

## LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, 29 May, 1986.

Time — 8:00 p.m.

### BUDGET DEBATE

**MADAM SPEAKER, Hon. M. Phillips:** The Honourable Member for Gladstone.

**MRS. C. OLESON:** Thank you, Madam Speaker.

It's a privilege for me to stand in the House this evening and take part in the Budget Debate. It is interesting to follow the Minister of Employment Services and, once again, be treated to an exhibition of the wizardry of statistics that were placed before us this afternoon. I will, no doubt, take the time to study them further — I and my colleagues — and we'll perhaps have something to say about them later. I had planned on a remark about statistics in my speech tonight, but it will come later.

Before commencing my remarks, Madam Speaker, I would like to take the opportunity to thank the people of the constituency of Gladstone for re-electing me to this House. Since we have so many people on our side of the House now, I wasn't able to take part in the Throne Speech Debate, and so I welcome the opportunity to be able to speak now and to thank them for placing their faith in me again. Had I had a chance to speak on that debate, Madam Speaker, my first remarks would have been concerning my constituency and the lack of hope for them in the Throne Speech.

I also, Madam Speaker, would like to congratulate members, re-elected and elected, on both sides of this Assembly and, of course, especially to people on our side of the House. I am especially happy to have the Member for River East with us, and I look forward to working with all of the new members as the days and the weeks go on — and months or however long this Session takes.

My constituency, Madam Speaker, has weathered the agricultural crisis much the same as the other parts of the agricultural heartland of Manitoba. Madam Speaker, they're suffering. This crisis in agriculture is a real crisis, a crisis that needs the immediate attention of the government, and I emphasize the word, "immediate."

This government, Madam Speaker, is quick to rise at every opportunity, at every occasion and state that agriculture is the backbone of the province or words to that effect. Well, if agriculture is the backbone of the province, Madam Speaker, and it fails, what happens to the rest of the body? If the Minister of Agriculture really believes what he is saying, where is the commitment to immediate action?

The Budget Speech proposed to increase the funds in the Department of Agriculture by 21 percent, and we have heard remarks by the former critic and a former Minister of Agriculture this afternoon on just what happened to the agricultural budget over the years. So a 21 percent increase is not really exciting news after we hear the remarks of the Member for Arthur this afternoon.

The funds will be distributed throughout the bureaucracy of the Department of Agriculture to fund

programs announced by the Premier during the election. Well, that's fair enough. But will they be used effectively? After months of waffling on the subject and blaming the Federal Government for all the problems in agriculture and everything else in the province, the NDP came up with help which they profess to be a great boon to the agricultural sector.

Let us take a look at these programs. First of all we have Farm Aid, and I quote from the Budget Address: "Funds will be used to assist farmers with excessive debt burdens to sustain their farming operations and to work toward long-term viability." Well now, that sounds great, but will it help the farmers in my constituency who could not get loan guarantees for this year's crop? I'm afraid it's too late, Madam Speaker.

It may well help some next year if the funds are used to maximum effect and are not lost to a great extent in administration, but it will not help the people who were going to attempt to put a crop in now and are not able to. Crops are being planted now, in case the Minister of Agriculture and the Premier were not aware of this.

The Farm Start Program, a program for people who want to start farming, a loan guarantee of up to \$200,000 — and it will no doubt help some people — but we must remember that it is just that, a loan guarantee. So let us not hear the members of the government side congratulating themselves and bragging about giving something to the farmers. This is a loan to be paid back, perhaps at lower interest, but it's still a loan.

It was interesting to hear the Minister of Finance announce the changes to the CRISP program. The CRISP program, Madam Speaker, was a program brought in by the Lyon Government to help low income families. Under the present Minister of Employment Services this program was reduced by changing the asset limit to \$50,000, which virtually ended the chance of farm families being able to qualify for assistance.

The estimated cost of \$2.5 million is money well spent to help families who are hard pressed to make ends meet and this is why I was amazed to read in the Estimates Book that the funding had been cut some \$309,000 from last year's expenditures. Could it be possible that this government is going to cut down on government aides and going to cut down advertising, and therefore find the money for the funding? Where are they going to get the funding? Do we add that \$2.5 million to the sum of the deficit? So we'll be interested, as time goes on and the Estimates process takes place, to find out just where these funds are coming from.

The Finance Minister, in replying to my question on the matter, admitted that the increase to the program was a last-minute decision. This, Madam Speaker, is further proof that this government does not engage in long-term planning. They have no set course, so they add a program here, take away a program there, just whatever suits the moment, with no chart for the long run of the future.

There was nothing in the Throne Speech, Madam Speaker, to address the needs of the people of this

province who rely on social assistance, so we on this side of the House were pleasantly surprised when the Minister of Employment Services and Economic Security announced a new program to help single parents receive training in order that they are able to join or rejoin the workplace. In the Minister's announcement was a brief mention that this is to be cost-shared by the Federal Government in connection with the Canadian Job Strategy Development Program. He neglected to mention, Madam Speaker, that this federal program, announced some time ago by Canada's Employment Minister, Flora MacDonald, will be paying 65 percent of this provincial program.

It is inconceivable how this NDP Government can whine and complain and posture about the Federal Government, blame them for every problem, and then forget to mention that this particular program is funded 65 percent by that same big, bad bunch in Ottawa.

The Province of Saskatchewan undertook an extensive reorganization of their social assistance program at least two years ago, and by accounts reaching need is of considerable benefit to those who need the kind of assistance in the long and the short-term. It is impossible to put everyone back to work. We all know that. That is a fact of life, but it is important to make it possible that the maximum number can be helped.

Often an assessment of skills and previous training is beneficial to these people and the right referrals can put them on the right path to getting a meaningful job. In other cases, more training or upgrading is required. It will be important with this program, Madam Speaker, to be sure that the people who are doing the assessments and the training are competent and have a great deal of common sense. In the past, we have often seen training programs which train people for jobs which they were not suited, and after the training was over there was no job. The programs had been planned, the training had been done without a great deal of thought to what was going to happen after the training.

In the past, we have penalized people on social assistance by being too quick to deduct money which they might make if they did try to get a job and by making it difficult for them by not allowing such things as day care expenses, perhaps a clothing allowance or transportation allowance so they could go out and get a job. If you haven't got the proper facilities and a little bit of extra money to pay a sitter while you go out and search, it is very difficult to find a job.

The Minister's announcement was timely as more and more people find it necessary to seek social assistance. The welfare rolls in some places have doubled in the past four years and other places have tripled. The welfare rolls in rural and small urban centres will be increasing at an alarming rate, I'm afraid, this spring, as many farmers will be seeking employment off the farm, and we all know that jobs are scarce in rural areas just as in other parts of Manitoba, Madam Speaker.

Many of these people will be forced to seek short-term help from their local municipal government or long-term help from the province. Municipal governments are hardpressed to find extra funds to cover the costs of these applications. They will in turn have to raise taxes to do so and we all know that rural

taxes in most areas are already higher than the people can afford.

On May 20, the Minister of Employment Services and Economic Security announced that the Manitoba supplement for pensioners will be doubled on the 1st of July this year. Many people no doubt were happy to hear this announcement. They had heard it announced by the Premier during the election and it was reassuring to have it announced once more. There are, however, some people who will not be impressed by this move.

A person from the Premier's constituency called to tell me how that supplement has affected he and his wife. They recently were informed that their supplement, which had been \$50 each every three months, was to be cut to \$23 each every three months. Following on the heels of that information, Madam Speaker, they received a letter telling them that on the 1st of July their supplement will be doubled. Well, I'm not much of a mathematician, but it doesn't take a good one to figure out that they will end up in a poorer state than they were before this announcement was made. Doubling \$23 is certainly not the same as doubling \$50.00.

This couple are both handicapped and on a very small pension. These are the people, Madam Speaker, that this government professes to care for, to help and to always be on the watch for how they can assist them. These are the people that they profess to be so compassionate for and this is what happens to them. The Premier's constituent was not thrilled with the turn of events.

Also in recent weeks, we had seen a series of events which must have made many citizens of this province sit back and wonder. The Minister of Health, in an attempt, I suppose, to try and come to grips with his department, made the announcement that the Pharmacare deductible would be raised for seniors and for others. No mention of this during the election campaign.

He also raised rates for those in personal care homes. No mention of that during the election campaign.

Then it was discovered that six positions would be cut from his department in the area of support services for the Home Ec Directorate. Madam Speaker, this move will have a direct effect on a great many people who depend on these programs and on programs which that Home Ec Directorate work with.

Constituents have spoken to me and were quite concerned regarding the 4-H Program, for instance, services to the elderly and help and advice to people in financial difficulty. Women, especially women in low-income groups, will be adversely affected by this move as one of the functions of the Directorate is to give advice and help to people, low-income families, to help them make their money go further, help with advice and support on how and where they can get help.

