

LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, 13 May, 1982

Time: 2:00 p.m.

MR. CLERK, Jack Reeves: It is again my duty to inform the House that Mr. Speaker is unavoidably absent and I would ask the Deputy Speaker to take the Chair in accordance with the Statutes.

OPENING PRAYER by Mr. Deputy Speaker.

MR. DEPUTY SPEAKER, Jerry T. Storie (Flin Flon): Presenting Petitions . . . Reading and Receiving Petitions . . . Presenting Reports by Standing and Special Committees . . .

MINISTERIAL STATEMENTS AND TABLING OF REPORTS

MR. DEPUTY SPEAKER: The Honourable Minister of Energy and Mines.

HON. WILSON PARASIUK (Transcona): Mr. Speaker, I'd like to make a statement on Crown Oil and Natural Gas Lease Sale which was held yesterday.

Mr. Speaker, I would like to announce the results of the sale which took place yesterday for Crown Oil, Owned Oil and Natural Gas leases which had been offered by the Department of Energy and Mines.

Bids on 30 of 36 lease parcels covering 3,184 hectares or 7,960 acres were ultimately accepted which has resulted in a total of over \$430,000 being added to the provincial revenue. I am pleased to indicate that the average price per hectare is a record \$132.16 per hectare or \$52.86 per acre. This represents an increase of more than 50 percent over averages from leases sold in previous years with averages of \$81.15, \$84.33 and \$87.30 for the sales held in 1979, 1980 and 1981, respectively. I should point out, Mr. Speaker, that such results are even more significant when compared to recent sale results in other western oil producing provinces which have shown a marked decline in prices being paid. It is worthwhile to note, Mr. Speaker, that a new record lease bonus was paid by Omega Hydrocarbons Ltd. for a half-section located five kilometres southwest of Waskada when \$107,000 or \$835.94 per acre or \$334.38 per acre bonus was received. In the previous record of \$470.51 per hectare or \$188.20 per acre occurred in October of 1980. Mr. Speaker, members of the House will be interested to know that 24 wells have been drilled to date this year, compared to 6 wells to the same date last year. In addition, 18 new wells have been placed in production so far this year, compared to 4 wells in the same period last year.

Thus, in summary, I'm extremely pleased with the results of this sale and with the increasing level of activity and interest of the petroleum industry in this province.

MR. DEPUTY SPEAKER: The Honourable Member for Turtle Mountain.

MR. A. BRIAN RANSOM (Turtle Mountain): Mr. Speaker, we welcome the announcement by the Min-

ister because it is indeed good news. It is good news that the government has seen fit to continue the policy which was reinstated by this government, Mr. Speaker. Some of the members opposite, Mr. Speaker, may be unaware that the leasing of Crown rights was terminated in 1971 and was not reinstated until our administration in 1978. In that period of 1971 to 1978, there was a net decrease in the number of producing oil wells in this province even though the government had spent some \$920,000 of their own in attempting to discover oil. So, Mr. Speaker, it is indeed good news that the government is continuing with this program.

I believe, in total now, that the province has probably realized somewhere in the neighbourhood of \$3 million perhaps in revenues, maybe more, from these leases. We also get something in the range of \$10 million royalties and taxes on oil produced in the province. Mr. Speaker, this policy of leasing land coupled with the changes in the royalty structure which our government made which made Manitoba competitive once again with other jurisdictions in Western Canada, has caused the private sector to respond in the way that they have and we see this development taking place now which is, indeed, good news for all of Manitobans and, Mr. Speaker, we urge the government to continue with those policies and to leave them in place in order that private sector may serve to the welfare of all of Manitoba.

MR. DEPUTY SPEAKER: Ministerial Statements and Tabling of Reports . . . Notices of Motion . . . Introduction of Bills . . .

INTRODUCTION OF GUESTS

Before proceeding to Oral Questions I direct the members attention to the galleries where we have a number of visiting groups.

We have 46 students of Grade 11 standing from the Pierre Radisson School under the direction of Mr. D. Senchuk. These students are represented by the Honourable Member for Radisson.

As well, we have a group of 50 students of Grade 5 standing from the River Heights School in Brandon, Manitoba under the direction of Mr. G. Tardiff. These students are represented by the Honourable Member for Brandon West.

Finally, we have 50 students of Grade 11 standing from the Edward Schreyer School. These students are under the direction of Mr. B. Grant and are represented by the Honourable Minister of Government Services.

On behalf of all the members of the Legislative Assembly I welcome you here today.

ORAL QUESTIONS

MR. DEPUTY SPEAKER: The Honourable Leader of the Opposition.

HON. STERLING LYON (Charleswood): Mr. Speaker, I have a question for the First Minister. I wonder if the First Minister has knowledge of, and if so, could he tell

us what the government's reaction would be to a report that is circulating to the effect that Mr. Bill Brayshaw of the Northwest Ontario Chamber of Commerce says that Alcan is considering the Thunder Bay region as an alternative site for a giant smelter complex. Mr. Brayshaw says the power plant was originally destined for Manitoba but Alcan is having trouble reaching terms with the Manitoba Government for the \$900-million venture. Mr. Brayshaw is also reported as saying that Alcan sent a letter to Commerce Northwest saying that the company's plans for the Manitoba complex have been shelved. Mr. Speaker, can the First Minister tell us what the reaction of the government is to that report which just reached my hand before we came into the Legislature or whether or not he's heard of it?

MR. DEPUTY SPEAKER: The Honourable First Minister.

HON. HOWARD R. PAWLEY (Selkirk): Mr. Speaker, I think that the Leader of the Opposition would be well advised to avoid third-hand reports that are based on very very imprecise information. That is not our information at all. I think it's unfortunate that on a matter of such importance to Manitobans in general that the Leader of the Opposition should depend upon that kind of third-hand advice.

MR. LYON: Well, Mr. Speaker, I fervently hope, along with all other Manitobans, that the report is not true. I merely asked the First Minister if he has knowledge of facts to the contrary that Alcan has not made this submission to Northwest Ontario because it is shelving the plans for Manitoba. Please let Manitoba know.

MR. PAWLEY: Mr. Speaker, I couldn't advise the Leader of the Opposition whether or not that they have. What we do know is that our own discussions are going well and are continuing to proceed on a proper basis. I believe there was some discussion and some acknowledgement by Alcan that, as always, they have been looking at and discussing with other governments; B.C. and other governments in Canada the possible sites in respect to Alcan. In fact, there was nothing new in that. I believe it was Mr. Martin of Alcan indicated that had been the case for months and months and months. Nothing new. But what we do know, Mr. Speaker, and what I can advise the Leader of the Opposition that the discussions are continuing and there's been no change insofar as the progress of those discussions between the Alcan officials and the Manitoba Government review team.

MR. DEPUTY SPEAKER: The Honourable Member for Roblin-Russell.

MR. J. WALLY McKENZIE (Roblin-Russell): Mr. Speaker, I have a question for the Honourable the First Minister.

It's in light of this message from Howard Pawley wherein he said, "that we can provide an economic climate to ensure that small business stays in business." I wonder if the First Minister and his government are prepared to consider reducing the gasoline tax in a sort of a graduating type of scale for those

business firms along the Manitoba-Saskatchewan border who are facing very serious loss of sales and definite economic problems today as a result of the reduction of some 27 cents a gallon of gasoline in Saskatchewan.

MR. PAWLEY: Mr. Speaker, I had thought that the Member for Roblin-Russell, indeed, would be obtaining your attention in order to commend the Provincial Government for doing what it has done in respect to the items in its Budget insofar as those border communities that I note he represents insofar as they are being indeed benefited by this Budget:

(1) There was no sales tax imposed, as had been anticipated by some of the desired —(Interjection)— Mr. Speaker, as some of the leadership in the border communities had feared, a sales tax which appears to indeed have been desired by members across the way.

(2) Mr. Speaker, I would have thought that the Member for Roblin-Russell would have pointed out that for the first time I believe in three years, there has been a freeze insofar as any increase in the gasoline tax in the Province of Manitoba.

(3) The announcement by the Minister responsible for Energy this morning of the record sales pertaining to oil, that indeed the Member for Roblin-Russell rather than being some way or other distressed should have been commending this government this afternoon for those actions.

Mr. Speaker, what indeed this demonstrates to the business people along the border, that under very very difficult circumstances, much more difficult circumstances than, indeed, confronted by the new government in the Province of Saskatchewan that accepted office after a pretty healthy situation that they inherited, that this government has been very very mindful of the legitimate concerns that have been expressed by the business people in communities like Roblin and Russell and Birtle and other communities along the border.

MR. McKENZIE: Mr. Speaker, I thank you. Mr. Speaker, is the First Minister of this province telling me that he is not prepared to look at a graduated scale such as has been the experience in Alberta and Saskatchewan for many years, and he's not prepared to sit down with those people along the border in those towns such as Flin Flon, Benito, Swan River, Roblin, Russell, Binscarth, St. Lazare, McAuley, Elkhorn, Kirkella, Reston, Melita and all those other towns that are cities situated on the border near Saskatchewan, and he is not prepared to sit down with them and discuss the serious problems they're facing today?

Furthermore, Mr. Speaker, the Province of Saskatchewan is going to reduce the sales tax 5 percent. So you add the 29 or 27 percent difference in gas and then 5 percent sales tax, who is the First Minister of this province kidding when he puts this kind of junk in print and says we have the answers for the serious business problems? Mr. Speaker, I'm fed up.

MR. PAWLEY: Mr. Speaker, I sense some sort of —(Interjection)— I don't know, someone has asked if there's another pigeon at loose in the Chamber, I don't know whether that's the case or not.

What I do know is, Mr. Speaker, that whereas the new Government of Saskatchewan inherited a \$1 billion heritage fund, we inherited close to a \$300 million deficit from the previous administration in the Province of Manitoba; that I do know, Mr. Speaker, that I do know.

Mr. Speaker, I also know from my discussions with the Chamber of Commerce and with other municipal people in communities close to the border, which I've had opportunities to discuss with community leaders in the last few weeks including the Swan River Chamber of Commerce and the Municipal Council from the Swan River Municipality, that I would expect they would be quite relieved that this government took into consideration their very grave concerns about an increase in the sales tax.

Now, in respect to the particular question asked by the Member for Roblin-Russell, I think that he is indeed, totally premature in his fretting of hands this afternoon because if I recall, he asked or one of his colleagues asked a pretty well identical question of the Minister of Finance the other day and the Minister of Finance indicated to the member that he was examining this very question of gas tax.

MR. MCKENZIE: Mr. Speaker, you talk about a weak government and a weak Premier, there's a classic example right before our eyes today.

Mr. Speaker, can I ask the First Minister another question? Will he do something for the towns along the border between Saskatchewan and Alberta? Will you grant the little Village of Shellmouth enough bucks to have their Centennial function this year?

MR. PAWLEY: Mr. Speaker, some of my colleagues say not to bother but I think any question deserves some kind of response because it may be that some of the municipalities in the constituency of the Member for Roblin-Russell may not be receiving adequate information from their Member of the Legislature because obviously, the Member of the Legislature for Roblin-Russell is not aware that all communities that are celebrating their Centennial this year, are entitled to receive per-capita grants from the Province of Manitoba. So I would ask, indeed, that the Minister of Municipal Affairs or the Acting Minister of Municipal Affairs take note to ensure that all municipalities, particularly the municipalities in the constituency of Roblin-Russell that may not have been properly informed, be so informed by the Department of Municipal Affairs.

MR. MCKENZIE: Mr. Speaker, I thank the Honourable First Minister for that statement, but may I remind him the Minister of Municipal Affairs has already turned down Shellmouth and I wrote you a letter about six weeks ago about Shellmouth and I still haven't an answer today.

MR. DEPUTY SPEAKER: The Honourable Member for Tuxedo.

MR. GARY FILMON (Tuxedo): Mr. Deputy Speaker, in the absence of the Honourable Minister of Education, I'd like to direct my question to the First Minister.

I wonder if the First Minister has been made aware

of the fact that the effect of the recently announced 1.5 percent payroll tax on the University of Manitoba will be to wipe out the entire amount previously allocated to the university to provide for a tuition rate freeze next year.

MR. DEPUTY SPEAKER: The Honourable First Minister.

MR. PAWLEY: Mr. Speaker, the Minister of Finance will take this question.

MR. DEPUTY SPEAKER: The Honourable Minister of Finance.

HON. VIC SCHROEDER (Rossmere): Mr. Speaker, while I'm up I might as well answer a number of questions then so that we don't have to get into a repeat of the questions from yesterday. I had taken a number of questions as notice.

First of all, the motive fuel tax changes will not affect propane which will continue receiving the current preferred tax treatment at a rate of four cents per litre for on-road use.

The levy for Health and Post-Secondary Education will be payable by all employers in the province with no exceptions as it is the case with other levies including sales tax, fuel taxes and so on. The province will pay the levy for Health and Post-Secondary Education on the same basis as any other taxpayer.

We expect the payments by the province on direct departmental operations to be in the order of \$5 million in a full year. The levy for Health and Post-Secondary Education will be paid by Crown corporations including the Telephone System and Hydro. For those members who are concerned with the impact of the levy for Health and Post-Secondary Education on such institutions, I would like to note that the levy which will be yielded from these institutions, is estimated to be in the order of \$3 million. In contrast, a 2 percent sales tax increase, which of course they would also pay, would mean over \$8.5 million or close to three times as much. The levy will be paid by other Crown corporations such as Autopac, about \$300,000 and ManFor \$340,000.00.

Regarding Autopac —(Interjection)— you don't want the answer? You never do like the answers. I would suggest that application of the levy with respect to Autopac ensures that MPIC does not gain what some might regard as an undue competitive advantage over private sector insurance.

With regard to ManFor, my own feeling is that the company will fare better with this particular levy than with a 2 percent sales tax increase which, as members recognize, would apply to building materials and that would have a tremendous effect on them.

The levy for Health and Post-Secondary Education represents, at most 1/66th, of total wages and salaries payable and, therefore, does not appear to represent an undue or harsh burden on any particular sector.

