hansard, because the Member for Dauphin (Mr. Plohma) told us that nobody reads Hansard. So I feel we have to try a different approach. We cannot trust the clock, because even Members opposite who are supposed to be pro-Budget, speaking for the Budget, telling us how good the Budget is, could not go the full distance either—so much for that argument.

What I will try to do in my few minutes remaining is try to do the difficult. I will try to analyze the philosophy of this Government as it actually has been depicted in this particular Budget. I will try to identify the agenda. Specifically, I am going to address a few of the issues.

We have often heard that the Tory Government is a Government of big business, and you may question that when you say they actually did raise the mining tax just a little bit. This normally, to us uneducated types, addresses Inco and it addresses Hudson Bay Mining and Smelting. These are big corporations so they can afford to pay just a little bit more. Two percent rise in mining tax seems to be an indication of knocking the corporation but actually, in point of fact, when we take a look at that and analyze that 2 percent, we find out after that they are dumping on the little guy.

There are approximately 12,000 mining claims in this province at this moment in time. Most of them are taken out by individual prospectors who are attempting to try and make a prospect grow, who are trying to develop our mines. They are individuals trying to make good which is actually the Liberal philosophy, liberalism where individualism is supposed to be the driving force. Actually, when you take a look at this 2 percent, when normally these small mining operations which may end up being able to have quite a few credits on the depletion allowance side, who may have quite a few credits on the tax allowance side, find they cannot actually stay in business because they have too little cash flow to actually be able to afford this 2 percent that they have been asked to pay.

The mining tax, in fact, if you take this 2 percent, essentially the raise of 2 percent on that aspect, which is to bring the Government approximately \$21 million, almost offsets the savings that the payroll tax is supposed to bring to the small businessman because that is supposed to be a net loss to the business people of \$23.3 million.

* (1750)

What we see here in this Budget actually is supply-side economics, the trickle-down theory of economic development. They say we are promoting small business development but actually, when you stop and think that they also predict a decrease in growth to 2 percent, they are actually forecasting less growth at a time when they are wanting businessmen to jump in and promote more growth. Essentially, what they have left us with is the statement, yes, there is a tax holiday for small businesses, for new businesses. There is the raised deduction for paying the payroll tax and, if you do actually have the effect of having a few more people employed, these people must pay the 2 percent tax on net revenue, which actually is going to increase revenues rather than reduce them for the Government. This does not suggest to me any kind of direction or knowledge of where they wish to go.

Shuffling taxes suggests questionable Government. In fact, if I may quote from the Minister of Northern Affairs' (Mr. Downey) recent address where he said that, according to his belief, the No. 1 thing was to leave as much money as possible in the taxpayers' pockets so they can spend it as he or she wishes, I wonder what he is actually saying. Furthermore, when he states also just two paragraphs further on that he hopes that the Members opposite here will vote right, ". . . will have the opportunity to go on record of doing something absolutely right on behalf of the people of Manitoba,"

I question again where he is coming from because essentially we are supposed to be voting for a Budget of the left, and that is not what we are here to do.

In fact we have to take a look at what this Budget actually asks us to do. I think when we take a look at something we have been chastised for suggesting, which is the 2 percent tax on net income which actually hits the poor, which hits the people who are on fixed incomes, which hits the vulnerable, I ask the question: Where is the compassion? Where is the heart in this Budget?

If I may quote—now this is not a direct quote, but a paraphrase from what I hear from the boys in Finance. They call this 2 percent tax on net income the tax pig feeding at the trough, because it keeps on bringing in reams and reams and reams and barrels and barrels and barrels of money. Who does it actually hit? You take a look at the people who are supposed to be paying this tax and who should not be paying this tax, the people in the \$15,000 to \$25,000-a-year tax bracket, people who would normally before this tax was introduced be getting approximately a \$400 tax refund which might pay for a holiday, which might pay for a new suit of clothes, no more. This particular tax affects the only discretionary income of many of the single-income families, the only discretionary income that they would have had. Now this tax is still there and it really hits low-income earners. Considering what the former Opposition used to say about this tax and they still have left it in here in its entirety without doing anything to accommodate some of the people, the things that they were criticizing. I simply ask myself: What kind of hypocrisy is this?

More competent managers would have tried to do both things, perhaps to reduce deficits, to reduce taxation for small businesses and also increase just a little bit more money in the pockets of the people who actually put in all the work. To make supply-side economics work, you have to do both things. You need to cut taxes to help the consumers spend a little bit more because, at the same time that you are reducing revenues and have slower growth, you wish to have a momentum being built. Now there is none of this in this Budget, but besides that there are other areas and indications of questionable judgment as well. I see that I am hastening through my prepared notes here at such great rate, I may actually finish before six.

Let us take a look at some of these other aspects of the Budget which are questionable. Nobody questions the desirability of reducing fuel consumption. What have we here? We have seen an increase in the fuel tax on leaded fuels. Leaded fuels affect only the older cars. The older cars are driven by people who have lower incomes, so they are picking up a little bit of the revenue for this Government.

Another area where we see a little bit of tax, which does not seem to sound like very much, is on the aviation fuel tax. Where does it actually affect most people in Manitoba? In the area of internal transportation, the transportation to the remote and to the isolated communities. These are the ones who should have the transportation costs reduced, made more easy but, no, the Government would have us

think that these taxes affect only the national carriers who have their corporate headquarters outside of Manitoba, which suggests to me this is not truly a Tory tactic but rather more of a previous Government tactic.

Finally we have a tax that truly I have difficulty objecting to, on the nature of what it is on, but I wish you to think about the effect of it. I believe the Minister of Highways (Mr. Albert Driedger) said it best—it was the tax on tobacco. I am a non-smoker so I feel I may say this. However, the Minister of Highways is a smoker and he tells you this: 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 never deter us from this habit but it is getting to a point where it will.

With all of the pressures that are presently against the smokers—where to smoke, where they cannot smoke, do not smoke here, do not smoke there—plus the fact that the cost of tobacco is now going up still more, we find that if all of the people in Manitoba decided that today they were going to quit smoking because it is too costly, this Government would be facing a loss of \$100 million a year in revenues gained. Where are they going to make up that shortfall?

An Honourable Member: Liquor.

Mr. Herold Driedger: Liquor—perhaps.

This Government is counting on windfalls for this particular Budget. We have the windfall of the mining tax. We understand that this is a cyclical industry and that will probably not be repeated. The windfall of having increased federal transfer payments. If we find that this particular year's Budget—and mining taxes are included in the books—Manitoba actually has a greater income which will end up being put into the federal books, which means that the federals give us less, so essentially there we have less income as well. Essentially we have here a situation where a Government has come up with an old Budget, because they had some new monies. They are counting on this to continue and this, Sir, I tell you will not. We have to prioritize. We know it is going to be tough and this is something that we, on this side, are prepared to address at any time when we have the opportunity. I thank you, Mr. Speaker.

Mr. James Carr (Fort Rouge): Is it the will of the House to call at 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 Honourable Member for Fort Rouge (Mr. Carr).

* (1800)

The hour being six o'clock, this House is adjourned and stands adjourned until 1:30 p.m. Monday.