It was not too long ago — I believe it was in 1983, I didn't look it up — we learned while we were debating the Estimates of the Department of Agriculture that the 4-H Program funding had been cut. It makes one wonder just where the Ministers of the Premier's government are coming from when they will cut programs of such vital importance to the people, and yet do things that really are not of great benefit to them — further erosion of a worthwhile program.

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I wish to speak, Madam Speaker, on some problems peculiar to my constituency but, of course, they also have a great deal to do with others as well, and that's on conservation and drainage. In my constituency, we have major conservation and drainage problems; problems which also impact on areas surrounding the Gladstone constituency and cause a great deal of concern to the people in those areas.

The NDP government talks about job creation and brags about employment figures. They are really nothing to brag about, but they do brag about them. Well, if the government is looking for a project to create jobs in Manitoba, let me suggest that you take a look at the drainage problems in the province, particularly in my constituency, if you wanted a place to start, problems of long standing, of a very serious nature.

I am thinking particularly of the Big Grass Marsh area north of Gladstone. This area, Madam Speaker, is the catchment area for the runoff from the Riding Mountains. Over the years, changes to the drainage pattern have helped in one area and have compounded the problems in other areas, creating problems closer to Lake Manitoba.

The White Mud Watershed Conservation District has been actively working to solve the problems, but what is really needed is a major project to deal with all the areas of the district and beyond its borders. What we need is long-range planning, Madam Speaker. That is what we really need.

We need a government to show initiative and planning for the future. I don't say that this problem can be erased in one short year, one short Budget. It is a problem that has been going on since, I believe, the early 1900's in that particular area north of Gladstone, so no one in their right mind would expect that it could be solved immediately. But let's get started at it. Let's give the people some idea that we at least know the problem is there and that we are willing to plan to do something about it.

The present government is faced with paying compensation for damages caused by flooding in the area. Is this going to go on and on and on; every time there is a flood we pay compensation? Wouldn't it be wiser to plan for the future and use that money that you might spend on compensation in doing something about the problem, and committing funds to that purpose instead of paying compensation? I'm sure everyone would feel better about it.

Southeast of my constituency, we have a problem referred to by the Member for Portage, and others, a massive drainage problem in the area of the Overhill drain, again a problem begging for planning and commitment. The drainage problem has to be addressed before the road structure and bridge structures can be organized, so you've got to start somewhere. Incessantly planning that you're going to do something and having studies does not get anything done. You have to plan and carry it out.

Also in the field of Natural Resources, but on just a bit different a topic, I'd like to tell the new Minister of Natural Resources, Madam Speaker, through you, that he has undertaken a portfolio riddled with problems. I've just mentioned some of the drainage problems.

I also must mention the wildlife damage problem in my constituency in the area of Spruce Woods Park. Farmers from that area have been to talk to the former

Minister, Mr. Uskiw. They have written letters; they have formed a committee; they've talked about it; they've held meetings; they've tallied the extent of the damage in dollars and they have documented a litany of facts detailing just what the problems are and the particular damage, to fences, to disrupted farm operations, the whole works.

Last fall our Opposition critic, the Member for Emerson and myself did a tour of the area and specifically studied some of this damage. It was amazing. One corn field in particular looked like a nice field of corn, if you looked at it from the road, but when you walked into it, it was not a nice field of corn. When you inspected it closely, you could see that the elk had tramped through it; they had laid down in it. They are big animals so this caused a considerable amount of problem. Not only that — and worse than that — they had, when the corn was just coming into ear, they'd bitten the tips of ears of corn all over the field, so instead of maturing, the corn had immediately got mouldy and insect-infested and didn't mature. The farmer had been told by the crop adjuster that there was 40 percent damage in that field, and I had no trouble believing that was 40 percent because it was a mess.

Madam Speaker, there's compensation for this kind of damage, but the mechanism is cumbersome and the payment does not even begin to cover the extent of the damage. It is time to decide what to do with regard to the elk at Spruce Woods Park. Do we want a large herd of elk, and if we do, are we willing to pay the price?

The farmers in the area are fed up with the problem and the loss, the loss of money and time. Yet they're the first to say that they like having an elk herd there. They don't want them all wiped out. Perhaps the Minister should look at changes to the hunting season and allowable number of licences. Perhaps this would help.

I should add, Madam Speaker, that the Wildlife Damage Committee in that area has commissioned a study on their own to study the problem and it will be helpful in assessing the full extent of the damage.

People in my constituency are resourceful. They couldn't get help and an answer from the government, so they went out and they're doing it themselves. The information that they're gathering, they'll be reporting to the Minister and they'll be offering ways to solve the problem.

I should also add that I invite the Minister to go out and see the problems that I have mentioned, for himself. It would be very enlightening. While he's in the area he could tour the Spruce Woods Park. It's a very beautiful part of the province and it contains an active desert, known by the local people as Bald Heads, the Carberry Sand Hills, the Glenboro Sand Hills, various names; but the park officials, in their wisdom, have recently named it the Spirit Sands. Of course, it will remain that in the books and the guide books, but people who live there will always know it as the Sand Hills or the Bald Heads or whatever they've been accustomed to calling it over the years.

The years before the park came in, and made it impossible for us to just saunter out there to any part of it whenever we wanted to and treat it as our own, now we have to follow the prescribed paths, which are

very beautiful, it's a well-groomed park, but you can't drive through it willy-nilly because of the fragile terrain.

I urge all members to visit it. It's a beautiful place. You might go for a walk on those hiking trails or might take a covered wagon ride, if you like. The Cryderman Riding Stables would be quite happy to take you out for a covered wagon ride if you make an appointment some afternoon. It's sort of like a surrey with the fringe on top idea and you don't need to be sitting out in the boiling sun.

Madam Speaker, there's one more aspect of the crisis in agriculture which I'd like to mention before I conclude my remarks, and that is the toll in human terms for what is taking place in the farm community. A great many people read statistics, and we were treated to statistics and statistics and statistics this afternoon. A great many people look at those and they forget that there are real people connected to those statistics. Those numbers have meaning; there are faces and real live people with those numbers. Real people with hopes and dreams and human feelings are connected to all those statistics.

Farm families particularly suffer a great deal of trauma when faced with bankruptcy or losing their farm. People in other fields of endeavour lose their jobs, but when a farmer loses his or her farm, with it goes the family home, a lifetime of work, and a whole way of life. Think of the devastation in terms of family life and loss of self-esteem that goes with that. Farming has always been considered a stressful occupation, but never more than the present. Farm women have told me of their great concern for family life as their husbands become more depressed and despondent over farm finances, crop failures and ever increasing input costs to farming.

Many farm wives have been forced to seek employment off the farm to prevent, or try to prevent, losing the farm. They themselves are suffering from stress over the situation. I quote from an article entitled, "Prairie Farm Families in Crisis," which was published recently in the *Treherne Times*. I quote the words of a Manitoba farm wife. "I work 30 hours a week off the farm. The stress is incredible during peak periods. There is more stress than I can handle. I hope our marriage makes it, but I don't know if it will."

The article goes on to outline some of the findings of two Brandon University professors who undertook a farm stress research project. Living on a farm is described by one doctor interviewed as living in a pressure cooker. Many doctors interviewed reported a dramatic increase in stress-related symptoms among farm families and an increase in violence among farm families. They noted, particularly, a tremendous undercurrent of anger, and I can relate to that, Madam Speaker, as I went through my constituency during the election. I met a great deal of anger; anger over what was happening to them in an uncontrollable situation. They could not control their lives anymore and they were angry.

Dr. Lily Walker, one of the psychologists doing the study, summed it up this way, and I quote. "The danger signals are there. It's reached the point where farm stress is killing people, and we owe it to those who feed us all to respond with action, compassion and humanity."

Madam Speaker, I don't think this Budget fulfills that need or even begins to bring to this province the

direction and hope that is needed. As I said, during the election I encountered a great deal of this frustration and feeling of hopelessness in the farm community, a feeling that I have never encountered before. People are angry. They heard their Premier promising to clean up riverbanks and bring down gasoline prices when they knew he couldn't bring down the gasoline prices. They heard him promise the promise-a-day campaign with no concrete promise in the field of agriculture.

They found the promises so tiresome that one day I remember when I was out in a particular town talking to an elderly gentleman, he said, good. He says, I'll come and have coffee with you. I'll sit down and talk to you, but please don't promise me anything. He was sick and tired of promises by government. Well, Madam Speaker, the Throne Speech and the Budget promised. Now in the days and months to come, we will see how these promises unfold into action, positive action by this government.