In overall terms, the additional provincial taxation was essential to maintain and preserve Health and Post-Secondary Education in the light of the federal cutbacks. The levy represents the more balanced and fair distribution of these costs across all sectors. While we have not had an opportunity to calculate the

overall potential cost of the levy on provincially supported institutions, information available to date on hospitals, personal care homes, universities, etc., suggest that as much as a total of \$9 million may be involved for these sectors together. I don't have a breakout for the universities.

In total, payment by provincial Crown corporations are unlikely to exceed \$4.5 million to \$5 million. If these preliminary Estimates are totaled along with about \$5 million in direct departmental liabilities, the provincial public sector share of the costs could total in the order of \$19 million or about 17 percent of a full year's levy proceeds.

MR. FILMON: Well, Mr. Deputy Speaker, I thank the Honourable Minister for that answer to five or six questions that he had in his mind, but I wonder if we could get back to the question which I asked and that is, has he been made aware of the fact that the 1.5 percent payroll tax applied to the University of Manitoba will wipe out the entire amount of that which was allocated to the university in order to freeze tuition rates for next year?

MR. SCHROEDER: Well, Mr. Speaker, the member obviously wasn't listening to answers previously given. I have explained that any kind of a tax increase is expected to be borne by all sectors of society. We are not exempting the universities, nor are we exempting small struggling businesses, nor are we exempting many other sectors that have been suggested. The tax, the levy, applies to all sectors and again all sectors, and especially the university community, is making great use of the Post-Secondary Education portion of the loss that we are incurring from Ottawa and they will have to pay their portion just like every other sector of society will have to pay its portion.

MR. FILMON: Mr. Speaker, the fact of the matter is though, that these people were told in good faith that they had to expect a certain amount of money and they base certain projections and certain decisions on the amount of money that was offered to them by this government in the past including, in this case, a freeze of tuition rates, then by the back door and by some devious means, they're told that this money is being taken away from them. Bang. So they got them to freeze the rates and now they've taken it away.

My question now, Mr. Speaker, is to the same Minister. Is he aware of the fact that the amount of money that will have to be paid by the increase in the diesel fuel tax that he has just announced in his Budget means a quarter-of-a-million dollars increase to the City of Winnipeg Transit System and will drastically affect their ability to maintain their level of service because of the fact that he also, as part of their grant to the City of Winnipeg, they froze the rates for transit fares so consequently, they have no other choice but to cut back on their services, are you aware of that?

MR. SCHROEDER: Mr. Speaker, the questions of awareness as the member is aware, one would hope, are not appropriate but he is standing there and making all kinds of accusations. I would suggest to him that with respect to the City of Winnipeg had we raised the sales tax, for instance, there would have been a

tremendous difference.

I ask the member to go back to 1967 when the Tories —(Interjection)— the Member for Sturgeon Creek would remember 1967 if his memory is that long — what did they do? —(Interjection)— not only that. That was a much more significant portion. They didn't exempt the City of Winnipeg from the sales tax and that cost an awful lot more money per year than this quarter-of-a-million dollars which is significant, but nowhere near the kind of significance that an increase of 2 percent in the sales tax would have cost. Of course, again, Mr. Speaker, we have exempted the City of Winnipeg from the Health and Post-secondary Education Levy for the remainder of the year.

I ask the Member for River Heights to stand up and tell us what that government did when they raised the price of gasoline in the last few years. How did they then turn it around and gave a decrease to the universities who use gasoline; to the City of Winnipeg who use gasoline? We didn't freeze their revenue, we increased their revenues. We increased their revenues by sufficient amounts so that they wouldn't have to increase their fees. —(Interjection)— Well, if they want to debate from their seats I'm prepared to do that. If they want to sit and listen then I'd be quite happy to explain to them because they have very short memories.

They don't recall that they didn't exempt those institutions from the increase in the gasoline tax that they instituted just — what is it, two years ago in 1980 —they didn't exempt anybody. They had already made their payments for the year and they expected the city to then adjust its budget without doing anything for them and now they're standing up and with crocodile tears. —(Interjection)—

MR. DEPUTY SPEAKER: Order please. Order please. The Honourable Member for Virden on a point of order.

POINT OF ORDER

MR. HARRY GRAHAM (Virden): On a point of order, Mr. Speaker.

I believe it is customary in this Legislature for questions to be asked of members of the treasury bench. Very rarely are other types of questions allowed to be asked.

MR. DEPUTY SPEAKER: The Honourable Member for Tuxedo.

MR. FILMON: Thank you, Mr. Deputy Speaker. The Minister doesn't seem to understand that these are unique circumstances under which his government has frozen the income —(Interjection)—

MR. DEPUTY SPEAKER: Order please. The Honourable Attorney-General on a point of order.

HON. ROLAND PENNER (Fort Rouge): On the point of order, Mr. Speaker, if the members opposite and the Member for Tuxedo do not like the answers that they're getting, they're inviting them instead of using question period for what it was intended, they are

getting up and in each instance starting out with some declamatory speech which is not at all — nor was it on the previous occasion — the premise of a question.

The kind of hectoring that is taking place from those seats opposite, the hectoring of the politically impotent and the economically frustrated, is leading to a breakdown of decorum in this House. I think that you have a duty to enforce it. I am asking for a ruling on whether or not, instead of a short premise to a question for information, this type of back-door speechifying as a premise to a question can be tolerated in this House. — (Interjection) —

MR. DEPUTY SPEAKER: The Honourable Member for Turtle Mountain on the point of order.

MR. RANSOM: Mr. Speaker, on the same point of order. We now have the Government House Leader rising on a point of order to interrupt a member of the Opposition asking a question, then enter into debate in order to make inflammatory statements against the behaviour of the Opposition.

MR. DEPUTY SPEAKER: I believe the Rules indicate that question period is designed to ask questions and that anyone who asks a question is eligible for a preamble and that preamble is to be short.

I would also say that answers are to be as brief as possible and that questions directed at the Opposition are clearly out of order, given they are in no position to be answered. I would ask members to ask questions and all members as well, to listen to the answers.

The Honourable Member for Tuxedo.

ORAL QUESTIONS (cont'd)

MR. FILMON: Thank you, Mr. Deputy Speaker, as part of my brief preamble I would just like to make the point that the Minister fails to recognize that these are two unique circumstances whereby his government has frozen the income of the people prior to imposing a 1.5 percent surcharge on part of it. So, there is a difference in the circumstances.

My question therefore is, does the Minister intend to make good for this oversight — because I assume it's an oversight — by giving a rebate to the universities and to the City of Winnipeg Transit in order to recognize these unique circumstances whereby they've frozen transit fares and frozen the tuition fees, thereby limiting their other sources of income?

MR. DEPUTY SPEAKER: The Honourable Minister of Finance.

MR. SCHROEDER: Mr. Speaker, I have said each time I got up that I expect the university community and the city to take its portion of the tax increases in the same fashion that the business community will be expected to take its portion. We are all in this boat together. That \$719 million came out of all Manitobans, not just out of the public sector, also out of the private sector and not just the private but also the public sector and therefore it is going to be done fairly throughout.

I should say, Mr. Speaker, that I just spent one hour on radio having caller after caller phoning up — ordi-

nary Manitobans — saying they were very happy with the Budget. They understood it. It seems to me that those members don't understand it. People out there are supportive of a Budget which attempts to maintain and underpin our economy during these hard times and helps and assists individual Manitobans struggle through this very difficult period.

MR. DEPUTY SPEAKER: The Honourable Member for La Verendrye.

MR. ROBERT (Bob) BANMAN (La Verendrye): Thank you, Mr. Speaker. I direct my question to the Minister in charge of the Manitoba Public Insurance Corporation. In light of the fact that the 1.5 percent payroll tax will apply to Autopac, could the Minister confirm that this will increase the cost of operating Autopac?

MR. DEPUTY SPEAKER: The Honourable Minister of Agriculture.

HON. BILL URUSKI (Interlake): Mr. Speaker, we know that a 2 percent increase in the cost of sales tax on repair parts which make up the bulk of the expenses paid by Autopac in terms of the repair bills for automobiles, this increase in cost would be far less than a 2 percent increase. The Honourable Member for La Verendrye being a car dealer, well knows the escalation of car-part prices in the last few years. They have escalated upwards to 40 and 50 percent and 2 percent on that would be far greater than the payroll tax that is now being sought to include Autopac.

MR. BANMAN: Well, Mr. Speaker, I gather from that — and the Minister can correct me if I'm wrong — the cost of doing business for Autopac is going to be increased because of this payroll tax.

I would also like to ask the Minister in charge of Manitoba Telephone System, when the Manitoba Telephone System is applying for rate increases, will one of the factors in the increased costs and the reasons for asking for rate increases be the fact that they are now going to be paying 1.5 percent of their total payroll to the Province of Manitoba?

MR. SCHROEDER: Well, Mr. Speaker, obviously the member wasn't listening when I previously answered a question held over from yesterday so I'll repeat it for him.

The levy for post-secondary education and health will be paid by Crown corporations including the Telephone System and Hydro, etc. The levy which will be yielded is estimated to be in the order of \$3 million and in contrast sales tax would have been \$8.5 million, or somewhere in the vicinity of three times as much, so when the member talks about costs, I hope he puts it in that context. In coming from Steinbach I'm sure that he would be as keenly aware of the effect of a sales tax on automobile sales in this province as any member in this House and he's well aware that the tax that we have chosen is going to have a significantly lesser impact on his Riding than the sales tax increase would have had. In fact, I might say members opposite have been suggesting that we have, in some way, been deceitful because we talked about the sales tax and then came in with this tax. We had so many people tell

us about the defects of the sales tax, Mr. Speaker, that we changed our mind. They would be too bullheaded to change their mind.

MR. DEPUTY SPEAKER: The Honourable Member for LaVerendrye.

MR. BANMAN: Thank you, Mr. Speaker. To the Minister in charge of the Manitoba Telephone System, could he confirm that when the Manitoba Telephone System applies for a rate increase, with regard to the consumers in this Province of Manitoba who will be paying the rates for MTS, could the Minister confirm that part of the increased cost in doing business for Manitoba Telephone System will be the 1.5 percent payroll tax which this government has now imposed?

MR. DEPUTY SPEAKER: The Honourable Minister of Community Services.

HON. LEONARD S. EVANS (Brandon East): Mr. Speaker, I understand either that question or a version of that question was just put to the Minister of Finance and answered by the Minister of Finance.

MR. DEPUTY SPEAKER: The Honourable Minister of Energy and Mines.

MR. PARASIUK: Mr. Speaker, at the beginning of this Question Period the Leader of the Opposition raised some very serious concerns about the present state of negotiations with Alcan and he, indeed, indicated that according to his sources of information that he brought forward into the House and gave a lot of credibility to, Mr. Speaker, he said that Alcan is rumoured as wanting to build a smelter in Thunder Bay because negotiations with Manitoba are stalled and he implied further, and I don't have Hansard in front of me, that somehow that the smelter is shelved.

Mr. Speaker, I've been in a telephone conversation just now with Mr. David Morton, the President of Alcan Canada Ltd., who says, and I quote: "There is absolutely no truth to the story at all."

Mr. Speaker, since the person who raised this rumour, the Leader of the Opposition, is the former Premier of this Province, he surely should know better than to come around and rumourmonger and try and undermine a negotiating process that is proceeding very well, Mr. Speaker. He should check out his facts, he should check on more than hearsay, Mr. Speaker, in this specific situation and I would hope that he would correct his actions and be a bit more careful in future so as not to undermine negotiations.

MR. DEPUTY SPEAKER: The Honourable Leader of the Opposition.

POINT OF ORDER

MR. LYON: Mr. Speaker, it will have to be on a Point of Order merely to respond to the Minister of Mines and Energy and to say that we are fervently glad that he has such a report that is in contradiction of the report that was handed to me as I came into the House quoting a representative of the Northwest Ontario Chamber of Commerce, and I merely say, Mr. Speaker,

to the Minister of Mines and Energy that I left the House immediately after asking the question and I have put a call into the person who is alleged to have made the report about Alcan and I'm waiting a return on that call at the present time.

Now, Mr. Speaker, I'm quite happy to have the news, as will all Manitobans, as reported by the Minister of Mines and Energy and I'll report in due course on any conversation I have with Mr. Brayshaw. But, Mr. Speaker, no one in this House needs any lecture from that particular member about the truth; he, Sir, is a stranger to it.

MR. DEPUTY SPEAKER: Order please. I believe this is Oral Questions and I thank both honourable members for their statements. I believe that it would be an abuse of Question Period to continue in this manner; that this is Question Period and designed for question and answer.

The Honourable Member for Minnedosa.

ORAL QUESTIONS (Cont'd)

MR. DAVID R. (Dave) BLAKE (Minnedosa): Thank you, Mr. Deputy Speaker. My question is to the Minister of Finance.

I wonder if he could inform the House what the position of the professional athletes in Manitoba will be in relation to the 2.5 percent wage tax that's recently been proposed in this Budget.

MR. DEPUTY SPEAKER: The Honourable Minister of Finance.

MR. SCHROEDER: Mr. Speaker, the 2.5 - I don't know what he is referring to - I know in Ontario, at \$15,000, it's something like 3.6; in Quebec it's 3 percent throughout. He would know, certainly, about the impact in Quebec because I understand the member is a sports fan so I'm sure that he could have checked out what the impact has been on the Montreal Canadiens and the Quebec Nordiques and the many other fine professional teams in the Province of Quebec and in British Columbia right now we have a hockey team in the Stanley Cup Finals. They also have a tax that is somewhat similar except that it's regressive in British Columbia. It's regressive in British Columbia, Alberta and Ontario; it is not in Quebec and Manitoba, but in Quebec it's double the amount of Manitoba's.

MR. BLAKE: Mr. Speaker, I don't know, the Minister rambles on about British Columbia and all these other places having this tax. That seems to be news to this House when he brought in the 1.5 the other night. What he has answered then is that all the professional athletes, the Winnipeg Jets and the Blue Bombers, particularly, their salaries will be subject to the 1.5 percent tax. —(Interjection)— Well, the team won't but the private corporation will. Has he any idea what the impact on the financial positions of the Winnipeg Jets and the Winnipeg Bombers will be with the application of this tax?