Are the members of this government really prepared to come to grips with the realities of Manitoba, or will they continue to tell us how well we're doing and still plan a deficit, a massive deficit? Tell us how well we are doing and still applying for money from Ottawa, money from Ottawa which is designed for have-not provinces. Make up your mind, Mr. Premier. Are we a have-not province or are we not? The people would like to know.

Madam Speaker, for reasons I have mentioned and others that I will be mentioning during the Estimates, I will be supporting my leader's amendment to the Budget.

Thank you.

**MADAM SPEAKER:** The Honourable Minister of Education.

**HON. J. STORIE:** Thank you very much, Madam Speaker.

As is customary, I have to express my appreciation for being able to join the Budget Debate at this time. I suppose addressing one's remark to the Budget has been made easier by some of the comments that I have heard over the last little while from members opposite, because certainly listening to the remarks that have been made, I suppose, gives one cause for reflection on what one is doing and stimulates thought in some respects. — (Interjection) — Someone offers from across the way "enlightenment," Madam Speaker. I haven't heard anything particularly enlightening thus far, but I am waiting. Madam Speaker, I am waiting in anticipation.

Madam Speaker, the Member for Arthur who spoke earlier today talked with great enthusiasm about — (Interjection) — yes, as he always does, the agricultural crisis and his concern for agriculture in the province. Madam Speaker, to give him credit, I know that the Member for Arthur is sincere in his remarks. I can't say that I am as convinced that his analysis of the situation is accurate. In fact, I believe quite the opposite, but I believe that his concern is quite sincere. I want members opposite to know that the concern on this side, the concern of the Minister of Agriculture, the concern of those of us who have agricultural roots, come from farm communities, the concern is equally as sincere.

Madam Speaker, despite what members opposite might feel or might think, we believe that the measures introduced in the Budget to support agriculture are both timely and important. Although one could always argue that more should have been done, we believe that they are going to offer a major support in some sectors of the farm community.

The Member for Arthur also went on at length to disassociate himself with the Federal Government. He claims, and I suppose is claiming to speak for members opposite, to say that he is not an apologist for the Federal Government. Madam Speaker, I believe that members opposite will want to review the record of what the official Opposition said with respect to many many different issues — or didn't say, which perhaps is more telling — which have been raised in this House affecting the agricultural community.

Madam Speaker, I was told from across the Chamber earlier today that the Federal Government had frozen the freight rate increases which were to be implemented. I remind members opposite that some of the official Opposition were supportive in terms of the changes to the Crow rate. Some members opposite felt that it was an appropriate and important thing to do, despite the fact that it was going to cost the average farmer in Manitoba \$3,000 per year. Now we're finding, since the Federal Government has decided to institute a freeze, that's an appropriate action.

Madam Speaker, we pointed out, as did other farm groups, that that course of action was going to jeopardize the farm community. It was going to jeopardize, be injurious to Manitoba's economy. They apologized at that time, and now they applaud a half-hearted effort to stem the damage which is going to be created from that action.

Madam Speaker, we can talk about increases that occurred to farm families and farmers because of the actions of the Federal Government in terms of their Budget. Madam Speaker, while the remarks of the Member for Gladstone, I think, are heart-wrenching and do reflect in a very real way the human tragedy that is occurring amongst farm families because of the financial crisis that they face, we have to recognize the roots of that crisis. I don't know that we would be in nearly the situation we are in if the Wheat Board had not announced a 20 percent reduction in the initial price of grain.

Madam Speaker, we recognize and the Member for Gladstone points out that the reason that they had to lower the prices was because of international forces. The price of wheat on the international market is going down.

So, Madam Speaker, while it is important to say let's address the crisis in the farm community, we have to recognize that other countries in the world have also faced the fact that the prices that their farmers are getting for their commodities are not meeting the costs of production. Their federal governments have chosen to subsidize in one way or another the farm community.

If we compare what the Federal Government is doing in Canada to what the Federal Government is doing in the United States, the conclusions are obvious and startling. The fact is that the Federal Government has not made any commitments.

I find, as well, that there is a certain contradiction in, I guess, the roots of the argument that comes from

members opposite. The Member for Arthur, during his speech, repeated his claim, his support for the concept of free trade for the agricultural community. Madam Speaker, I believe that the crisis agriculture faces and is going to increasingly face is because of free trade. The fact is that we now compete on a world scale. Madam Speaker, we have the contradiction of an Opposition that believes in free trade, and yet believes in a domestic price for wheat. That is antithetical to the concept of free trade in the truest sense of the word; it is.

So, Madam Speaker, I'm not sure that members opposite expect the Provincial Government to be able to remedy all of the problems that exist in the farm community, but what we have done is choose to provide support in ways that we can for those farmers who are in financial difficulty, whether it's by way of CRISP support directly to farm families or whether it's by way of other actions by the Manitoba Agricultural Credit Corporation.

But we have chosen, Madam Speaker, because of the limited financial resources of the province, to deal with those people who are actually in financial crisis and not holus-bolus with the farm community because despite the fact that some would say 10 percent or 20 percent of the farm community are facing a serious financial situation, it is clearly the case that not all farmers are in the same financial situation. So you might as well lend support where support is most needed, and I think that's what we've attempted to do.

Madam Speaker, the members opposite and the Member for Gladstone, who just spoke, continue to suggest that the Provincial Government should not represent the interests of Manitobans, that we should sit back and accept the fact that changes are being made to the established programs funding, that changes are being made to other substantial interprovincial agreements, federal-provincial agreements, which negatively affect this province.

I will give them credit. They have stood by and silently watched and have not stood up for the interests of Manitoba on many issues. We have to think only about the National Research Centre, the manufacturing and food processing technology centre, which stands today a \$40 million monument to the lack of commitment of the Federal Government to the Province of Manitoba. One of the most important research facilities that could have ever been conceived of for Manitoba, because of our mixed economy, because of the importance of manufacturing to this province, stands today with three staff persons in a \$40 million building, a testimony to not only the insensitivity of the Federal Government to this issue, but a testimony to the absence of commitment to Manitoba on the part of the members opposite, and in particular the Leader of the Opposition who has stood as the most eloquent non-spokesman for Manitoba.

Madam Speaker, we hear from the Member for Charleswood that by Christmastime it will be filled. Madam Speaker, he knows that that is unlikely and I know likewise.

So, Madam Speaker, I want to talk as well about federal changes to established programs funding. Madam Speaker, I pointed out that the Leader of the Opposition made substantial errors in his reporting of the facts about the amount of money that was coming

through the Provincial Government. The facts of the matter, of which the Leader of the Opposition has not been apprised or apparently has not learned if he has been apprised, are that in this year increases in cash transfers to the Province of Manitoba are going to be approximately \$7.5 million. At the same time, Madam Speaker, the increases in spending on the part of the Provincial Government in health and post-secondary education are more like \$100 million.

So, Madam Speaker, the members opposite may pretend that that's an unimportant detail in the statistical story that's told in the Budget, but it's important to Manitobans. It's important to our community colleges and our universities who, everyone agrees, are doing an important job and one that needs to be supported. So I don't think it's fair — on the part of members opposite — to belittle the importance of the federal contribution.

So, Madam Speaker, I think that members opposite had better understand that this is not something that members on this side are using in the course of debate because of some innate dislike necessarily for federal policies. Madam Speaker, the First Minister has pointed out on numerous occasions the numbers of areas in which there is cooperation between the Federal and Provincial Government. I think that it is important that we, as a government, point out to members opposite, to the public, that where there is disagreement, where there is going to be damage based on unilateral change on the part of the Federal Government, we should point that out.

I point out another fact which is going to be particularly important to the Member for Brandon West. Madam Speaker, we've talked about established programs funding and how we are in fact being cut back on what we believe is our fair share and what was agreed upon at one point.

Madam Speaker, the Federal Government is also undermining our community college system in a very real way. This year, because of a decision that was taken by the Honourable Flora MacDonald and through the Canadian Jobs Strategy, or because of the implementation of the Canadian Job Strategy, we are going to see the removal of \$2 million direct funding to our community colleges — \$2 million, Madam Speaker — and that amount of money is going to escalate in successive years until the Federal Government has withdrawn 40 percent of the direct funding into our community college system. It has implications for Brandon and it has implications for The Pas, and it has implications for Red River Community College in Winnipeg. The implications, Madam Speaker, are not positive at all and they come about as a result of no consultation, no strategic plan for alternative training in either Manitoba or the rest of the country.

I stand here tonight, not as solely the Minister of Education for the Province of Manitoba, but as a representative of the Canadian Council for Education Ministers, and say that it is universally the view of that council that both the manner in which, and the impact of those changes, are going to be negative across Canada. They are not a healthy move for post-secondary education in the Province of Manitoba.

Madam Speaker, I will be speaking at greater length about educational finance somewhat later on in my speech. I'd like to move on to a couple of other areas that were raised by members opposite.

Madam Speaker, I combed through very carefully the remarks made by the Leader of the Opposition and I have listened quite attentively on occasion to remarks made by other members and I want to point out that the Leader of the Opposition spoke at some length about the Budget. He said in his opening remarks that he was going to make some critical comment about the content and we've all heard from the Member for Inkster that his intention is to set some direction and provide some policy alternative.

Well, I can tell you, Madam Speaker, that 95 percent of what was said in his speech related to some pretty outdated antiquated notions that the Leader of the Opposition holds onto, do not reflect in any way a constructive contribution to the debate and, in fact, have served only to rehash some of his own particular misguided thoughts on both the nature of our economy and the nature of solutions to some of our serious problems.

Madam Speaker, the Leader of the Opposition went at some length to try and dispel the notion that his reply to the Budget Address was something other than a defence of, or a plea for assistance to large corporations. He said it several times, that no, he was not just concerned about the corporations. But the Leader of the Opposition should know that the majority of the Budget changes did not affect the average Manitoban, they did not affect in any direct way small business. There was no sales tax increase; there was no personal income tax increase; there was no liquor tax increase which affects a tremendous number of small businesses in the province, those who are involved in tourism, those hotels, accommodations, restaurants, etc.

So, Madam Speaker, his condemnation — if you will — of the Budget was, in fact, a thinly veiled defence of the corporate earnings in this province, as has been, and has been the Opposition's position on the health and post-secondary education levy; a levy which affects a very small proportion of businesses in this province. As members opposite know in 1983 or 1984 — I can't remember now just off the top of my head — that particular levy was removed from approximately two-thirds of the businesses in this province.

So, Madam Speaker, he was defending the interests of the banks and the trust companies and those large corporations whose profits have increased and some of whom saw no impact on their increase through that recessionary period, as an example, the banks.

Madam Speaker, I think the Budget reflects in another way, in a very real way, the priorities of this government because it was pointed out in the Budget, and I point it out again for members opposite, the tax changes implemented since 1984 by the Federal Government have transferred \$12.7 billion from corporations to individuals, 12.7. What happened in this Budget Address was a reversal of that trend, some measure of fairness in the taxation system.

Madam Speaker, the issue of fair taxation is one which has really yet to be addressed by the Federal Government but, clearly, the Budget decisions that were made by this government have attempted to alleviate the strain that has been placed on low and middle-income people in terms of taxation by other levels of government, and the Federal Government in particular.

I don't think it is fair to suggest, as the Member for Arthur did, that somehow these modest increases in

taxation were a kick in the pants to the corporations. I think that it should be referred in different terms. It should be referred to in terms of moving to some equitability in terms of taxation. I think everyone here knows that the history of the taxation system has been, certainly at the federal level, a movement away from corporations paying taxes to the burden falling on individuals. The Federal Government has exacerbated that trend by its latest Budget changes and this small, modest increase in taxation does no serious damage to the large corporations who do business in this province and who have been, by and large, excellent corporate citizens and who have not expressed any serious concerns over the Budget directions taken by this Minister of Finance or, for that matter, the Minister of Finance who preceded him.

Madam Speaker, much of the Leader of the Opposition's address focused on the concern over the deficit and the implication of some of the remarks coming from members opposite has been that somehow this government and this Minister of Finance is not concerned about deficit financing.

Madam Speaker, if you have listened to the remarks of most members on this side, it is acknowledged, it is recognized, it's an inherent part of our budgetary strategy over the long term to reduce the deficit.

We have said on a consistent basis that while deficit financing is in some cases a necessity, there is also a necessity to move away from deficit financing when circumstances warrant, and when such a movement is not going to traumatize the already-existing economic infrastructure.

Madam Speaker, if members opposite want to see an example of a province who did not follow a rational fiscal course, they only have to look at what happened in British Columbia where the pins were pulled out, the economy collapsed. Madam Speaker, unemployment virtually doubled, or tripled.

I believe that the course we are on is one that has been carefully thought out, one which requires a reduction in the deficit. It is recognized and it is a legitimate concern.

Again, I point to the irony, the contradiction, the paradox in what members opposite say at times in this Chamber and what their election material said, and what they say at other times in this Chamber.

Madam Speaker, the Leader of the Opposition was talking about a general 6 percent increase in spending. The Leader of the Opposition was offering reductions in taxation for this and that. The fact of the matter is that those reductions and those expenditures represented, and he denies that it is \$300 million, Madam Speaker, but I believe that it is substantially more than \$200 million, given that the payroll tax elimination alone would have meant the Provincial Government would forego \$115 million or \$116 million.

So, Madam Speaker, if members opposite had had their way, if the people of Manitoba would have bought their program, they would have had the Province of Manitoba in much more serious difficulty, with little chance of extricating themselves because they would have eliminated a number of avenues of collecting revenue for the Province of Manitoba.

Madam Speaker, we should then address the question which has been raised legitimately by members opposite of, if that is the case, if the Province of Manitoba has

a fairly sound economic record, if our unemployment is one of the lowest in the country, if our investment levels are amongst the highest in Canada, if our population is increasing, if the number of full-time jobs are increasing, why is our financial situation still in a serious deficit position?

There are a number of answers to that. Obviously we are going to miss those transfers which we believe were coming to us by way of the Federal Government, but that's not all of it. There is another serious problem which needs to be addressed and that is the issue of taxation reform.

Madam Speaker, I recall another debate, and I will relate a set of facts to members opposite, which I think are startling in what they reveal about the current taxation system.

At one point, consideration was being given to looking at a new form of taxation. As a matter of fact, it was at the time that the payroll tax came up for the health and post-secondary education levy, whichever you prefer, was being considered. The facts of the matter are, Madam Speaker, if the Province of Manitoba was to implement a 1 percent tax on net income in the Province of Manitoba, personal income, it would raise for the Province of Manitoba approximately \$112 or \$115 million; 1 percent.

Under the current income tax regime, a 1 percent increase in personal income tax raises for the Province of Manitoba approximately \$12 million or \$14 million. In other words, there is leakage; it's not leakage, it's a sieve, of over \$100 million per tax point.

So, Madam Speaker, the system is in need of revamping. We have known that and I believe members opposite have known that for some time. But until the Provincial Government can rightfully assume its share of the income that is generated in the province, whether by corporations or personal income, we are going to have an increasingly difficult time manipulating the tax system in the province so that (a) it raises the revenues required, and (b) so that it remains somewhat equitable so that we don't destroy, in fact, the investment climate which members opposite have expressed concern about. It is a difficult balance.

Madam Speaker, I want to make two other comments about the remarks that were made by the Leader of the Opposition. One was related to his lengthy discussion of the survey results from the Canadian Federation of Independent Business. Madam Speaker, I have met with and spoken with the regional director, I believe, of that organization on other occasions about the findings of the survey, Small Business Survey, but also about the methodology which is undertaken to arrive at the results that they display, provide for the media.

Madam Speaker, as a social scientist and someone who has some familiarity with research statistics, I can tell you that there are some serious problems with the way those pieces of information are collected. I would offer members opposite the guarantee that if you offered Manitobans the question, do you think you should pay more taxes, most of them would say no. If you asked people, do you think that the government regulates your life too much? — the majority would probably say yes. Or if you asked any series of questions, they can be phrased in such a way to make the likelihood of a positive or negative response more than a chance occurrence.

Madam Speaker, the basis for that information, while perhaps legitimate in the sense that it does have a minority, a small minority of Manitoba businesses that claim their membership is somewhere in the neighbourhood of 3,500 businesses, (a) it does not represent the feelings of anywhere near the majority of Manitoba businesses; nor does it reflect in a real way the options which governments and business face. So I think that there is a more appropriate way to address those concerns.

I put against that information as well, Madam Speaker, the results of a poll that was done shortly before the election which showed that the vast majority of small business people and farmers felt that the New Democratic Party was the spokesperson for that particular group. So I guess we can use surveys and similar results to our advantage or our disadvantage as we see fit. But I'm not sure that the Leader of the Opposition, who, we assume is going to take a responsible position, should use a piece of information of that order to make a serious case about what is going on in the Province of Manitoba.

Madam Speaker, the Leader of the Opposition did come to some conclusion about what he might like to have seen in the Budget Address and I reviewed those remarks in reviewing his speech. I point out that that took perhaps five minutes of his somewhat lengthy address and led me to two conclusions: he had no definitive ideas, and perhaps neither does the caucus, about what specific programs should be eliminated, are in excess of what the public expects or needs. It led me to the conclusion that they have no alternatives to put in place for any of the myriad of programs that are offered by the Provincial Government through every department to support Manitoba men and women in the rearing of children, in the educating of their children, in support of their businesses, in their retirement, in their everyday life.