MR. SCHROEDER: Yes, Mr. Speaker, the impact will be on the employer, 1.5 percent of payroll, just as it is for all those other institutions they referred to yester-

day; and for mining companies and for banks and for insurance companies and lawyers and accountants and real estate agents, 1.5 percent of payroll. I don't know how clear a picture I can draw for them but I started off this afternoon with a very specific statement that said that this levy will apply to all employers in the province, bar none, and that includes Assiniboia Downs, that includes the law firms some of the members opposite may be engaged in, CPR and Safeway, CBC, Air Canada, CNR —(Interjection)— Yes, it applies to them all and it doesn't apply indiscriminately from one opposed to another.

MR. DEPUTY SPEAKER: The Honourable First Minister.

MR. PAWLEY: Mr. Speaker, a few moments ago there was a question addressed to me from the Member for Roblin-Russell in connection with when Shellmouth would be receiving some Centennial assistance and I've asked information from my office, particularly in view of the advice that Shellmouth had not been advised as to any directions. First I would point out, Mr. Speaker, that Shellmouth is apparently a hamlet, that it is not incorporated, that it falls within the R.M. of Shellmouth which was incorporated in 1907. I'm also advised that those communicating with us have been advised to contact their own municipality and the Department of Municipal Affairs already.

MR. DEPUTY SPEAKER: The Honourable Member for Turtle Mountain.

MR. A. BRIAN RANSOM (Turtle Mountain): Mr. Speaker, my question is for the Minister of Agriculture. I understand that the Minister of Agriculture will be meeting this afternoon with advisory groups in respect to the Beef Stabilization Program. I'd like to ask the Minister of Agriculture if he will be discussing the principles of the Beef Stabilization Program with the advisory groups.

MR. URUSKI: Mr. Speaker, I would think that whatever issues that the advisory group wishes to raise with me we will, no doubt, be discussing all and many issues.

MR. RANSOM: Mr. Speaker, since the Minister is now prepared to at least talk about the principles of the Beef Stabilization Program, will he be prepared to accept the advice of the majority of the beef producers with respect to alterations in the principles of the program?

MR. URUSKI: Mr. Speaker, I've always been prepared to discuss principles and objectives of the plan I've never hidden behind anything, Mr. Speaker, and not like the honourable members who attempted to lead the people of Manitoba astray by telling them that a plan was already in place and we don't like it and you should discard it when, in fact, the producer groups are the ones that will be developing this plan in consultation with the department, with myself, with other producers and are now working on that plan.

MR. RANSOM: A final supplementary, Mr. Speaker.

Is the Minister now confirming that it is not just the details about which he will be talking to the advisory group but, in fact, he is prepared to discuss principles and to alter the principles if that is what the vast majority of producers want?

MR. URUSKI: Mr. Speaker, I have always been prepared and open to discuss all aspects of the plan.

MR. DEPUTY SPEAKER: The Honourable Member for Emerson.

MR. ALBERT DRIEDGER (Emerson): Mr. Speaker, a question to the Minister of Agriculture. Some time ago, the Minister indicated that he'd send a telex to the Federal Minister of Agriculture regarding a National Beef Stabilization Program. Can the Minister indicate whether there is any further information from the Federal Minister?

MR. URUSKI: Mr. Speaker, at this point in time we have no further information, in fact, several days ago I placed a telephone call to the Minister's office to see whether I can make a personal follow-up to that. I have not had a return at this point in time.

MR. DRIEDGER: Mr. Speaker, the next question is to the Minister of Environment. Several weeks ago, I asked the Minister whether he had any change in policy regarding the chemical spraying on Crown lands and road allowances. Can the Minister now indicate whether he has any information on that?

MR. DEPUTY SPEAKER: The Honourable Minister of the Environment.

HON. JAY COWAN (Churchill): Yes, I can indicate to the member that I have consulted with my staff of the Environmental Management Division in respect to his question and they are now undertaking consultations with the other departments that would be concerned with this so as I can provide to the member the most complete information when I have the opportunity to answer his question. We are in the process of those consultations, I would hope to have more information of a more wide-reaching nature for the member in the near future.

MR. DEPUTY SPEAKER: The time for Oral Questions having expired.

POINT OF ORDER

MR. DEPUTY SPEAKER: The Honourable Member for Springfield.

MR. ANDY ANSTETT (Springfield): Before we enter Orders of the Day, I accepted your admonition not to deal further with a point of order during question period and I'd like to raise now a point of order with respect to the privileges and Rules of this House. The point of order is with respect to Citation No. 362, Mr. Speaker, which I'll read out for the benefit of the members, it provides that, "Reading telegrams, letters, or extracts from newspapers as an opening to an Oral Question is an abuse of the Rules of the House."

It also provides, and I quote: "It is not good parliamentary practice to communicate written allegations to the House and then to ask Ministers either to confirm or deny them. It is the members duty to ascertain the truth of any statement before he brings it to the attention of the House."

Mr. Speaker, I have some concern and I raise this point of order and quote this citation because the preliminary question asked at the beginning of question period today and then the revelation later on that, not only were the allegations false but the statement during the point of order by the Honourable Leader of the Opposition, that he had not checked the allegations and had not verified the facts.

Mr. Speaker, I think that constitutes an abuse of the privileges and the time of this House and I think the Honourable Leader of the Opposition owes this House an apology.

MR. DEPUTY SPEAKER: I'd like to thank the Honourable Member for Springfield for pointing out that citation for us, I think it will serve as a reminder to us for the upcoming Oral Question periods.

ORDERS OF THE DAY

BUDGET DEBATE (Cont'd)

MR. DEPUTY SPEAKER: On the adjourned debate of the Honourable Minister of Finance and the amendment thereto, the Honourable Mrs. Smith has the debate adjourned in her name.

The Honourable Minister of Economic Development.

HON. MURIEL SMITH (Osborne): Mr. Speaker, I wish to comment on the Budget as presented by my colleague the other night and I wish, relative to my particular portfolio, to discuss the impact of the Budget on the small business community of Manitoba. Mr. Speaker, there has been a lot of piecemeal criticism coming from the Opposition about the Budget and, Mr. Speaker, one of the factors that is not being taken into account, that a Budget is not just a collection of small pieces. Mr. Speaker, the Budget is a total package, not only that, it is a package that is related, Mr. Speaker, to the overall policy and economic program of the government. Mr. Speaker, I would ask the members opposite, indeed, the people of Manitoba, to view the Budget in that way.

We've been asked to look at things like tax concessions for border communities; we've been asked to consider whether small businesses are worse hit than other groups in the community, Mr. Speaker. I would ask everyone to remember that in the Budget there are many provisions targeted especially at the particular problems and difficulties of our small business community, Mr. Speaker. There has been a corporation tax cut in the small business sector of 1 percent from 11 percent to 10 percent; there has been an increase in the vendor commission allowable, Mr. Speaker; there is the Interest Rate Relief Program; there are the sales tax selective cuts, Mr. Speaker, that do benefit certain members of the small business community. There's been a gas tax freeze; there's been a hydro rate freeze and there's no addition of sales tax. Mr. Speaker, and I submit the single most important factor in the entire

Budget, Mr. Speaker, is that the total package of Capital investment and of public spending programs, and of raising minimum wage, and of keeping out social programs intact and gradually developing has been to increase the aggregate demand. It's the aggregate demand, I remind the members opposite, that does most to benefit small business and to keep their business in good condition.

Mr. Speaker, when we're dealing with a Budget we do well to remember what a Budget is. Mr. Speaker, a Budget is not a grab bag of pieces of increases and deductions that are meant to keep various members of the community quiet or happy. A Budget should be a part of a total approach to governing and to running the economy of the province. I submit, Mr. Speaker, that the Budget that was presented here the other night was not a perfect document but was a very fine example of an attempt to have consistent principles applied throughout the Budget. In addition to that, it was a document that treated the Manitoban community as a whole, Mr. Speaker. We did not say what are we going to do for these sportsmen; what are we going to do for the priests; what are we going to do for the students? We looked at the total package, the total community of Manitoba. We said, Mr. Speaker, these are hard times for all of us. But they are particularly hard times for people who are on fixed income, for people who are unemployed or in some way in a vulnerable situation.

Mr. Speaker, the concept of community, of our responsibility one with another is basic to the Budget that was presented the other night. Mr. Speaker, the spirit of the Budget was not a promotion of me-tooism - what's in it for me - can I get a little bit ahead of my neighbour? Mr. Speaker, the concept that underlay and permeated this Budget was how can we as a community in Manitoba ride through these very difficult economic times and come through together with people keeping their head up with pride and with hope for the future.

Mr. Speaker, I understand, as do my colleagues, that had the members opposite been preparing a Budget that it would have been a different Budget. Mr. Speaker, there's nothing disgraceful or unexpected or wrong about that. Mr. Speaker, that's what our political process is all about. We're entitled to have our ideas about how to improve the economy and how to create a fair, secure society in Manitoba as are the members opposite.

Now the members opposite, Mr. Speaker, have a different view as to how that should be accomplished. That is their right, Mr. Speaker. Unfortunately, Mr. Speaker, because I think they have - well, I'm being judgemental but I'm entitled too, to my opinion - I think they have a narrow view as to what the problems are, as to what the solutions are and therefore, Mr. Speaker, not being able to take the blinkers off, look more widely and look further ahead down the road. I think, Mr. Speaker, that they bring out quick judgements on everything that is new and different and they say it's tricky or dishonest or wrong. Now, Mr. Speaker, they're entitled to say they don't agree with the proposals; they're entitled to say if they were in our shoes they would do it differently; they're entitled to say in their opinion it is not the best solution for the province. But, Mr. Speaker, to say that it is wrong or

tricky, to say that it has no validity shows that they are living in a world where they think there is one set of rights and wrongs, one set of rules and that why need they listen or dialogue with other people if they know the truth before they start.

I remember, Mr. Speaker, years ago when I was introduced to the history of science; to the history political thought; to the history of economic thought; I was introduced to the concept that ideas change over time, Mr. Speaker, because people are curious; people are searching; people are trying to find understanding and meaning as they live and people who keep their minds open; who keep looking for better solutions to our problems. Those people, Mr. Speaker, are aware that in the world of today there are many views as to how the economy should work and what the best approach is. They're aware, Mr. Speaker, that over time it's the interplay; it's the dialogue; it's the searching and the openness that produce the best possible result. I submit, Mr. Speaker, that they would have more appreciation of the Budget as presented if they could approach it in that spirit.

Now, Mr. Speaker, I don't intend to spend my time attacking. Attack can be fun; it can be humiliating; it's rarely productive. In fact, I find it generally a lot of sound and fury that signifies nothing. Mr. Speaker, playing the game of blame for past mistakes, I think falls into the same category. People on the other side have made mistakes. People on this side have made mistakes, Mr. Speaker. It's not the question of who made the mistakes that's significant, I submit. What's important, Mr. Speaker, is who can learn from the mistakes that they have made and that the other people have made.

Mr. Speaker, if we cast back a few years in Manitoba and go through a series of governments, we have found significant contributions from each one, contributions which may not look all that great in the context of today but in the day when those people—Mr. Bracken, Mr. Campbell, Mr. Roblin, Mr. Weir, Mr. Schreyer, Mr. Lyon and now Mr. Pawley addressed the problems of the day, each group made significant gains. I think it's foolish of those of us on both sides to ignore that. The task of each government is to address the problems as openly and honestly as they can from their perspective, Mr. Speaker, and come up with the best possible solutions they can.

Now, one of the lessons that I think I have learnt reflecting on the heated debate of yesterday, Mr. Speaker, about CFI was that both sides were naive, that both sides were willing to hope and run into mega projects impatiently in the hope that there would be a solution to the province's problems. Mr. Speaker, I don't think, in retrospect, that was the best approach and I hope that one of the trademarks of our approach, that of being careful, of being analytical, of doing careful homework is our demonstration of our ability to learn from that—the failure, the inadequacy of that former approach.

I respect, Mr. Speaker, the belief of the members opposite that the private sector should be the engine of economic development and therefore in the Budget and in government programs everything possible should be done to give incentive and encouragement to the private sector; that somehow benefits should trickle down that people will then achieve their share

of prosperity. —(Interjection)— I respect their belief in that approach, Mr. Speaker, but I maintain it is an inadequate approach, it's a necessary component of any approach but taken by itself, Mr. Speaker, it is inadequate.

It is inadequate because it doesn't work very well in total. There are too many people left out of the benefits, Mr. Speaker. Sometimes we have to wait too long for any gain and even then it's not secure. There are some gains and some losses.

Our approach, Mr. Speaker, is to recognize the legitimate input of the private sector, at the same time to recognize the legitimate input from the public sector and to get the optimum of both inputs so that the total is best. Now, Mr. Speaker, that may be a difficult concept to people who are used to going at the budgetary issues on a narrow line and with a certain narrow set of factors but, Mr. Speaker, we've tried the other way and I don't think we got the kind of growth and general advance that we hoped for.

It's our belief, Mr. Speaker, that given the tough economic times we're in, given the world-wide recession, given the insane interest rate policy of fiscal and economic policies emanating from Ottawa, Mr. Speaker, that the approach that my party is taking, that our government is taking to go for selective growth, to go for a blend of private and public capital investment, to maintain our social programs and have them go through a gradual development approach and to team that, Mr. Speaker, with progressive taxation, is the very best and most responsible approach to maintaining our economy and being in the strongest possible condition for the economic upturn which we all hope will come.

Mr. Speaker, we have had choices to make in designing the Budget and in solving our problems. Mr. Speaker, we've approached them with prudence, with a great deal of responsibility and with a willingness to go with a measured amount of deficit financing because of the depth of the recession we are experiencing.

Mr. Speaker, we have not relied solely on our own opinion and our own resources. We've consulted with all sectors of society. We have consulted with our traditional friends, the Federation of Labour. We've consulted with our traditional friends in the social service area and the farmers but we've also consulted, Mr. Speaker, with Chambers of Commerce, with the Manufacturers Association, with representatives of the business community, Mr. Speaker. We aren't sure that their proposals were always superior to the ones we were starting with but we've been willing to show a degree of flexibility.

The groups we consulted with, Mr. Speaker, said don't put in a sales tax, don't unfreeze the Hydro rates. Now a good argument can be made for putting in more sales tax and for unfreezing Hydro rates, there's pros and there's cons. We had to make a choice, Mr. Speaker, and when we weighed up the pros and the cons of change in those taxes and changes in the other taxes, we came up with the package that we felt was the most progressive, the most fair, the most likely to keep the economy of the province in a healthy condition.

Mr. Speaker, I sometimes wonder when I listen to the rhetoric from the other side, why they hate the

public sector so profoundly or why they keep digging up outmoded concepts of eating at the public trough or wallowing in the public trough. Mr. Speaker, I would have thought they would have at least had more self-respect because surely all of us here as politicians are paid by our own community, we are paid by the public. Do we think the role that we play in this community is worthless, Mr. Speaker? Do we think we aren't productive in an important way in this society? Do we think the people who are at home caring for their children and who never get public monies or, if so, very small amounts for the labour they perform, do we have no respect for the labour they perform? Do we have no respect for the workers at very low wages who are carrying out vital social functions in this society? Do we think they are worthless and not productive?

Mr. Speaker, we might if we only valued the production of things and the increase of money but if we have a total view of what is valuable in our daily lives, where we value ideas, where we value cultural expression, where we value the fact that people are cared for in their daily lives, where we see the economy serving the needs of people, we would not have that narrow view, Mr. Speaker, we'd be looking for the best integrated answer that we can find.

Now, Mr. Speaker, I was very proud the other night to hear my colleague expressing what's come to be known as "Vic's View," where he talked not about rapid growth or growth at any price or no growth, he talked about balanced growth, Mr. Speaker. He talked about social and economic equity, not growth that only the very able, strong and the so-called best people can share in, but growth that gives its benefits to the total community, Mr. Speaker.

I'm sometimes amazed to hear this expression that somehow upper income people, creative, able, productive, responsible people are only motivated by the level of money they get, are deterred from doing a good job, a responsible job for making their contribution by having low taxes. Mr. Speaker, I don't know the kind of educated able people we are talking about. The ones I know take many things into account when they're deciding how hard they are going to work. One aspect of what makes them work hardest is whether they believe in what they're doing, whether they enjoy their work, Mr. Speaker, and of course we all like a good pay cheque. I like a good pay cheque and everyone else does too.

Mr. Speaker, I don't know that I want to have a five-figure pay cheque that's 5, 10 and 20 times over what my neighbour gets for doing admittedly, perhaps, more complicated work but there's a sense in which we all have to eat. We all have to pay for shelter, we all have to make our way in the daily world, we have to pay for our children and, Mr. Speaker, I don't know that I would want to live in a society where only the very strong and able were able to afford those niceties, Mr. Speaker, and other people had to give up or live in great deprivation.

Mr. Speaker, it's a question of balance. If there was a lot we could all have a great deal more but when there's a limited amount and when we're in tough economic times, we need a hard-times Budget that gets us all to pull together and where those burdens—admittedly the burdens of an extra tax here and there

—are shared because the strength in sharing the difficulty and pulling together to find the solutions is, I submit, Mr. Speaker, a strength that far exceeds any strength we could get just from soaring growth figures on our economic charts.

Mr. Speaker, we believe, and the Budget reflects our belief, that the role of our government is to balance the market forces so that the human needs of the total community are met, that we effectively function as stewards of our environment, that we include all the human values, not just things and profit. We also look at questions of happiness, the happiness of the retarded youngster, the joy that a person can get knowing they have a job to go to tomorrow, that they have access to opportunities to learn and to express themselves.

Mr. Speaker, gardens are important as well as farms. We hear a lot about the farmers of the world being the backbone of the country. Of course they're basic and important, Mr. Speaker, but so are the people who grow their gardens. We want to value all the activities and give people the kind of economic security and opportunity so that they not only earn a living but have a chance to enjoy the fruits of that living.

Mr. Speaker, the role of government is to balance out the activities of education, of culture, of basic primary industry, of small business activity, of tourism, of healthy families, of the whole mix of things in our community and therefore to criticize the budgetary provisions, one item in isolation from another, is I submit, Mr. Speaker, a very unproductive way to look at our Budget.

Mr. Speaker, to turn towards the particular problems and opportunities for small business. I remember meeting small business people in the smaller towns when the slowdown, the cutbacks were occurring back a few years. They were telling me that people would come into their stores and that they had no spare money in their pockets to buy. If you do not have money in people's pockets so they can go in and make the small business activity boom, you can do all the tax cutting you want at the other end. If you haven't got a demand, a wide demand, the plight of small businesses is serious indeed.

Do you not think, Mr. Speaker, and do the members opposite not think that the high public investment that we are committed to, to put into this provicer won't stimulate small business, won't produce the interaction among the small businesses in Manitoba and won't increase our total welfare, Mr. Speaker? I submit, if I were a small business proprietor, I'd rather have a higher turnover of business and a payroll tax than the other way around. Mr. Speaker, the extra \$10 million for job-creation programs is bound to have a stimulative effect on small business. The \$1 million work activity programs that are in the Budget are bound to have a spin-off effect on small businesses.

The Interest Rate Relief Program, small in its actual financial outlay, Mr. Speaker, but strong in its offering of managerial help so that small businesses can weather the economic storms of the day and come through in a healthy condition, those programs like that are of direct benefit to small business.

The Hydro rate freeze, I don't know that we've attracted more businesses to the province because of that, but if we're looking at comparative advantage

between provinces, Mr. Speaker, why don't the members opposite throw into the mix the comparative advantages that we have? You know, I guess if I lived in a border community I would want some targeted tax relief so that there would not be too much a dislocation between my town and the one across the way and I can see the urgency of looking at something like that, Mr. Speaker. But you know if we carried that principle to its logical extreme, every program that we have in a province would have to be phased and only the people who live in the geographical centre of the province would actually get the program as designed, everyone else would have an argument to phase it.

Mr. Speaker, there might be some abstract principle of justice that would be involved here but I don't think anyone would seriously recommend that we try to run our provincial jurisdictions in that way. If we're going to look at comparative advantage between provinces, let's look at the whole package of options and of obligations.

Mr. Speaker, the support that the Budget has brought to credit unions is a direct benefit to small businesses, many of which depend for their credit needs on that system. The package of capital activities is bound to impact in the increased amount of activity for small businesses, the Core Area Initiative Program, the Northlands Agreement which we hope will soon be concluded, the Destination Manitoba Programs, the Western Inter-tie, a re-generated ManFor.

Mr. Speaker, we have also taken another small but promising initiative, put \$1 million into venture capital that we will be making available to small businesses, particularly in the areas of manufacturing and processing. There has been a shortage of venture capital for operations like this yet it is a field of business activity we vitally need in Manitoba and the latest studies that we've had access to from the United States are showing us that the greatest job-creation impetus — the greatest input if you like — to the economy is coming in the small business formation area where you get the innovative person, the small operation that puts together a very aggressive, imaginative operation and, Mr. Speaker, this is the beginning of a program which can grow and develop as we have more experience with it. These are real and substantial helps to small business and they are proposals that should be taken into account when we are looking at the overall impact of the Budget.

Mr. Speaker, have you heard the members opposite referring to the corporate tax cut of 1 percent that we have targeted at small businesses? Have you heard mention the increase in the vendor's commission? Mr. Speaker, I am hearing, "Yes," over there. What I am asking the members opposite to do though, as well as to identify these things in isolation, is to look at the total pattern. Small businesses tend to be competitive among themselves within a province. An imposition of a tax tends to affect them all somewhat similarly. They're not as affected by interprovincial competition as the larger scale businesses.

Mr. Speaker, the total tax package that has been proposed in the Budget is based on the principles which we see as pervasive throughout, the ability to pay. Now what does that mean? It doesn't mean that you will somehow say that sports stars should be

exempt, or university professors, or priests or rabbis. No, it's based on the assumption, Mr. Speaker, that when times are tough the people who have the most should contribute a little more, and the people who have the least are entitled to be maintained at a decent level.

This is the principle, Mr. Speaker, that we have adhered to since our founding as a party. It's a principle, Mr. Speaker, that I think every one of us including the members opposite practise not only in their daily life and their family life, but somehow, Mr. Speaker, it's a principle when translated to the political level and to the level of government activity, they fail to recognize. I can't, well I guess I can understand, Mr. Speaker, how people can be so decent and cooperative and really understanding in their personal lives, can turn over and somehow be very mean and suspicious and greedy, I must admit even carried to that extreme, mean-minded when it comes to the political level. I guess I do understand it, Mr. Speaker, in that I think people understand when they're face to face with the people they know best the human responses have a chance to act, but somehow when we get up onto the level of political debate, it's as if there's a crunching of gears. There's not enough oil in the system; there's not enough willingness to look wide and look far and see the connections. I look forward to the day, Mr. Speaker, when every politician in Manitoba is happy to espouse that ability-to-pay principle in the tax system.

Mr. Speaker, when we talk about reasonable comparability to other provinces, it's not fair to pull out one tax in isolation. Mr. Speaker, one has to look at the total package. One also has to look, Mr. Speaker, to the kind of problems that each province has. Now, Manitoba and Saskatchewan have different shapes of economy. We have different current problems. Just quite baldly stated, one province is dealing with a deficit and another with an enormous surplus. Now, Mr. Speaker, wouldn't it be foolish to expect governments in the two provinces with completely different problems to have identical budgets, to have identical tax systems. To me, that would be ludicrous, Mr. Speaker, so I would ask when criticism is being made of our Budget in terms of its relation to other provinces that the total package be looked at and not one tax pulled out of isolation.

Mr. Speaker, we have introduced a levy for health and education. Mr. Speaker, somehow people think if you call it payroll, it's somehow bad and nasty. Mr. Speaker, I wonder if business people or the political Opposition have thought how over the years they have been recruiting workers who are healthy when they get there and, if they're unhealthy they go away and get better somehow and then come back. Then, when they're old they leave and retire. Now, Mr. Speaker, do businesses feel that they have no responsibility for maintaining the health of that person, or do they realize that they have a vested interest in good healthy workers? Mr. Speaker, it seems to me a very simple and obvious truth that we all share in the benefits from having healthy and productive workers. I have never heard anyone say they want our health system to go into decline. We've hit a sudden dislocation in the federal funding, Mr. Speaker. It seems to me a very original and responsible approach to maintain-

ing our health system, to maintaining the health of our work force in Manitoba, to introduce this shared levy so that we all contribute to maintaining a system that we're proud of.

Mr. Speaker, the same with education. Why is it, Mr. Speaker, I'm not sure how our businesses got away so long with thinking that the training of the work force is the public responsibility whereas they only want workers when they have their basic training. Now I know, in fact, most businesses found that they've had to do a lot of training on the job, Mr. Speaker. I don't find that surprising. I think training for work, lifelong training, upgrading during a work life should be a normal part of business. It seems to me that as we're finding out more and more about why some of the newly emerging economies of the world are showing so much success, Mr. Speaker, countries like Japan -years ago, like the U. K. with its apprentice system -but now countries like Japan, that we're very envious of because of their economic performance. We're finding in looking closely at systems like that that a great deal of input is given to the training of workers, to giving them security on the job, to balancing out the ups and downs of the marketplace by putting people onto maintenance or training programs when the market is down. Mr. Speaker, we have a great deal to learn from societies where business and the well-being of the workers are looked at as a unified whole and if we in our Budget and in our governmental programs can contribute to that greater feeling of community and of mutual responsibility, of mutual respect, then I for one will be very proud of our achievements.

Mr. Speaker, we hear groans about a high-income surtax, but I just can't think of any reason that I would respect for maintaining an individual's right to a very high income in times such as these. I cannot see that the money incentive will produce so much benefit to the individual, to the firm, to the province if it means that at the other end we have increasing numbers of people living in terrifyingly degrading and insecure situations, Mr. Speaker, I really can't.

I think if people ever faced up to what that drive towards higher and higher income at the expense of the poor really meant; if, before they went out for high-cost meals or luxurious holidays, they had to go and observe the strain on people's faces as they wondered if they had enough money to buy the groceries, the fear they have of the landlord coming and trying to collect rent for which they know they don't have enough money. Mr. Speaker, there's a degradation of the human spirit occurs when people are caught in the poverty cycle and I for one don't want to have my jollies from getting a high paycheque when I know full well that kind of suffering is going on. I'd like to see a program here in Manitoba, Mr. Speaker, and I think we've made important steps in creating such a program, where the benefits of all are paid attention to and in hard times we have an ethic of sharing the hard times and of spreading the benefits.

Mr. Speaker, I think that the Budget represents a very careful and thoughtful approach to building a fair society here in Manitoba and yet not one that provides too rapid a shock to any one sector. I also assure the Opposition, Mr. Speaker, that as our programs unfold, we will be watching very closely which groups are

having the toughest time. We, in our department, Mr. Speaker, have developed an outreach program to assist businesses in the greatest difficulty and it'll give me great pleasure in a few days to give a fuller outline of that type of program to the entire House.

What I want to illustrate, Mr. Speaker, is that we are happy with our Budget but we don't intend to sit on our laurels. We intend to keep very open and sensitive to emerging problems and we will be taking action within our capacity, Mr. Speaker, to build the kind of fair society that we know we can have here in Manitoba.

MR. DEPUTY SPEAKER: The Honourable Member for Swan River.

MR. D.M. (DOUG) GOURLAY (Swan River): Thank you, Mr. Speaker, I welcome the opportunity to participate in the Budget Debate at this time.

I should take the opportunity to congratulate the Minister of Finance in presenting his first Budget. I know that it hasn't been an easy task for the Minister to put this information together, especially, in the particular times that we find ourselves in today.