Madam Speaker, I think the three or four specific recommendations that came from the Leader of the Opposition were these: the first was the Jobs Fund. The Leader of the Opposition said in his own definitive way, surely we can eliminate \$40 million from the Jobs Fund; no review of what the Jobs Fund was or what it was doing; no review of those programs within the Jobs Fund that he would eliminate or that the Opposition would see eliminated. Was he talking about the \$10 million-plus that goes to CareerStart, that goes to address his other concern, the concern for young people and the fact that there are still too many unemployed although we have the best record in Canada? Is that what he would eliminate?

Would he eliminate the money that is going from the Jobs Fund to support development agreements that brought Toro to Steinbach or Vicon to Portage la Prairie, or any of the number of development agreements which have been approved by the Jobs Fund? Would he eliminate that aspect of it? Would he eliminate the Jobs Fund money that goes to InfoTech, one of the most innovative resource centres in the country, to encourage the development of information technology in our province, a centre which has developed in its very short history, recognition from across the country and from other parts of the world? So, Madam Speaker, it's easy to say, yes, I would eliminate \$40 million.

What we would like to see from members opposite is some intellectual honesty. Don't just say, well, on a

global basis, here is what we do. Tell us what in the Jobs Fund you find objectionable. What in the Jobs Fund is not supporting some worthwhile endeavour of Manitobans, whether it be employing young Manitobans or supporting business in the province by developing the appropriate technologies? What is it?

So, Madam Speaker, then we get onto other normal traditional bugaboos that are raised by members opposite. The Leader of the Opposition makes a number of suggestions which refer to apple polishers and advertising. I challenge members opposite to come to grips with the facts. This government has spent only a fraction of the money that our sister province, Saskatchewan, spends on advertising and a minuscule fraction of what other jurisdictions like Alberta and Ontario spend on advertising.

So, Madam Speaker, the number that the Leader of the Opposition quotes in terms of money that could be saved there is insignificant in terms of the promises that he made, and insignificant in terms of the real problem of the deficit which he supposedly was addressing.

There is a need to inform Manitobans, and we have been extremely frugal in the use of advertising dollars to inform Manitobans legitimately of programs that were being offered by this government.

Madam Speaker, he went on to talk about some staff that are associated with communications and communication functions within the various departments and was calling for the elimination of some or all of those people. Well, the information function of government is extremely important. I don't know about members opposite, but my constituents want to be informed. My constituents want to know that there are or have been changes to the Manitoba pension supplement. My constituents want to know that there have been changes to SAFER benefits. My constituents want to know where the Limestone employment and training agency is and what its telephone number is. They want to know how they can take advantage of opportunities that Limestone is creating.

Madam Speaker, we don't have to make any apologies for spending money in those areas. The facts of the matter are that the Province of Manitoba traditionally, and I include previous governments in this, have not spent the same amounts of money as other jurisdictions and this government is and has been no different. But that's it; that's the whole total sum of collective wisdom of members opposite on the options of the government to reduce the deficit — a collective fizzle, Madam Speaker, a real disappointment to members on this side.

I suppose some may say, well, Jerry, you wasted your time reading his speech in the first place. But I wanted to do it. I wanted to punish myself in that way so I could say to members opposite that I had in fact read it and I had in fact been able to dismiss it on an intellectual basis as a piece of tripe.

That being done, Madam Speaker, I want to move on to another issue which has also been raised in debate. I want to say that I usually enjoy the speeches of the Member for Lakeside, who is an extremely eloquent person when he is in full flight. Unfortunately, I found his remarks this afternoon somewhat out of character and perhaps tainted by some slight — I don't know what — but there was a certain element of



McCarthyism that sprang into his remarks which I found objectionable. — (Interjection) — It could have been Charlie, I don't know. It's Joe or Charlie, I know one of the two.

But, Madam Speaker, the Member for Lakeside was waxing quite eloquent about the serious dilemma the deficit was putting us in. I have acknowledged that there is a concern and one that we are addressing. The implication was that somehow there was an underlying strategy of this government to run up deficits. I only have to point to the Federal Government and the Saskatchewan government and, you know, a soul mate of the Member for Lakeside, Ronny Reagan, who has run up a \$200 billion deficit, which, if you look at Manitoba's case, if Manitoba had the equivalent population, our deficit would be one-half of that figure.

So, Madam Speaker, if there is some deep underlying strategy that is infiltrating the world, it is certainly not only Manitoba which has fallen victim to its psychology. Madam Speaker, the remarks of the Member for Lakeside in this particular case missed somewhat the mark — I don't know whether that was intentional — but they were amusing at some point.

Madam Speaker, finally, I'd like to say that the government has shown some clear direction in the area of education in this Budget. We have seen an increase of some \$23.2 million for public schools this year — an increase of approximately 5.2 percent, substantially above the rate of inflation — an amount which signifies the clear priority of the government in the area of education. I believe, Madam Speaker, that it is one that will be supported by members opposite by and large as an appropriate allocation of funds to an area which has real long term implications for the Province of Manitoba.

Madam Speaker, I also had the opportunity to address the Union of Manitoba Municipalities on two occasions this week. I spoke to them in Beausejour on Monday night, and Brandon on Tuesday night and, certainly will be meeting them on other occasions. Part of the message that I gave to the UMM was that the concern that they have over the cost of education is one that is shared by all members of this House and one whose solution lies, I think, in the collective efforts and the co-operative efforts of all those involved in the educational system.

My final remark, Madam Speaker, is that my commitment as Minister of Education . . .

**MADAM SPEAKER:** Order please.

**HON. J. STORIE:** . . . is to meet and work with those groups to ensure that Manitoba has the highest possible quality education system that's possible.

**MADAM SPEAKER:** Order.

The Honourable Member for Fort Garry.

**MR. C. BIRT:** Thank you, Madam Speaker.

It's rather intriguing that last year the previous speaker followed me and proceeded to dump all over my parade. I'll try not to do the same to him this evening.

First, let me congratulate you, Madam Speaker, for being elected to your position. I know your role is much like that of a referee in the final hockey match in a

very tough competition. I wish you well in trying to bring order out of chaos and making the right decisions whoever's side may be gored.

I have not had an opportunity to speak in the Speech from the Throne Debate. I will be touching a little into that area as well as the current area on the Budget that was brought down. When one looks at the Speech from the Throne, one hopes to find a little guidance. It should give a blueprint of where the government is going and what it intends to do. This is most important when one is given a new mandate to govern the Province of Manitoba. That speech talked about vision but it didn't provide any. There were words of vision in it, but where can you see in that what they see for the future of the Province of Manitoba? What do they see as the challenges facing the Province of Manitoba? There were none of those particular items, or thoughts, or threads of where we want to see the province in the 1990's. They had vision, but I think they were looking at their feet; they were looking down; they were not looking up to the mountains, nor were they planning big thoughts or dreaming the impossible. Where was the challenge to excellence? Where was the challenge to Manitobans? In fact, where was the challenge of government? It was sadly lacking.

Madam Speaker, I believe that Manitobans are special. You have to be unique to live here. You have to be unique and special to survive here. Those who live and remain and raise their families here do so because they are a little different, because the problems of Manitoba, the history of Manitoba tells us that things do not come easy to us in this province, and we must strive the little extra, that one little extra bit of effort to make our society work, to make our homes work, and to make our businesses work. We have evolved and developed through hard times, through easy times, but never have we had the booms of some of the resource provinces, nor have we had the success of some of the eastern industrial provinces. But we challenge ourselves. That is what a Manitoban is all about. But Manitobans also expect government to play a role within the society in which it functions. It expects it to be active and imaginative. I can only refer to some examples where Manitoba Government, through different types of political leadership, has played a significant role in changing the history of this province.

Early on, there was the Hydro development on the Winnipeg River and there was the acquisition of the Winnipeg Electric to turn it into what we now know as Manitoba Hydro; there was Northern development, both Hydro and social development; there was the transformation of the road system in the late 50's and early 60's; there was the rural electrification program commenced after the Second World War that brought electricity and modern life to rural Manitoba; there was the transformation and upgrading, in fact, bringing into the 20th Century our schools and our universities. Where was the vision? Where was the thought? Where was the promise to deal with the problems facing us? All sides acknowledge that we have problems in agriculture. It's just not the problem recently announced where there's a reduction in income to the farmers. Their problems go far deeper because they're in a shift. Their whole industry is going through a structural change. It's just not something that we can blame or lay at the doorstep of one government or another

government or an international order. It's an area that needs everyone's attention because we all play an important part in this area.

There was nothing dealing with the problems of education and the perceived lack of quality in the public education of today. — (Interjection) — Yes, there was more money allocated to health, but do you really think Manitobans are happy indeed with the present system that they have? I think not. Where was the promise to deal with the problems of our social fabric? There was none. At best, one can describe the document as being a document of mediocrity and, in fact, this government has elevated this definition to a new level.

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

I think they're afraid to provide leadership because leadership requires decisions; decisions require implementation, and that sometimes angers people. Sometimes, decisions must be made that aren't popular. I'm afraid that this document lacked any suggestion, or thought, or promise in providing leadership for Manitobans.

Let me now turn to the area of the economic debate or the Budget Speech. That gives us the economic thrust of this government. In history, the Budget put flesh on the bones. Where was it this time? One, in fact, reading it and stripping away the imagery and the shadows and the hyperbole, one would almost think that we were a province of despair. The intriguing thing in campaigning, Mr. Deputy Speaker, was the public wants to feel safe and secure in its economic management. When the Federal Budget came down, I was pleasantly surprised how the public accepted it. Oh, there's enough politicians that got involved in various debates as to whose particular interest was being gored. Home after home after home said don't raise my taxes, just spend a little better and establish your priorities. Well, I will compliment the government on one phase of that. They didn't raise the taxes.

There is also recognition that we can't live beyond our means. Many of my colleagues have dealt with the question of the Budget and the deficit going with it. I will not be addressing that area. The Minister of Finance is not the creator of the document that we heard. He is merely but a messenger for the government and I do not believe that we should shoot the messenger, as they did in the olden days. He brings the message and the message of his government is one of timidity and mediocrity.

I give you full marks that it was cleverly written and I hope the draftsman or people who were involved in this writing were well paid. If they weren't, then I would ask that they get a special dispensation because it was indeed a clever document. It was convoluted in its logic, but it had no substance.

The intriguing thing that came to me when the Minister was reading the message from his government — and you can find it at the bottom of Page 15 — and I'd like to quote the two clauses. "I would ask all members to give health and higher education financing and the question of fairer federal participation careful attention. A review of all the issues is appended to my Budget. Although the funding mechanisms are complex and many find them confusing, the real issues are vital services for people and how we can protect them."

It then goes on, Mr. Deputy Speaker, "We are concerned that the current lack of federal response to

the need for meaningful tax reform and fair support to vital health and higher education services may signal a withdrawal by the Federal Government from its responsibility to the people in regions of our country."

Mr. Deputy Speaker, if you remove the words "Federal Government" and instituted "Provincial Government," you find the same philosophies, those same principles apply to the government of today. The Minister gleefully announced that his global spending had increased by 6.9 percent overall, yet for education, in the global sense, it had only gone up 5.1 percent — that is a cutback.

Post-secondary education only got a 3.8 percent raise; that is a cutback. Recent Budgets also indicate that there has been cutbacks to the post-secondary education and at the education system in general beyond the normal growth in revenues to this province.

Student aid has gone up 19 percent and we'll give the government full marks for increasing that student aid, but when you consider the amount of youth unemployment in this province, it is a small gesture to what they are facing.

Education, I believe, is the single key to economic and personal success, yet this government has given low priority to education. The cutback in level to education has gone on for several years. Granted, there were two or three years of large increase, but they have cut the post-secondary education facilities to the bone.

Where is the challenge of excellence? That is what our educational system should be about and I'm talking now, Mr. Deputy Speaker, of education in its broadest terms. There is a malaise in the system, almost verging on despair. All one has to do is talk to the students, to the trustees, the parents, the teachers, and the employers of the product of the system, and none of them are happy with the system. — (Interjection) — Some people are saying I exaggerate. If you would go out and talk to the people, you may get a very large surprise.

We are dealing with less than 20 percent of the Budget, committed to education, yet all parts of the educational equation are pulling in opposite directions. They are not working together, in harmony, or doing what is best for the student. One must ask, what is the role of education, including that of retraining? I believe that a child is born with a certain genetic pattern and it is our job to make that child develop to its fullest potential.

The educational system, as the child progresses through it, sets up a hurdle each year and that child must get over that hurdle. If we can't, we have to devise a system to help them or stimulate them to get over it. The brain and the ability of the child is like a muscle, that if it isn't challenged and if it isn't worked, then it will never be used or usable.

Where is the stimulation in today's educational system? What is needed — and I would like to make a few suggestions as to what I think are some of the important areas dealing with education. Yes, it needs some money, but it needs a set of priorities and it needs a commitment by everyone who is involved in the system of education to work towards one single objective. For everything we do for that child, everything we do in the educational system, is it for the best interest of the child? If it isn't, then it shouldn't be done.

I believe that we should be involved in a public debate on education: where was it; what is its present situation;

and what do we want from it in the future? This is what we should be striving for in today's world, because a lot of people seem to have written off the educational system and I think that's unfair.

Parents have to become more involved; involved in their school, in the support for their teachers, and in support for the principals and the trustees who are operating the system. Leadership must come from the administrators, the trustees and the principals, and teachers must be helped to do their job, because I think there is no finer occupation than to be an educator, because they have that special gift to stimulate the mind. If they don't, they shouldn't be in the system, but that's what we have to get back to and there is a feeling — maybe it's wrong — that we're not doing that in the educational field.

So we must get all of the elements that are involved in the educational equation, working together and it's not going to be easy because all children are not the same. There are different needs for different children. This includes adults, retraining programs, and other areas that are involved in the educational program. I believe that we need more core subjects that are mandatory to allow the basic core educational program for each child so that they've got a solid foundation to build upon.

Right now we should provide more medial support and services for children who are coming into the workplace, into the post-secondary educational field, who are not properly or adequately trained to handle the area in which they're in. We should also determine what schools should be and what they shouldn't be and it doesn't take money. It takes input. It's called energy; it's called heart.

The Member for Kildonan seems to think that the only answer to education is one of money. Money is probably the least important thing, if there is no commitment by all those who are in the delivery of that system. If it's not there, the system won't work.

Whatever decision is made in the educational system, it must be good for that student. It must motivate the mind, stimulate the body, and increase the spirit. We should recognize the role of the university in our community. We should also be building centres of excellence in our universities. The unfortunate thing today is that most of our previous centres of excellence are losing their accreditation or darned close to having their accreditation removed. That I find rather shocking when we are living in a very wealthy system, a system that has given low priority to its post-secondary education.

We also have to have comprehensive retraining capacity in cooperation with employers. We have to be able to deal with technology change. We also have to be able to train women who are entering the workforce for the first time, or allow them to be retrained from their lower jobs to allow them to move upwards on the economic ladder. We also must review the whole question about educational funding at the local level, the provincial level and at the federal level.

I also think that we need recognition, support, and the integration of the private school system in our educational system. That is one area of the educational field that has been sadly neglected over the last few years. Now the Minister of Education may indicate that he's doing some of these meaningful reviews. To this

point in time, I have seen or heard nothing of so-called reviews. The public is waiting for and demanding action, and we need action in this area.

I would like to make just a few comments on the Budget Debate as it relates to certain specific comments made by the messenger in reporting on behalf of his government's activities. I have great respect for the Minister of Finance. In fact, I find it surprising that he would sit through this entire debate and listen to all of the words of wisdom that seem to be pouring from both sides of the House. I certainly have to admire his fortitude. But I find that the Minister must have had some problems in delivering some of the lines.

He talked about elimination of the capital gains up to \$500,000, and said that was a rip-off and only benefited the wealthy. Well, it's intriguing. If you're talking about the principle of capital gains, then why did his government remove the capital gains tax on farmland in their first term of government? That capital gains holiday affects all Manitobans in different ways. Today, it affects farmers. It allows them to take a little bit of the assets they have built up over the years to use for their retirement. It also allows the small Mom and Dad grocery store located in the Interlake who may have just survived on a year-to-year basis to sell out and to have some equity to live in a decent lifestyle.

But the biggest slap of all when one condemns that, the new and the most important emerging force in the economic climate and scene today are the new entrepreneurs, the women of this society who have gone out and started their own businesses. Within a very short time, they will form the majority of the new businesses and the new entrepreneurs by the 1990's. Now, they apparently can't build equity or capital. They can't sell their business and take that money and go on to some other economic pursuit, because it is only to benefit the wealthy. It's not to benefit those who wish to create. If you believe in equal opportunity, this is one area where women are striving and we should give them every support we can.

Those are just three small areas that that principle, if you close the loophole, will hurt. There are many more. I am willing to bet that perhaps 70 percent of Manitobans will feel the economic loss, and that's just not the wealthy, it's the ordinary Manitobans.

There was also some condemnation of the RRSP limits. In other words, it's not important if I read the logic or understand the logic — the RRSP limits are too high, and they should be eliminated. The whole concept of introducing Registered Retirement Savings Plans was to allow those in our community who did not have a pension plan to provide for themselves. That was introduced, I believe, in the early 1970's. The amount then was \$3,500 and \$5,500.00. That has not been changed through that decade of high inflation.