Obviously, the Budget had a number of surprises. I, for one, have to admit that I was somewhat pleasantly surprised that there was no increase in the sales tax. Anyone that lives next to the Saskatchewan border where we do have a lot of competition and we do have a lot of business that comes in from that province into the Swan River constituency and so, you can appreciate, I'm sure, the effect that where the sales tax is higher on one side than it is in the other, certainly has immediately given some concern. Now, over the long haul I guess those things ironed out. I'm not sure when the sales tax was introduced into the Province of Saskatchewan but I know that it was in effect a number of years before it came into Manitoba. I think it would be in the late 50s perhaps it was introduced in Saskatchewan. In those days the people were not so mobile and, although we had no sales tax on this side and there was 5 percent on Saskatchewan's side, I'm sure even in those days that there was some concern on the businesses that were located in Saskatchewan.

You know the Premier and his Cabinet led us to believe that there definitely would be an increase in the sales tax. I think he spoke at many places and even in the House here, and indicated that there would be a definite increase in the sales tax; there was the insinuation that there would be an increase in sales tax. The Premier indicated earlier that he had met with the Chamber of Commerce in Swan River and he had met with the Members of the Town Council. I would just like to quote from the Swan River Star and Times, April 23 issue where "deep concern was expressed in regard to the proposed provincial sales tax increase in that 30 to 40 percent of Swan River's business comes from Saskatchewan with its 5 percent tax. Mr. Pawley said that his government would like to avoid this increase but, with federal transfer cutbacks and a slowdown in the economy, they have no alternative." This was Premier Pawley quoted in the Swan River Times when he met with the Chamber of Commerce. They're referring to the sales tax. However, he agreed to look into the situation of border towns and perhaps some arrangement could be made. Well, I guess some

arrangement could be made but, I'll get into that a little later.

Now, in the Winnipeg Sun - this was today's issue and I'll just quote a little bit of it - "Even more noteworthy was the period leading up to the Budget during which Premier Howard Pawley dropped all kinds of signals and flew plenty of kites hoping to catch the political breeze. The Premier had us all conditioned to accept an increase in the sales tax so that the maintenance of the status quo now seems like a gift from heaven." I think there was some trickery - and I don't fault the government, they probably had some motive behind that - but I think that for the time being anyway I'm pleased because I would be bombarded with inquiries from the business community in my constituency had there been an increase in the sales tax at this time. So, the Premier has obviously made some arrangements for those border towns by not introducing increased sales tax at this time.

After having said that I wonder just what we have? In my opinion, we have some good news and we have a lot of bad news. First of all, I would like to go on with the good news. I think there are some measures that are of benefit to Manitobans and I think that it should be recognized. Those, of course, are some of the minor sales tax benefits that were announced with the purchase of fire trucks and related equipment; energy conservation materials; and assistance to car buyers but that has not been clearly identified. At least, I'm not aware of how that is going to work but I'm sure that we'll be brought up-to-date shortly on how car buyers are going to benefit from the sales tax program.

Of course, the exemption of meals in restaurants increased from \$4 to \$6, I think is very significant and I appreciate and I think we all do on this side that move was made. Of course, the Member for Sturgeon Creek did introduce a resolution and it was unanimously agreed to by the House to move it to \$5 but, it . . .

MR. JOHNSTON: We were waiting for your amendment, Howard.

MR. GOURLAY: Well, you just heard the Member for Sturgeon Creek saying that he suggested it should go to \$6 and I can only congratulate the government because they have in fact, brought it to \$6. Being in the fast-food business myself and it always has been a problem because in the fast-food business you don't have a lot of high-priced meals but you get into the area where it's just on the borderline whether it's taxable or not and certainly it is a nuisance. By raising it now to \$6 eliminates a little bit of a problem that we have in that particular kind of industry.

Well, to go on with more of the good news. The Capital Gains Tax Rebate for farmers is certainly welcome news to farmers, I'm sure. Although, it's not a big item, to a maximum of \$200,000 in the Capital Gain and I know that those farmers that will be affected will certainly welcome this.

The gasoline tax freeze until the end of the year, I understand will save us some \$6 million or \$7 million, the balance of this year. So, all consumers will benefit somewhat from that gasoline tax freeze.

The Corporation Capital Tax exemptions for small businesses raised by one-third up to \$1 million. Again, that's certainly a good move and we appreciate that.

The reduction in Manitoba Income Tax on small business is from 11 percent to 10 percent, again it's not a big item but as our leader mentioned yesterday, it's certainly a step in the right direction and again it's part of the good news.

But what really have we got? I think we've got a monster here in this 1 percent payroll deduction or the hospital and education levy, we've got a monster there. We really don't what it's all about yet and I'm sure a lot of the business community, particularly a small business, really don't appreciate or understand the impact that will have on them. I know a lot of them do and there's been a lot of reports in the newspaper about the unhappiness of many of the small businesses with respect to this 1.5 percent payroll deduction.

It understandably, will bring in something like \$110 million and this pretty well equals, I understand, what 2 percentage points would have raised on the sales tax but it's a little different kind of an arrangement where people that normally wouldn't pay sales tax on some items certainly will be paying this tax. Nobody will escape from this tax and it will get passed on and on wherever possible. However, in a lot of cases those least able to afford it will be stuck and farmers, of course, are one of those groups that certainly won't be able to pass on any amount of the 1.5 percent.

Food costs and other consumer goods will certainly go up and how many times will the 1.5 percent be added on throughout the system? The employer tax is identified as a new levy for health and post-secondary education. School divisions and municipalities will be taxing themselves so they can receive more government grants. Sounds like some kind of phoney-boloney monopoly game. But in the case of the Town of Swan River, they have a budget close to \$200,000 for tax roll deductions and I haven't worked out the mill rate increase that this payroll deduction will create but I know that it will be several mills that they will have to add on to their taxes in order to levy this deduction.

The Minister of Finance, when I asked him a question yesterday, said that they were going to reimburse the municipalities for this inconvenience, or to offset the cost to the municipalities but we haven't got the details on how this is going to work at the present time. But certainly the payroll deductions are causing much concern in the business world and I would just like to briefly comment from an article in today's Sun.

"Businessmen Angry" and it's written by John Bertrand and he's talking here: "Barbara Morrison, spokesman for the Canadian Federation of Independent Business says the new payroll levy will really hurt many small operators." —(Interjection)— Yes, this is a quote from the Sun. "This Budget really sticks it to the little guy. I don't know if people will go out of business because of this but our members are really going to be hurting this year." So this is from a spokesman from the Canadian Federation of Independent Business. —(Interjection)— Spokesperson from the Independent Business. Sorry about that.

My leader indicated yesterday that the Manitoba Telephone System has a payroll of about \$100 million, I think he said, which relates to a tax of \$1.5 million, and of course the only way that Manitoba Telephone System can recover this kind of expenditure is to

increase the telephone rates, again the consumer has to pick up this tab and I guess you can say the same thing for Manitoba Hydro although their rates have been frozen at the present time. Their payroll will be in excess, I would think, of over \$100 million so you can see it's a very significant tax to the Hydro consumers in this province.

I don't want to belabour you with a lot of quotes from newspaper articles but I felt that Frances Russell had an excellent account of the Budget speech the other night in an article she said:

"Schroeder's fancy footwork may not last," and she says: "Provincial Finance Department officials have calculated that between the direct payment Ottawa will make on its Manitoba payrolls and the amount of revenue they'll lose because of the tax deductibility, the Federal Government will end up paying about a quarter of the estimated \$110 million to be raised," a quarter of that. "At the moment Quebec is the only other province to have such a payroll tax but other provinces jump on the bandwagon and there are five provinces still left to bring down their Budgets, Ottawa may move to close the loophole. The Federal Government has retaliated before when provinces have tried to punish it through their taxing policies."

So I would now refer you to Page 7 of the Budget Address where the Minister of Finance says, "We are moving ahead with the Federal Government and the City of Winnipeg in core area renewal and we are making every effort to complete the new Northern Development Agreement with the Government of Canada as soon as possible." This all comes at a time when the province here is negotiating or trying to complete negotiations with respect to a new Northern Development Agreement. At the same time they're really shoving it to the feds in their Budget, so I wonder just what kind of co-operative federalism the Government of Manitoba is practising. They claim they feel that this is the right way to go, the co-operative federalism way, but it would appear that they are really chewing at the heels of the federal system and I wish them well in their negotiations because certainly we really need the Northern Development in place as soon as possible.

Those are some of the comments with respect to the payroll deduction and as I said earlier, I'm sure a lot of the businesses out there in rural Manitoba really don't appreciate the full impact that this part of the Budget will have on them in the months ahead.

Now there was reference made to the high income surtax and, as was indicated, this is something that is not new to the province. It was introduced by the Schreyer administration a number of years ago and it was subsequently cancelled I believe, in 1978. I don't think many of us are really concerned about the state of affairs of high-salaried people, they probably feel they can pay the surtax. But I think the bottom line in this is, how many of the professional people will leave the province? How many professional people will not come to Manitoba that we would like to attract here because of this surtax? I think we'll have to really look at this one fairly closely if this is, in fact, having some impact on chasing away professionals from coming here or, indeed, resulting in many professionals moving from the Province of Manitoba to escape this surtax.

The diesel fuel tax will be increased which will have a very significant effect on the trucking industry and, of course, we have a number of trucking firms that are located right here in the Province of Manitoba, right here in the City of Winnipeg. I haven't talked to any of those people yet, I know that I will likely be running into them from time to time but I'm sure that we'll be hearing quite a bit from the trucking industry with respect to the increase in diesel fuel which, again, is going to be passed on to the consumer, the cost that's created through the trucking industry; certainly that will be passed on to each and every one of us.

The special 2 percent on banks under the corporation Capital tax and the insurance corporations increase from 2 percent to 3 percent on premium revenue, other than life, sickness and accident insurance. Well again, according to an article that I read just yesterday I believe, it says that this could result in the credit monies drying up. Of course the insurance companies claim that they are not really making any money on their premiums and it will just result in passing along higher costs to the insured in order to pick up this cost to them so I'm not sure that we'll gain very much on this item.

The NDP plans to have major increases in public spending without any mention or curbs on control of inflation and this has to be of serious concern to all Manitobans. The members opposite talk about the high interest rates continuously and, of course, this is a serious problem. Everyone will recognize this but we also have to recognize that the threatening and continuing high inflation rate is probably just as serious as the high interest rates and so if you bring down the interest rates at this time it naturally will result in escalating the inflation rate even higher.

The Finance Minister is predicting a deficit of some \$334 million in the current year but there's no mention of the current MGEA negotiations and that settlement, I am sure, will cost the province somewhere between \$20 million and \$30 million. What about the additional Health Services contracts that will be negotiated this year? I think that we can look forward with dismay to the serious situation we're in with respect to the deficit and I'm sure that it will be much higher than the \$334 million and it has been suggested that it probably might go higher than the \$400 million. All indicators would point to the fact that the Budget is certainly going to be higher than the projected \$334 million that the Finance Minister pointed out to us on Tuesday night.

The Finance Minister indicated on Budget night that our total borrowing requirements for 1982-83 would be in the neighbourhood of \$900 million. Mr. Al McLaughlin, who is the Manitoba Chairman of the Investment Dealers' Association predicts the province will have to pay about 15.5 percent to borrow the money on the Canadian market on a 5-year term. All I can say to that is I hope we can get that money for that period of time at that interest rate. When you look at the type of spending that we are contemplating by this government and there is little of any evidence of renewed economic development and expansion of our resource base to provide long-term meaningful employment, such as through project that we were negotiating prior to the election in November, such as Alcan and the potash mining and the Western

Power Grid.

I'd just like to briefly refer to some of the items in the Budget on Pages 6 and 7: "To help offset economic and financial pressures and to help protect the jobs of Manitobans we have undertaken the following important initiatives," and the Minister lists here a number of them:

"The \$23 million Interest Rate Relief Program is now in place to provide assistance to homeowners, farmers and small business operators." Now we have constantly questioned the Ministers with respect to this Interest Relief Program and very few applications have been approved to date and very little money has been paid out to date under this program, yet we know that there have been many homeowners that have faced difficulties in renewing their mortgages; there's been a lot of farm bankruptcies; and there's a continually growing list of small business operators that are in financial difficulties and many bankruptcies have already been listed. I think we have a record number of bankruptcies in the country since January 1st of this year.

"New job creation programs have been announced to help stimulate employment in the short-run, especially for students this summer," and we know that the Finance Minister indicated the Career-Related Student Assistance Program and it has been brought to the attention of the House the many difficulties that communities have been experiencing with respect to this program where they have been wanting to participate in this program, like they have during the last three years, and they found that it worked quite successfully and they're running into many problems with this Career-related Student Assistance Employment Program. Although the Minister has said, of the \$2.9 million that have been allocated to this program, if that money is not all used up the program will be changed so that the money will be utilized but that may be too late for a lot of employers to make the full use and benefit from this program. And certainly I would hope that the Minister, if he hasn't already done so, would take a real close look at that Career-related Program before it's too late to help a lot of the students this summer and also helping the employers as well.

"Minimum wages are being increased to help maintain the standard of living for our lowest paid workers." I would like to know who these people are. Many times there have been questions asked to identify the people that are working at the minimum wage. Now, I indicated earlier that my family is involved in the fast food business and we employ quite a number of students and other young people in the business, some of them on a part-time basis, quite a few of them on a part-time basis and quite a few of them of course work with us on a yearly basis. But we find that we start these workers at the minimum wage, but if they are any good to us we can't afford to keep them at the minimum wage, we want to hang onto them. So if they're any good to us, they don't stay at the minimum wage very long. After talking to other people that hire similar students and young people, I think the situation is the same in many areas, so it's never really been properly identified to members on this side, who are the numbers of minimum wage people that are really hurting out there. So it's an area that is very difficult to identify.

Major increases in assistance to municipal governments and school divisions have been provided to ease the property tax burden. So we're wanting to hear more details on just how the government proposes to help the municipal governments and school divisions, particularly now with the payroll deduction scheme that will be introduced come the 1st of July.

The hydro rate freeze has been continued for a fourth consecutive year. Well, I don't think I need to make further reference to that. I think we're certainly all appreciative of the fact that our hydro bills are not going to be going up for another year.