I believe the new limits may perhaps be a shade too high. I'm not going to enter into that area. All I know is, if the principle was sound to allow people to either supplement their existing plans or to provide for themselves is a valid one, then it should be allowed to continue.

I find it interesting that if those two areas are abuse of the tax system and, in fact, what you're doing is having a tax deferral in those two areas or in one case, a tax exemption, you're using the tax system apparently unfairly. How can one justify a labour-sponsored

investment program that wants to take advantage of a federal and provincial tax system for some economic investment? If that's a valid approach to creating jobs and wealth, then why aren't the other ones? Or if they are invalid, then maybe this one should be invalid.

It was interesting watching the body language of the messenger while he was delivering his speech, because he started addressing the centre of the Chamber and, as he spoke longer and longer, he started moving further to the right. He started turning his back on his colleagues. The message really came home to me in what he was trying to do. He was telling the students, especially those at Red River Community College, that there is no free lunch. They got their library. Then they got the bill to pay for it through an 8 percent increase in their tuition fees.

We have also heard from the government benches, where would you get the extra money? Where would you get this new money that you want us to spend? Three areas that I would suggest — one is past; two are in the present. In the past, when this government took office, Flyer Industries was a viable entity. Now that we have given it away, there is a \$100 million liability. Just think what that \$100 million would have done for education and social services over the last five years.

My leader set out an area of some \$45 million or \$55 million that one could cut out right away and redirect, and you wouldn't have to raise taxes. But an area that I would like to see is that we have the Public Accounts Committee, which is chaired by a member of the Opposition, I would like it to have the power to sit and review thoroughly all the expenditures, purchases and contracts of each department, not in the hazy, very circumspect way of approving Estimates, but going into a detailed, item-by-item, penny-by-penny review of the departmental expenditures; and where certain things, contracts and opportunities of expenditure were not for the public purpose, that we would cancel them and eliminate them.

I suspect, in a \$4 billion budget, we could find just a few million dollars to target to those areas that we feel are important.

Mr. Deputy Speaker, thank you for allowing me this opportunity to be involved in this debate.

**MR. DEPUTY SPEAKER:** The Minister of Housing.

**HON. J. BUCKLASCHUK:** Thank you, Mr. Deputy Speaker.

This being my first occasion to speak during the Session I would wish through you, Mr. Deputy Speaker, to pass on my best wishes and congratulations to the Speaker on her election to the Chair, and to wish her well during the forthcoming Session in carrying out her responsibilities.

I would also like to extend my congratulations to all new members, newly elected members in this House and to those who have been re-elected; and also I'd like to at this time thank the good constituents of Gimli Constituency for showing their confidence and support and re-electing me to the second term.

In speaking to the Budget, I'd like to congratulate the Minister of Finance for the Budget, for a fair and responsible Budget, a Budget seeking to meet the needs of Manitobans and to reflect the priorities of the people

of Manitoba. The 1986 Budget goals include the continuation of a strong provincial economy, providing jobs and economic security and maintaining the progressive social programs that we have seen enacted and maintained during the past four years and, hopefully, which we'll be able to maintain in the future.

Our government shares with Manitobans a vision of a prosperous province, and this Budget reflects it, a province in which we can work together and together share in the benefits with dignity and fairness to all.

I have listened with interest to the remarks from both the government's side and from the Opposition, and I notice that as we continue during the addresses to the Budget that I am sensing the Opposition is conceding finally, that in fact they lost the election in March of this year.

I think it is for a good reason that the New Democratic Party was re-elected as a government, and certainly one of the reasons is the outstanding accomplishments of the Pawley administration between '81 and '84.

I might just reference a number of them to remind Manitobans, to remind the members here of the difference in the administrations of a Conservative Government and that of a New Democratic Party Government.

One of the priorities of the Pawley Government from '81 to '85 was to get Manitoba moving again, to get it back on track, and certainly in the area of economic growth the Pawley administration demonstrated an outstanding accomplishment. From the period 1978-'81, when Manitoba ranked ninth, over the four years of the Pawley administration under an NDP Government, Manitoba moved to fifth position.

In terms of employment growth, when in 1979, '80, '81, Manitobans were leaving the province at unprecedented rates, Manitoba had a growth rate that ranked tenth in the country. Under the Pawley administration this progressively improved until we reached the fifth best position in the country. The population growth from a position of being the worst in the country, we have now reached the position of where we are fifth best.

In terms of retail sales, which are a reflection of the economy of the province, Manitoba moved steadily from the eighth position to the third best position, from the eighth worst to the third best position.

In terms of full-time jobs, under the Lyon administration from '78-'81, Manitoba ranked near the bottom with being in ninth position. During the '81-'85 period, Manitoba had again moved progressively and positively upward to the fifth position.

It is for those types of indicators that Manitobans re-elected a New Democratic Party Government. I know quite often it's thrown in our face that, you didn't do that well, you only had 41 percent of the vote. But I think one has to recall that about a year-and-a-half previous to the election, that the New Democratic Party did not enjoy anywhere near that support. And one recalls the Opposition just gloating, waiting for the day when they would become the government by default. There was a tremendous improvement over that 18-month period in support of the New Democratic Party and I daresay that support is increasing day by day.

As I indicated, the 1986 Budget speaks of the continuation of existing economic and social programs to maintain and to enhance the quality of life in our province. The Budget reflects the needs of Manitobans

and our government has manifested its goals and the needs of Manitobans through its Budget priorities and, of course, the priority still is jobs and the economy, the first priority for Manitobans.

Although our unemployment rate is amongst the best in the country, it is still not good enough, because far too often we meet constituents and fellow Manitobans who sincerely want to work but are unable to do so because the opportunities aren't there. That is why it is important that we maintain programs such as the Jobs Fund that provide through a number of programs, job opportunities for Manitobans; and providing in many cases, assets for our communities and, in general, improving the quality of life throughout our province.

Another priority is agriculture, as it had been during the 1981-85 period. It's rather interesting, that the support for the New Democratic Party has been increasing and will continue to increase in rural Manitoba where farmers realize that if there is any party that represents their goals that will work hard to ensure the viability of family farms, it is the New Democratic Party.

Of course, another priority will be health, education and other social programs. We will continue to provide these services to the best of our ability, enhancing existing programs and bringing in new programs wherever and whenever possible.

I would like to just briefly speak about some of our farm programs. I indicated that rural Manitobans and farmers are indicating unprecedented support for the policies of the New Democratic Party.

I would like to just contrast what happened under the previous Lyon administration and why that support is there at the present time.

I recall so well, around 1980, 1981, when our beef farmers were experiencing tremendous problems. The Government of the Day was aware of those problems. The Minister of the day simply sat on his hands and did nothing; sat on his hands and did nothing.

Under the NDP Government, between 1981 and 1985, through the Manitoba Beef and Hog Stabilization Programs, some \$44 million of assistance was provided to more than 6,000 producers. This was extremely welcome, extremely beneficial to rural Manitoba.

I recall the debates on the Beef Stabilization Program and I recall so well — I believe it was the Member for Lakeside that indicated that there would be no takers for that program. In fact, that program today covers, I believe, about 75 percent of Manitoba's beef herd.

During the period of high interest rates, there was no help from the Lyon administration. One of the first things that the NDP administration did was bring in an Interest Rate Relief Program to help homeowners, to help small businesses, and to help farmers. There had been no help forthcoming from the previous administration.

I remember in March of 1982, the agricultural critic said that saving 1,000 farms was non-help. On April 15, 1982, as recorded in Hansard, he said there was very little hope for anybody to get any support from that program.

In fact, that particular program, the Interest Rate Relief Program, assisted, I believe, in excess of 1,000 farmers and has provided about \$12 million of much-needed help to the agricultural sector. Twelve hundred and fifty farmers, as a matter of fact, took advantage of that program.

In March of 1985, our government announced a reduction in the interest rate for those persons who had outstanding loans from the Manitoba Agricultural Credit Corporation. The rate was reduced to 8 percent. Our Minister of Agriculture called on the Federal Government to assist likewise, but no such help was forthcoming. This assistance provided some \$6 million of help to an industry that was, again, suffering economic hardship.

This past February, the Minister announced a second round of this particular program, providing much-needed cash to those farmers who were probably suffering the most in Manitoba.

In addition, last year the province provided some \$20 million of loans to farmers at 9.75 percent interest rate.

During the past three or four years, MACC has provided some 1,300 loans to Manitoba farmers, totalling some \$77 million for the purchase of livestock, machinery, land, and debt consolidation. This stands out in stark contrast to the lack of support being shown by the Federal Government through the Federal Farm Credit Corporation.