But we come to the \$17.5 million being provided for the Beef Income Stabilization and certainly there has been much debate in the agricultural Estimates and very few answers were forthcoming as a result of all the debate that took place on this \$17.5 million item budgeted in the Estimates this year. There's all kinds of articles in the papers these days from the farm people, from the beef cattle people that are not particularly happy with the Beef Income Stabilization Program that has been put before them. The Minister, of course, has announced that he has appointed a Stabilization Committee of some 25 producers throughout Manitoba to look at this Beef Income Stabilization Program. So I know the Minister has said today that he is meeting with the members of the Stabilization Committee. He hasn't really said that he's going to change the principles of the program that he has introduced. He has always been wanting to maybe look at the details of the program.

But you know, the Minister has to know that the majority of beef producers of Manitoba are not happy with the principles of this program and they're asking for some very major changes. I think the onus is on the Minister to look at the questions that are being raised by the beef producers.

You just have to go back a few short years when in the previous administration — and I'm glad the Member for Rupertsland is here because he'll appreciate this — our Minister of Resources spent a lot of time with members of his staff working with the fishermen of this province to try and come up with a new policy for fishermen. A policy was struck and instructions went back out to field staff to advise the fishermen as to the contents of the new fish policy. Well, we all know what happened with the proposals that went out to the fishermen, they were not happy with the proposals.

There was a lot of hue and cries from particularly members of the NDP because I recall at that time there was a federal election on and they took advantage of the election campaign to put pressure to bear on the Minister of Resources at that time, to really take a look at the program that he was proposing and he did this. The Minister I think, fairly examined what the fishermen were saying and so a stop was put to implementing the policy at that time even though there was a large percentage of the fishermen wanted changes, but there was a lot of political interference at that particular time resulting in that there was no change made in the policy.

I don't see that there's any great difference now with respect to the Beef Stabilization Program, where probably 95 percent of the producers do not want to participate in the stabilization program that the Minister is trying to force upon the beef producers.

Then there's a number of spending programs for the children's dental program; there's the \$4.3 million to cover interest forgiveness for the Credit Unions; there's \$100,000 for the Department of Labour and Manpower for education centres and the list goes on and on; health care facilities are being expanded under a stepped-up \$69 million construction program this year and this is primarily at the Health Sciences Centre; Critical Home Repair is being expanded; \$5 million will be spent on the Law Courts construction. A lot of these programs were already under way when the government changed.

But there's another big item here that will be interesting, the \$50 million for the Manitoba Housing and Renewal Corporation to undertake an important set of new initiatives. We know there will be a lot of money spent on rental units and this is okay. It will stimulate the building trade for a short time, but this will also create an ongoing expense to the taxpayers of this province to maintain these. So it's a very short-run injection and it's costing a lot of money all these programs, and yet there's no overall blueprint for development in the province.

What about the hydro? This is something that gets kicked around quite a bit and during the Committee meetings dealing with the Annual Report of Manitoba Hydro that commenced this week, it was indicated that Limestone if delayed to 1987, would cost \$3 billion. If it was to start up in 1982, it would cost \$1.5 billion so it just doubles if we wait until 1987 to start the Limestone project. But if you follow the NDP philosophy of the 1970s, they would say that we should be proceeding with Limestone now so that we can save \$1.5 billion, but the government opposite is not saying that we should get on with Limestone right away because they fully realize what would happen. So really what's the holdup on the hydro?

The Minister of Resources speaking the other day, was gloating over the fact that the NDP had moved wisely in the 1970s and that we were now benefiting from the hydro stations that were put in place at that time. Well, certainly the hydro stations are there and we are not moving on Limestone at the present time so if he was using the same philosophy then we should be proceeding with Limestone now.

But I'd like to refer you to Page 7 of the last Annual Report of Manitoba Hydro for the year ending March 31, 1981 where it has a pie there, shows where the dollars went to. In the 1980-81 report it shows that 52 cents of every hydro dollar went for interest payments on the debt load that hydro was servicing. So, I would say that the 52 cents on every dollar that's going to interest costs certainly relates to the fact that a lot of the hydro stations were built as economic stimulus to the province. There was no sale for the generated power resulting from the stations that were built and so I think that it's fair to say that had the Government of Manitoba in the 70s more wisely planned the construction of the hydro projects that we would have hydro bills that would be some 30 percent lower today than they currently are. So, I think it's fair to say that we really have to be careful with the hydro construction even though we could save a \$1.5 billion by building Limestone now rather than 1987. If we don't have a firm market for the power, it could be overwhelming for the taxpayer of this province to even think of such a

ridiculous movement.

Mr. Speaker, I want to just conclude my remarks by referring to the Pawley document here that was circulated at the time of the election. This item is signed by Howard Pawley and he says: "We can build a dynamic future in Manitoba. We can turn around the harsh economic circumstances of the past four years. We can tap our sources of energy wisely. With ManOil and Manitoba Hydro we can develop programs to guarantee that no Manitobans lose their homes or farms due to high interest rates. We can provide interest rate relief and an economic climate to ensure that small business stays in business. We can ensure that Manitoba and its farms remain in the hands of Manitoba farmers through the development of an effective Farmlands Protection Act. We can improve the quality of life in small towns and rural communities. Manitobans are great people. Together we can build a great future. That's a promise we can guarantee."

Mr. Speaker, I would like to say that with the Budget Address we received on Tuesday night, there's no way that these guarantees can be assured with the types of spending and lack of an economic blueprint for Manitoba to follow. It deals only with more spending and some taxation. It does not outline any plan or thrust aimed at getting our economy to a certain defined goal in the next four or five years.

Mr. Speaker, I appreciate the opportunity to make these comments on the 1982 Budget. Thank you.

MR. DEPUTY SPEAKER: The Honourable Member for St. Johns.

MR. DONALD M. MALINOWSKI (St. Johns): Thank you very much, Mr. Speaker, and also I would like to thank my colleagues for their confidence in me.

Mr. Speaker, I congratulate the Honourable Minister of Finance on his first Budget. This is always a difficult task for any Finance Minister, but I have great confidence in our present Minister of Finance. I'm sure it is the best Budget that could have been presented at the present economic crises. What is, of course, lacking in the Budget is a great input from the Federal Government.

Under our federal system the kind of Budgets presented at the federal level has strong bearing on the kind of Budgets that even the best of Provincial Governments can present. Well, maybe some honourable member from the other side, they don't believe it, but, unfortunately my colleague from Elmwood said it's true —(Interjection)— no, we're not depending only on them. This is not true. We're trying our best.

Mr. Speaker, there was absolutely nothing in MacEachen's Budget to help the country out of the present economic crises. There was nothing in it to ease the strain and high interest rate. There was virtually nothing in the Federal Budget to reduce unemployment from the present high level of over 1.2 million or I believe, if I'm not mistaken, even more than that in the present time, the highest figure since the grim depression days of 50 years ago. This is a very serious matter right now, Mr. Speaker. Mind you, it's not only here in Canada, but if we were talking about the United States who have the same situation; if I'm not mistaken, down there they have approximately

over 10 millions unemployed according to the last figures —(Interjection)— my colleague from Pembina says that he doesn't know. Well, he's very poor in mathematics, I know that. I noticed that when he was a Minister.

Nevertheless, Mr. Speaker, with so little input of a constructive nature at the federal level the Manitoba Budget nevertheless contains many features that will benefit most of the people in the province - I wouldn't say all, but most of the people. Well, Mr. Speaker, there's a big difference between our philosophy and the Tory's philosophy. There's no doubt in my mind. The big difference is, Mr. Speaker, that for them, for instance, they would like to put a few persons and pull millions of dollars from millions of people. For us, it's absolutely the opposite, Mr. Speaker, absolutely. We are giving millions of dollars to the millions of people from the bank or from the pocket; from the pocket or from the bank —(Interjection)— well, of course, our pocket, I'm talking about us. No, I have three pockets, Mr. Speaker, the Honourable Member for Pembina is interrupting me, I don't know why, he must be out of order though.

Mr. Speaker, Canada is one of the most fortunate of countries; it is rich in resources; it has great potential for a rich and full life for all its people. Just think of what could be done if there were full cooperation at the federal level in putting into effect constructive policies aimed at serving the needs of all the people from coast to coast. I'm not talking about only our province, Mr. Speaker, the Province of Manitoba, but I'm talking as a whole, all Canada. As it is, many Canadians have difficulties with their family budgets today but Prime Minister Trudeau always has some ready advice for these people. For years he said every day of the week he tells people to practice restraint; cut down expenses, this is the answer; our Prime Minister.

But, Mr. Speaker, if your income is too small, spent less, bought less goods, I don't know how this is supposed to help a depressed economy which we are facing today. The Governor of the Bank of Canada, Gerald Bouey, is also full of advice, all kinds of advice he's giving to the people of Canada. He also asks people to cut their budgets; he also asks them to practice restraint and stop complaining about high interest rates. But how?

MR. DEPUTY SPEAKER: The Honourable Member for Turtle Mountain on a point of order.

MR. RANSOM: Yes, Mr. Speaker, I would like to draw Rule 29 to your attention, Sir, which says, "A member addressing the House shall not read from a written previously prepared speech except in the case of (a) a Minister of the Crown making a statement of policy; or (b) the Leader of the Opposition or a Leader of a recognized opposition party making a statement of policy." I know, Sir, that this rule, on occasion, with new members to the House is sometimes overlooked. I think that under the circumstances, if the Member for St. Johns is going to read from a prepared speech that we should simply have the speech filed and entered in the record.

MR. DEPUTY SPEAKER: The Honourable Member

for Elmwood on the same point of order.

MR. RUSSELL DOERN (Elmwood): I think that the member has a right to refer to his notes and he can do so at length and extensively and I think this is acceptable to the House. I have seen people read from notes and read from speeches on both sides of the House in the last few weeks so there is nothing new here. I think that the House Leader of the Official Opposition is simply impeding or impairing a member from making his remarks; he should allow him to proceed.

MR. DEPUTY SPEAKER: The Rules clearly state that a member is not to be reading from a prepared speech. However, from my position it was not clearly evident that the member was reading. You are allowed to refer to notes and with that admonition I would ask the member to continue.

The Honourable Member for St. Johns.

MR. MALINOWSKI: Thank you very much, Mr. Speaker, talking about reading. A previous speaker, if I am not mistaken, was just holding a paper all the time like that and according to Howard Pawley, what he said, and he was reading and reading and reading, all the time, even during the question period, Mr. Speaker. I am referring to my notes and I believe I am entitled to do so.

On top of it, Mr. Speaker, those gentlemen from the other side, they are preaching every day they believe in free speech, and all of a sudden the House Leader of the Opposition - I am just referring to my notes because sometimes I have difficulty with the names and figures and dates, that's why. If I will give something in Polish they won't believe it.

Mr. Speaker, they are attempting, you know, with your permission I may say a few sentences in Polish, may I? May I have leave of the House? Do you want to hear it?

"Panie Przewodniczacy. Sprawa jest bardzo powaznej natury jesli chodzi o budzet, w szczegolnosc o budzet Manitoby. I ten budzet jest zasadniczy nie tylko dla jednostki, ale obejmuje wszystkich mieszkancow Manitoby. A nawet promieniuje na mieszkancow innych prowincji. Panie przewodniczacy, zdajemy sobie z tego sprawe, ze to jest bardzo powazna rzecz w naszym zyciu codziennym, dlatego musimy skupic nasze mysl nad tym, aby przekonac naszych kolegow z partii konserwatywnej o slusznosci takiego a nie innego budzetu. Tym bardziej, ze czcigodni czlonkowie z opozycji nie wierza w postep socialno demokratyczny.

A teraz jeszcze Panie Przewodniczacy, chcialbym sie zwrocic do kolegow w sprawie systemu, tu chcialbym sie przeniesc do Polski. I'm going to Poland now if you don't mind.

Sytuacja w Polsce jest rzeczywiscie bardzo powazna i ten budzet ktory Minister przedstawil wlasnie we wtorek bylby bardzo pozytywny i bardzo pomocny w tej cwili w Polsce, gdzie ludnosc cierpi na brak zynosci. I te zynosc od czasu do czasu z moim Kotitem przesyalamy do Polski."

(Translation) Mr. Speaker, the budget is a serious matter. It is basic not only for an individuals but for all Manitobans. It even has an influence on people in

other provinces. Mr. Speaker, we realize, of course, that the Budget is a very serious matter affecting our every day life and hence we have to convince our honourable colleagues from the Conservative party of the goodness of this Budget and not any other, especially as the Honourable Members of the Opposition do not believe in the social democratic progress.

And now, Mr. Speaker, I would like to address my colleagues with regard to the social system. Here I am referring to Poland. The situation in Poland is really grave, and this Budget which the Minister introduced this Tuesday would be very positive and very helpful at this time in Poland where the people suffer shortages of food. And this food from time to time I, with my committee, ship to Poland. (End of translation)

Mr. Speaker, they are just looking my way and they probably don't understand everything that I said so I have to come back and continue in English. Well, more or less I will give it to you.

But again, to translate it I have to make a note and then I have to go back to my notes, otherwise, you will not know what I am saying.

Mr. Speaker, the Federal Budget provides an income of over \$100,000 a year for our millionaire Prime Minister, also, \$100,000 for incompetent Governor of the Bank of Canada. So they are just telling us that we should just cut our expenses and we should just fit to the Budget that they are proposing and telling that we should follow their Budget but, Mr. Speaker, Her Majesty the Queen paid us a compliment on her recent visit when she brought us our Constitution. She said Canada has become a caring and sharing nation. I'm not sure if we deserve the compliment. Some progress has been made in that direction but not everywhere. Too much of our wealth is still being distributed on the basis that those get the most who have the power to grab the most, which is not fair. There are not enough to care enough to share enough of the blessings of this great country on some just basis. The aim of our party certainly certainly, is to make this a caring and sharing country if possible.

Another Budget I am concerned about, Mr. Speaker, is our country's training Budget. For years on end we have been told there is a shortage of trained people in Canada. Recently in the House of Commons the question was asked, why is Canada bringing in trained people from other countries when we have so many unemployed in Canada. Good question. Mr. Speaker, Lloyd Axworthy, the Honourable Minister of Employment and Immigration replied that Canada throughout its history had always brought in skilled workers from other countries because we didn't have enough trained people in this country. That kind of a thing I can't understand. Why? Canada is not a poor or undeveloped banana republic; we have all kinds of ways and means to train our people. Surely we can provide training for our own young people. Why do we have to look all the time outside and bring people from different countries? People are not born fully trained and prepared for all trades and professions.

Mr. Speaker, as a priest I have many baptisms, I baptize many babies and, believe you me, one of them it wasn't preferred to be a engineer or teacher or doctor or lawyer, some of them, I may say, politician - but I don't remember which one. Naturally, talking about the politicians I am talking that they will be a good

NDPer. They know where a good party is. Mr. Speaker, but I do not have the magical power to make those babies fully qualified mechanics or computer operators or engineers or anything else. Young people need the opportunity and incentive to get training in skills required in the country. We have to create such an opportunity and in our Budget is a place for it, we will do it.

Members from the opposite naturally don't believe in something like that; all the time they believe in free enterprise and for God's sake for centuries you didn't do it, and it looks like to me that you will be unable to do it. Mr. Speaker, even right now if a young person graduates from the university he's looking for a job. It's very hard for him to find a job, why? Because the first thing is, experience; you have to have experience. For God's sake where the young person who is going to university and just finished his degree whatever it might be, is applying for a job, the first question - or rather not question - this is a condition, Mr. Speaker —(Interjection)— of course it is like that - experience. Give him a chance and, Mr. Speaker, who is not giving them this chance to get experience? Private sector - they would like to have a person already stand up and produce and make money, no chance otherwise.

Mr. Speaker, the members from the other side they will never understand our position, never. Probably they will never - I'm just telling you nothing but the truth, but you won't listen —(Interjection)— Mr. Speaker, I would like to come back to this Constitution which we received not so long ago. This Constitution is to guarantee us certain human rights but much will have to be done, Mr. Speaker, so that one of these human rights will be the right to a job and the right to get the necessary education and training required for many jobs. We should create something like that.

Now, Mr. Speaker, I will deal a few minutes with our war Budget which the honourable members from the other side, they don't believe it. They are saying it's no good; probably it's no good for them. But as I said in the beginning it's good for many people, the majority of the people. Absolutely so. Mr. Speaker, we are now spending over \$5 billion a year on armaments and related war expenditures. Mr. Speaker, but still of our militarists and some of our editorial writers and politicians are crying for more arms because they think if they will be able to produce more arms then they are creating more jobs. Mr. Speaker, they feel Canada isn't spending enough, Macleans magazine seems to have become the world journal they would like to tell us what to do and how much we're supposed to spend. Peter Newman, its Editor, has published many editorials calling for increasing war expenditures. He deplores the fact that Canada isn't spending more, he wants us to spend more money for armaments. In one of his editorials he makes the insulting remark that Canadians have become spineless freeriders relying on their country for military protection and I am quoting his own words, Mr. Speaker, "The question is will all this massive armament make us strong when our economy is so weak and shaky today?" There are over a million unemployed in Canada

MR. DEPUTY SPEAKER: Point of Order.

MR. RANSOM: Mr. Speaker, I wonder if the member

would say from whom he's quoting, if he'd identify the source of the quote?

MR. MALINOWSKI: Mr. Speaker, I think that the Honourable Member from Turtle Mountain is not listening. I was quoting Peter Newman, it is enough? Okay. Mr. Speaker, they are standing armies of 25 million unemployed in the western countries; there are many bankruptcies. We are in a serious economic crisis almost on a par with that of the hungry Thirties, almost or maybe even worse. A shaky economy and standing armies of millions of unemployed do not make a nation strong, no matter how much they spend on armaments, doesn't make any difference. Perhaps if the west concentrated more on solving unemployment and created more sound economic conditions they wouldn't need to fear the threat of communism. But this is the point, that they are just putting more armaments here and there because they are scared, they were —(Interjection)— No, no, Mr. Speaker, you can't understand this kind of a thing. Mr. Speaker, if the many billions spent in armaments were instead spent in providing decent living conditions for all the people of the world they would have little interest in joining rebel groups to overthrow the governments. We are witnessing right now in Argentina, what's going on down there. And, if I'm not mistaken, they are Conservative, Mr. Speaker, aren't they? This Gurkhas in Argentina, of course they are.

Recently, Mr. Speaker, Macleans magazine had a feature article by the editor, it was titled "Is World War III Inevitable?" This scare thing and this title seem to be trying to get people to accept the idea of war, even the possibility of nuclear war. Following the line of President Reagan and Alexander Haig, Peter Newman says - is the member listening, Peter Newman, I'm just talking about him because you may ask me again - says "NATO has to demonstrate its willingness to use nuclear weapons." To make sure we get the message he repeats this madness twice in the same article "The only truly credible deterrent to nuclear war is willingness to fight one."

Mr. Speaker, Peter Newman has no kind words for the people in the peace movement and I am a peace lover; he has no use for the people in Europe or anywhere marching in anti-nuclear protests; he believes they should all solidly behind the historical war ideas. Mr. Speaker, we know that the leading member of the NATO alliance was the first nation use the atomic bomb, the United States. We also know that there are those who, not only, believe in using nuclear weapons but there are even those on the lunatic fringe who believe a nuclear war could be won but a noted U.S. General, General Omar Bradley said, "The only way to win an atomic war is to make sure it never starts."

So, what kind of a Budget would governments present after a nuclear war or would there be any government after nuclear war? So many people who talk so much about fighting and nuclear war haven't enough imagination to realize what such a war would be like. But, Mr. Speaker, I know, I went through the war. Many Canadians don't even realize what war looks like, maybe only a few members who are present here in this Chamber were in the army overseas during the war. You just sigh, but I went through the war.

Mr. Speaker, I hate to distress honourable members

with this grim subject but it is something that has to be faced. A film has been now widely shown across Canada. It is called: "If you Love this Planet." I don't know if some members saw it or not, that film, but it was here in Winnipeg. This film is based on the book by Dr. Helen Caldicott, Nuclear Madness, gives a very stark and realistic picture of what a nuclear war would mean. To get the picture you have only to imagine Winnipeg being hit by a nuclear missile and the whole of the city within five miles beyond was destroyed completely and all the people in this area killed, or worse still, wounded and in great agony.

Mr. Speaker, we have to also visualize one thing, that all the hospitals would of course be destroyed and most of the doctors and other medical personnel would be among the killed or wounded. Any suggestions of using nuclear weapons in a future war must be regarded as a bad idea; almost as suicide. It is something we must fight against, this kind of idea.

The editor of MacLean's Magazine said: "Canadians are prepared because they are not more warlike." They would like to see something like that. Alexander Haig has said the same thing about the people in Europe who, by the thousands, are joining in the anti-nuclear protest marches. These large protest marches are one of the most hopeful signs of our times. The people in Europe, Mr. Speaker, know what war is like.

In my former homeland, six million people were killed in the last war; six million of them. Many more millions died in Britain, in France, Germany and the rest of Europe. People on this continent have never experienced war except those who were in the armed forces, as I said before, but very few. But the people of Europe who have had millions of their people killed or crippled, the people who have seen many of their cities burned, destroyed by bombing, and now they know what war is like. They have plenty of reason to join in the anti-war protest marches. Canadians who value peace should also join these protest marches.

Mr. Speaker, I believe this Legislature and every Legislature across Canada should voice a strong protest against the testing of nuclear missiles on Canadian soil. I am talking especially about the Province of Alberta. I daresay most Canadians are opposed to this madness. There is plenty of evidence of this by the many public protests that have taken place, not only in Canada, but all over the world.

Mr. Speaker, the western countries have over the years, spent many billions of dollars on military weapons to fight Communism but these are the wrong kind of weapons with which to fight Communists, Mr. Speaker, but these are the wrong kind of weapons and I say it again, Mr. Speaker. In some of the western countries the unemployed are growing. We know that in much of the non-communist world millions of people are still illiterate. They live in great misery and poverty. They live in rich slum houses without adequate food or medical attention. Mr. Speaker, we can see much of this misery on T.V. but still we can't understand, or if we try to understand, Mr. Speaker, probably we can't comprehend. —(Interjection)—

Mr. Speaker, the Member for Pembina is bothering me here. I would like to put this on the record, Mr. Speaker. Probably he's jealous, Mr. Speaker. Again I would like to put on the record that the Honourable Member for Pembina is interrupting my speech.

Mr. Speaker, can we blame those people for joining rebel groups to overthrow their corrupt governments? For instance, like it happened in Cuba. If some of the billions Canada and its allies are wasting on armaments were spent instead to improve conditions of life for our own people, if we spent more to help free the people of the underdeveloped countries from their extreme poverty. But here I am just speaking to people who have everything they can think of. They just have to pick up the phone, call the store and they will have everything on the table but many many people are spending many hours standing in line for a piece of bread and sometimes, after five or six hours of standing in line, they get nothing.

Mr. Speaker, we on this side strongly believe in justice and we are doing everything we can to satisfy our people, not a few, but the majority of the people. That kind of a mandate we got in the last election and with this Budget, we'll try to fulfill our promises which the honourable members on the other side are reminding us almost every day by quoting and reading. Of course, we know, we remember these kinds of things; we will follow it, give us time. But don't forget one thing, that first of all we have to get money.

When you left office you didn't leave anything. Actually, we had only a deficit and how are you expecting us to deal now with it? —(Interjection)— Of course we did and we will fulfill our promises. We just started, give us time and we will do it.

So, Mr. Speaker, in concluding my remarks, again I would like to congratulate our Minister of Finance for his good Budget and my people for St. Johns appreciate it.

Thank you very much.

MR. DEPUTY SPEAKER: The Member for Arthur.

MR. JAMES E. DOWNEY (Arthur): Mr. Speaker, it's one of those opportunities that a member has in the House to get up and speak on, mainly, the item of business that is before us. However, it would appear that the last member who spoke used a diversionary tactic to stay away from the subject which he, as a member of the government, doesn't want to talk about and that's, of course, the ill-conceived, deceitful Budget that was introduced two nights ago by the Minister of Finance.

Mr. Speaker, I would like to though, first of all, pass my best wishes on to the Speaker who is suffering ill health at this particular time. As well, I'd like to thank him for giving me the opportunity, or recommending my name, to participate in a recent Legislative tour down to visit the St. Lawrence Seaway and the Welland Canal, the movement of grain and that system as it operates in central and eastern Canada.

There's one point I would like to make and one message that I would like to bring back, Mr. Speaker, to the House and that is the importance of agriculture and the movement of food commodities, grains, out of Canada as in relationship to the total economic activity in Canada. Mr. Speaker, if it were not for the millions of bushels of grain that we're moving out of Canada and the resources and the revenues that those grains are generating for this country, we would be in a far greater depression than we are at the present time. The saltwater boats and the lake vessels that

are coming in are coming in virtually empty. There's very little iron ore, if any iron ore, moving up the lake system. The cost of moving commodities has reduced somewhat because of the competitiveness of that system and again I think that the farm community have to be acknowledged and appreciated, Mr. Speaker, for the important role that they play in the overall Canadian economy. That, too often, Mr. Speaker, goes unnoticed but at a time when we are in, not a recession, Mr. Speaker, we're not in a recession in Canada today, I would say we are in very much of a depression. One doesn't have to travel too far throughout Manitoba or see the numbers of people that are going bankrupt in this province and throughout the rest of the country to see that very thing happen.

As well, Mr. Speaker, the unemployment levels that are somewhat disgraceful, I would say, are further being contributed to by the Government of Manitoba, not supported by the Government of Manitoba. We're seeing large numbers of people being forced to lay people off, to not employ them for these summer months that are so important, particularly to our young people. What we have seen is a Budget that has been introduced that will discourage people from employing people and creating wealth in a general way in our society to improve the recessionary or the depressionary-type thinking that we have throughout this province and throughout Canada. Mr. Speaker, it is at a critical level. It's at a critical level to the point where, I believe, that it will take, not only months but years to recover from the kind of depression that we're now in. I'm not speaking this way, Mr. Speaker, to scare or to further discourage the people of this country because I, as a Manitoban and a Canadian, or a Canadian and a Manitoban, am virtually an optimist. But, at this particular time, I would have to say I'd have to change that to be somewhat of a cautious optimist because of the overall developments that we've seen take place at the national level and at the provincial level, particularly when we're seeing the kind of taxation programs that are being brought in by the Province of Manitoba, and the way in which we're seeing the people of Manitoba being led.

First of all, Mr. Speaker, to start with, the people of Manitoba were somewhat misled last November when they were given promises of no layoffs, no loss of businesses, in fact, that everything was going to be very rosy under an NDP Government. Mr. Speaker, the document which I refer to is, A Clear Choice for Manitobans, policies of the Manitoba New Democratic Party, great people, great future, Manitoba and the NDP. Of course, I have to say, Mr. Speaker, I am pleased that there are at least a few members of the backbench of the government sitting and listening to the comments of members of the House today. Mr. Speaker, one member of the Treasury Bench who is here —(Interjection)— well we happen to see another one - and I don't mind referring to the absence of the Treasury Bench during what is the most important document of any government.

And, you know, I have to think back, Mr. Speaker, to how that was instilled in me by my grandfather. He was of solid English stock and at each time of the year, when either the Provincial Government or the Federal Government would introduce the Budget, would always want to make sure that he had the radio avail-

able to him and that the members of the family, when he lived with us in his latter years, wanted to make sure that everyone knew that particular document was being brought down in the government. For some time, as a young person, I had a hard time understanding why it was so important. But continually he would tell me, because that is the economic direction that the government intends to take you and I, the people that produce the wealth, to pay the taxes to use in our general best interest.

Mr. Speaker, today what we're seeing is even the government themselves not even interested in hearing what the members of the Opposition have to say about the Budget Address that they brought down. Mr. Speaker, I think that is a disgrace because when my colleague, who gave an excellent speech, the Member for Swan River, there wasn't one member of the Treasury Bench present in this Assembly. Mr. Speaker, that is a shame. It's a shame and a disgrace to the people of the Province of Manitoba and I think, Mr. Speaker, that if the press are doing their job in a responsible manner, and the media, that will be reported and reported the way it should be. I'm not saying that I have had and will continue to have the best . . .