I should just refer back to the Beef Stabilization Program, when our beef farmers were finding themselves in some trouble and the Lyon administration did nothing. The attitude of the Minister of Agriculture at that time was that there was no problem in the beef industry and even in 1982, when we had taken measures to assist that sector, the critic presented the Conservative policy that there should be no provincial plan and farmers should wait for a national plan. That national plan is starting just about now, some four years later, and a vote of beef farmers in Manitoba that was taken about a month or two ago indicated that they by far preferred the provincial program and did not want to become part of the national program. Why should they, for a program that has something like \$17 cwt lesser benefits than that being provided by the Province of Manitoba.

It is rather interesting that on April 15, 1982, the agricultural critic said that farmers would go hungry with the NDP plan and the House Leader, a few days previous to that, called the proposed Beef Stabilization Program just plain foolish.

Well, no wonder that support for the Opposition is waning in rural Manitoba. There is a credibility problem, a very serious credibility problem because the predictions that they have made simply have not come true.

There have been a number of references made to the past campaign, a strange campaign, I must say. I don't know what it was like in other constituencies but certainly in Gimli, it was a very strange campaign because constituents didn't know where the Conservative Party stood in that constituency until the last week of the campaign. They didn't know then either, but at least there was an attempt made to provide some literature so that at least there might be some way of determining what their position was.

It's rather interesting though that from their central campaign, they were promising 6.5 percent I believe on health, and 6.5 percent on education as if nothing had been happening during the previous four years. In fact, a lot had been happening in Manitoba. Probably more had been applied in those two areas in Manitoba than had been applied in any other province in Canada.

The position that the Opposition took during the past campaign reminded me somewhat of a wolf in sheep's clothing. They were more New Democratic than the New Democratic Party. As a matter of fact, there was some reference, I believe, at Brandon where one of the candidates had said that they were closer to the CCF of the 1930's than the present NDP Government was.

I recall the headlines in the local papers about how, during the Lyon administration, there had been more personal care homes built by the government than by the NDP. Of course, we know that wasn't true and the Minister of Health refuted those statements just a few days ago.

As a matter of fact, it got so bad that during the night or the day or two before the campaign, before the election, someone ran around and stuffed one-leafers in every door at the senior citizens' homes at which time the Progressive Conservatives took full credit for the Medicare Program. To the credit of the seniors, they weren't fooled, because I know that certainly in my constituency I received overwhelming support from the elderly.

I think that Manitobans recognize that health has always been a priority with the New Democratic Party Government. I notice that in 1985, health care represented some 31 percent of the province's total spending, and I notice from the Budget presented by my colleague just a few days ago that health again is 31.3 percent of the 1986 Budget. This, despite the fact that there have been federal cutbacks, that we all acknowledge, and that there will continue to be federal cutbacks, that this government will continue to fight. I would hope that we could enlist the support of the Opposition in supporting Manitoba's position that there is a federal responsibility to not only maintain existing levels of support for health and post-secondary education but to approach a 50-50 agreement.

Despite the fact that there is a lesser contribution by the Federal Government, I'm indeed pleased that we will continue to maintain the existing high standards of care that are found in Manitoba and that we will, in fact, be expanding programs such as the Home Care Program to deal with the ever increasing number of elderly in our province.

It's rather interesting though that while the Opposition talked about increasing the budgets for education and health by 6.5 percent, it was just in 1985 that the Leader of the Opposition on a number of occasions his speeches through the province talked about the NDP spending orgy in 1982-84, knowing full well that the largest share of that money went towards the improvement of Manitoba's health programs.

In other words, if one is to be critical of the Manitoba NDP's spending in '82-84, then one is critical of our attempts to increase spending for health. I think that Manitobans recognize the shallowness of that position.

One should be reminded that in a radio show, the Leader of the Opposition defended the Mulroney Government's unilateral funding cuts of health and education saying that the Federal Government was actually increasing funding above the rate of inflation. We still hear that same argument, but it is one that is filled with fallacy and an argument that lacks integrity. Because the reality is that in 1979, when the Federal Government contributed 50 percent, the federal share

has decreased to 43 percent by '85 and will be decreasing further to some 38 or 36 percent over the next four or five years. I think this is a message that we must continually speak out on, and again I would ask for the support of the Opposition to stand up for Manitobans, to stand up in the interests of Manitobans and not to be silent, and by being silent, support the moves of their federal cousins. — (Interjection) — Apologists indeed, indeed!

I also found some of the efforts in the city during the campaign to be of some interest. The matter of rent control, I had one of my constituents bring back some pamphlets that were disseminated in the apartments about how the Opposition when in government would bring about a more effective rent control system. The fact is that in 1985, about 91 percent of the controlled units received increases at or below the 1985 allowed rent increase of 4.5 percent. The fact is that despite Manitoba's rent control legislation, we have had very, very positive growth rates in rental accommodation over the past number of years. In 1985, in fact, some 2,800 units were being built and that is part of the best record for about the past 10 years. That is the reality. I know that the Opposition doesn't want to believe the reality but those are figures that are provided us by Canada Mortgage and Housing. It's certainly not some figures that we developed in House or at a political level.

Part of the success of the housing industry, the growth rate can be attributed to the RentalStart Program, a very good program. Part of the success can be attributed to the general overall economic activity in the province because where there is activity, there are profits to be made and certainly the developers build to make profits.

Getting back to the issue of rent controls, I think that one of the most amusing comments that was made in that respect was a comment made by the Leader of the Opposition in February of '84 when he said there are rental controls and there are rent controls, and we had a form of rent controls that worked, that was reasonable, that offered a fair return on investment. Well, it's rather interesting that there was a reference to fair return on investment, because that may indicate where their priorities are, but the fact is that their rent controls did not work. The rent controls that we have in Manitoba at the present time are working both to the benefit of tenants and to the benefit of apartment owners.

Certainly, as the former Minister of Housing, I can appreciate the tremendous growth in that sector that took place under the Minister of Finance, the First Minister, the Minister of Education and during my tenure and I'm certain is the type of growth that will take place under the present Minister's administration.

Just a final comment, and that is with respect to the criticism of government expenditures. I, too, think that the Opposition lacks credibility on any statements they make in that respect because, if there was anybody that was spending money during the campaign, it was the Opposition. I must admit, one of the things that bothered me during the campaign was . . .

**A MEMBER:** Just one?

**HON. J. BUCKLASCHUK:** Well, one of the major things . . . the fact that it was the NDP that was being nailed with "a promise a day, a promise a day."

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**Thursday, 29 May, 1986**

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The promises that we were making — I recall so well the Premier talking about bringing down the price of gasoline. The cost to the province would have been zero. The election promise of Farm Aid, the cost to the province — well, it's a legislative move, the cost is not that significant; to undertake a study of long distance rates in Manitoba; to bring in legislation for the Manitoba Energy Foundation; crime prevention; the Red River Renewal; supplement for pensioners — that's about a \$5.7 million program which, I am pleased is in the Budget, and which Manitobans will be enjoying the benefits of within the next couple of months. We talked about Farm Start, pay equity, we talked about home care, training today for tomorrow, child care, a home renovation program — and program after program. The total cost was perhaps in the neighbourhood of \$50 million or \$60 million.

But the Opposition talked about doing away with the levy for health and post-secondary education. Well that's — what? — \$110 million, \$116 million. No problem, we'll find the money. We're not going to increase the deficit; we're not going to cut programs. They were also going to assist the health and education areas with 6.5 percent. That's \$130 million. No problem. We're not going to cut any programs; we're not going to tax any more. We'll just find that 130 million.

Not only that, they talked about — I think it was a hydro cut for business, that was only \$35 million; small business tax credit, another \$15 million; tax holidays for Northern businesses, \$3 million; oh, removal of 50

percent of the education tax, that's \$10 million or \$20 million. No problem. Autopac, let's take \$20 million out of reserves, a most irresponsible thought, but let's do that, another \$20 million, and on and on and on. You add them up, and their promises were somewhere around \$300 million, \$400 million.

**A MEMBER:** How much?

**HON. J. BUCKLASCHUK:** Yeah, 300 or 400, somewhere like that. Maybe my mathematics is understated. But they weren't going to raise taxes; they weren't going to cut programs. Everything was going to be well — (Interjection) — pardon me? It says a lot about credibility; it talks a lot about lack of credibility, and that is being manifested in the lack of support that is being shown towards that party.

But just for the record — and I know that the time is almost up. I just wonder if I could have a few more minutes to — (Interjection) — two more minutes?

**SOME HONOURABLE MEMBERS:** Oh, oh!

**MADAM SPEAKER:** Order please.

The hour being 10:00 p.m., I am interrupting proceedings according to the rules. When the motion is next before the House, the Honourable Minister of Municipal Affairs has 12 minutes remaining.

The House is now adjourned and stands adjourned until 10:00 a.m. tomorrow (Friday).