MR. DEPUTY SPEAKER: A point of order.

MS. MARYBETH DOLIN (Kildonan): I don't believe it is proper for any member in this House to refer to the absence of other members. I was called on that myself — (Interjection) — The Treasury Bench was named.

MR. DEPUTY SPEAKER: On the same point of order.

MR. RANSOM: On the same point of order, Mr. Speaker, the honourable member is entirely correct when making reference to an individual member of the House. In this case, the reference is to the entire Treasury Bench, Sir, whose Budget is being debated here today.

MR. DEPUTY SPEAKER: I'll have to consult with someone who is much wiser than myself. I'll take that under advisement, but I believe that it's proper not to refer to an individual member. I'm referring the members of the treasury.

The Member for Arthur.

MR. DOWNEY: Mr. Speaker, I appreciate your ruling. I do not, and if in any way I was referring to any individual member I would withdraw that, and I would further add that not only were the members of the Treasury Bench absent, but only about two members were present, Mr. Speaker, so I won't talk about the absence, I'll talk about the presence of those that were here. Mr. Speaker, there were, I think, two members. However, I do not want to refer to any specific member because I agree with that ruling and do not want to particular point any fingers at anyone.

What I am saying, Mr. Speaker, is a criticism of the government who haven't got the courtesy to sit in and defend their own Budget which is the major economic direction that a government is going. But, Mr. Speaker, let us go one step further because this is the way in which this government has been acting and perform-

ing all the way through since their five-and-a-half months in office. But how did they get elected, Mr. Speaker? I referred a few minutes ago to this document that we have here; it refers specifically to what was happening in the agricultural community. Well, for those members yesterday who were here, there was a document provided as well; the 17th Annual Report of the Manitoba Hog Producers Marketing Board.

In the election promise and the statistics that the now Premier of the province signed, here's what it said: "Manitoba Farms for Manitoba Farmers. While the Conservatives sat on their hands almost 40 percent of Manitoba hog producers left production." That, Mr. Speaker, was signed by the now Premier of the province. Let's look at the document that was sent out by the Manitoba Hog Producers Marketing Board and here are the facts, something that this government, Mr. Speaker, have forgotten about - facts - that in 1980, Mr. Speaker - and I will admit there was some reduction, but we also saw lower hog prices and they have the right to go in or go out of them or stay in them or decide to not produce. But, Mr. Speaker, in 1980 — and this comes out on Page 6 for those people who want to do a little research — on Page 6 in 1980 there were 4,352 registered producers of hogs in Manitoba. In 1981, there were 3,759. Mr. Speaker, a reduction of approximately 12.5 percent. Mr. Speaker, plainly a lie by the Premier of the Province of Manitoba; 12.5 percent factual and in their document there were 40 percent that they said had left the business.

At the same time, Mr. Speaker, let's look at one other page in the Hog Producers Marketing Board Report. Mr. Speaker, and this came from a letter from the chairman and I want to quote part of it. Here's what he said: "To my surprise and that of many experts, Manitoba held its production base almost constant." Almost constant. That came from the Chairman of the Manitoba Hog Producers Marketing Board. He, Mr. Speaker, isn't lying to the people of Manitoba; this is documentation, Mr. Speaker, that is factual. Mr. Speaker, they continually say that we sat on our hands. Mr. Speaker, that wasn't what the chairman said. He said, "After two years of deliberations with our Provincial Government," deliberations, "we now have a Provincial Stabilization Program and Income Insurance Plan." It is not satisfactory for all producers, but is a step in the right direction, Mr. Speaker, and that is fact - not fiction that we've heard from the Government of Manitoba to this particular time.

Mr. Speaker, yes, it would appear now that the members of the government now have their earmuffs on - those that haven't left have got their ear muffs on. Mr. Speaker, that's the story. They don't want to hear the true facts about what I have to say.

Mr. Speaker, the point that I'm trying to make is that the document that was tabled the other night by the Minister of Finance, I believe can be listened to in the same way in which their election promise was; very unfactual, very deceiving, misleading, and that's the kind of economic policies direction that we received - very, very misleading for the people of the Province of Manitoba.

How is that misleading, Mr. Speaker? Because I think we all have to first of all, appreciate as Canadians and Manitobans what really is the basic problem

with the whole of what is happening today. Mr. Speaker, in my estimation the biggest problem that we're all facing is the high cost that each and every one of us are expected to carry as an operation of government and the debt load that is incurred by those governments. Yes, Mr. Speaker, when you start to figure out on a per-capita basis the kind of repayments that you and I and the members of our families are going to have to pay to not only pay back the debt but to service the debt, it would put any country into a depression or a recession.

Mr. Speaker, what have we heard the government opposite say? What have we heard them say? They have told us as Manitobans, Mr. Speaker, that we don't have to live up to that as a government. We will play some kind of little game that doesn't come to grips with the fact that our number one problem which causes inflation is high cost of government. No, we'll try and fool them. We'll bring a document out so that the First Minister of the Province of Manitoba can sit and smile and say we've fooled the Opposition because we didn't bring in a sales tax. Well, after hearing the comments in question period today; after hearing the Minister of Agriculture say that it is directly a payroll tax; after hearing the Minister of Finance, the Minister of Agriculture in question period today called a payroll tax and if you want to read Hansard I would suggest that it's on the record. They've admitted, Mr. Speaker, that they have now introduced a payroll tax on the people of Manitoba. Mr. Speaker, it was said by the Minister of Agriculture today that they have introduced a payroll tax. Mr. Speaker, what we have seen is the Minister of Finance keep saying yes, but it's not as bad as a 2-percent increase in sales tax. Well, Mr. Speaker, I will get into that in a little more detail in a few minutes.

The point I want to make and make it very plainly to the people of Manitoba is the high cost of government, the cost of carrying debt on the people who are producing the goods and services whether they be labour workers; whether they be unionized labour workers; whether they be farmers; whether they be professional people, whether they be civil servants. It's the total high cost of government that we all have to come to grips with and we have to come to grips with it in a fair and honest way, not the kind of way the Minister of Finance is trying to point out, that they want to trick the people of Manitoba.

Let's look at another trick that was pulled on an election not too long ago by the Prime Minister of Canada. He said to the people of Canada, what are we going to have to pay? Joe Clark said, we're going to have to pay 17 cents a gallon more for our gasoline. —(Interjection)— 18 cents, I'm sorry, I missed by a cent. He was honest, Mr. Speaker, with the people of Canada. The Prime Minister who is now in office wasn't honest. He was deceitful, Mr. Speaker, he was cynical and he played games with the people of Canada. How does he rate today on a popularity scale with the people of Canada? Let me warn the Minister of Finance, through you Mr. Speaker, and the First Minister, that it won't be long after this Budget he's introduced that they will be in the same category as the Prime Minister of Canada and the Minister of Finance at the national level because they're playing games with the people of Manitoba, Mr. Speaker, they're

playing games and they haven't come clean. In about six months the Minister of Economic Development said we've consulted with those people in society who are friendly to us, the Manitoba Federation of Labour, our friends in the farm community, the Farmers Union, I would expect. They didn't talk to the people in the Chambers of Commerce, they didn't talk to those other groups, Mr. Speaker. Why didn't they talk to them, Mr. Speaker? Because they didn't like the answer they were going to get.

Mr. Speaker, my colleague from Swan River, again did a good job of pointing out the difficulties that members along the boundary would have with the increase in sales tax in Manitoba with the reduction of the sales tax that's taken place in Saskatchewan. At this point, Mr. Speaker, I want to take the opportunity to congratulate Grant Devine and the members of his caucus who put before the people of Saskatchewan the real issues and concerns that are hurting them in an every day way of life. That is, Mr. Speaker, high energy costs through taxation, as well, Mr. Speaker, high interest rates.

Mr. Speaker, what are we seeing take place again within the Province of Manitoba? We've seen a tip of the hand towards the people who are paying for high-cost gasoline by a freezing of that tax. That again is a move that would, up front, point out that possibly there is going to be something done. Mr. Speaker, I would bet you that that freeze will last about as long as they leave the hydro freeze on; that they will get through this particular Session of the Legislature and sometime —(Interjection)— well he says a year, Mr. Speaker, a year isn't very long in this business. A year isn't very long in the business of politics. —(Interjection)— Mr. Speaker, that's right, four years isn't very long either. But, Mr. Speaker, we weren't elected on false promises, we were elected on the truth of telling the people.

In 1977 we were elected on the truth of prudent good business guidance. We didn't tell the people what they wanted to hear, Mr. Speaker, we didn't tell the people. As well, Mr. Speaker, we were elected on the basis of broadening our tax base. We needed more development of our resources, Mr. Speaker, and I have to take exception with the Minister of Natural Resources yesterday, who took a personal attack on our leader, a personal attack as if he's trying to gain some great political marks about going back to some developmental process.

Mr. Speaker, let me tell you, if it's so bad why isn't the Member for The Pas saying that big changes should be made and they should sell it, or get rid of it, or close it down and recover the money for the Province of Manitoba. Look at the employment opportunities that are in The Pas because of the development during that stage. Have you ever heard members opposite do anything but try and discredit in a personal way the development that took place? Mr. Speaker, the whole thing that bothers them is that it was they who carried out all those things and they're a bit gun shy today, Mr. Speaker, because they say, well there seems to be something wrong with the development of mega projects that were taking place in Manitoba.

Mr. Speaker, the only thing that is going wrong with the development of Manitoba today, is that we have a

group of people who are in the government who don't truly understand what it means to broaden the tax base so that we have more people in Manitoba paying taxes, more resources generating revenue and that, Mr. Speaker, admission by landslide from up North in Thompson, he said four years isn't very long . . .

POINT OF ORDER

MR. DEPUTY SPEAKER: The Honourable Member for Thompson on a point of order.

MR. ASHTON: The Honourable Member for Arthur once again referred to me with this nickname. I would quote Beauchesne, page 104, "Members should be referred to in the third person as the Honourable Member for," in my case, the Honourable Member for Thompson. I would urge you to ask him to stick to Beauchesne.

MR. DEPUTY SPEAKER: Despite the endearing quality of a nickname, I think that it is probably out of order.

The Honourable Member for Arthur.

MR. DOWNEY: Mr. Speaker, I will withdraw the word "landslide" and "honourable" and refer to him as the Honourable Member for Thompson — (Interjection) — that's right, who won by a landslide. I thank the Member for Pembina for his fine help in coaching. But, Mr. Speaker, the point I was making is this, the time goes very quickly in government. Four years went very fast and we were developing that base, Mr. Speaker, we were developing a base that was going to give us as Manitobans a bright spot in the whole of Canada when a time when the rest of the nation was having one of its major recessionary times. Mr. Speaker, that is the point that has to be made.

We had, Mr. Speaker, some of the soundest projects that were going to develop the resources of Manitoba onstream. You know, Mr. Speaker, here's the thing that the members opposite can't appreciate and don't see, that if we had those major project developments taking place, if they were to proceed with them on the basis that we were working on them, by this fall can you imagine how much money, the billions of dollars started to be spent in Manitoba would add to the provincial coffers in 5 percent sales tax that's in place today, the production machinery tax that's in place today, all those things, Mr. Speaker, that would start to generate revenue would have helped them with their difficulties. But, Mr. Speaker, that isn't going to happen. What did they do, Mr. Speaker, what did they do?

They thought they would fool the Conservative Party in Opposition. They thought they would fool the people of Manitoba who said, there's going to be a sales tax increase. Mr. Speaker, they must have looked at that option and what scared them away from it? Was it the responsibility of the Government of Manitoba to say because Saskatchewan are going to make some changes — we don't have our friend Allen Blakeney left — that we have to be very careful and look better politically because we've lost the old stronghold of socialism? Now we have to make a quick step to change and get in tune with a good

Conservative Party. You know, there's another strange thing happened, it is the first time in history, I'm sure, that a Conservative Government has come into office after a socialist that there's been anything left in the cupboard. You know it's really an interesting phenomena when we see a Conservative Government follow an NDP because historically, Mr. Speaker, when this group of socialists, or their predecessors in '69 took office, there was some money left. They didn't put programs in place that would develop the Province of Manitoba and enhance the opportunities, Mr. Speaker, they did as exactly what the First Minister here - pardon me - I keep referring to the man who should be the First Minister and the Premier - the Leader of the Opposition said yesterday, they spent like a bunch of drunken sailors and they did, Mr. Speaker, because the books show it. When we came into office there was a \$225 million deficit to deal with.

Then we look at the kind of things that they were doing with that money and, you know, we've referred to the food business, the Chinese food business, and the airplane business that just ate up money like you wouldn't believe and nothing returned on. That's the kind of misguided policies we're again back into with this particular government, Mr. Speaker. What we are seeing, and I want to go back to what happened in Saskatchewan, what we are seeing happening in Saskatchewan is good common sense removal of taxation off the backs of people who are going to produce things, Mr. Speaker, good common sense taxation policies or removal of taxation policies. And it's in a very real way, Mr. Speaker, because do you realize today that a farmer that goes to the field to plant his crop, following the Budget of the Minister of Finance, he now has to add on 1.5 percent to the employee that he's hiring. But he isn't able to, Mr. Speaker, he isn't able to pass that on to the consumer directly; he has to absorb that. Compared to the Saskatchewan producers today we now have to pay that 1.5 percent; we have to pay 15 percent more for the fuel that goes into the PSVs that transport the goods and services.

The cumulative effect, Mr. Speaker, of the taxes that are imposed by the Minister of Finance on the farm community of Manitoba are still too early to be calculated but, let me tell you, at a time when we're in a major recession and a depression, they're deplorable, Mr. Speaker, deplorable, the kinds of taxation burdens that they're putting on the people who produce the food in this nation and how does that affect the consumer? Because as soon as that bushel of grain, or that commodity is produced, the next piece of the industry that takes that commodity charges that 1.5 percent; the next group take it and charge 1.5 percent. But remember the farmer isn't able to pass that on but the processor, the retailer is. So the consumer loses and so does the producer. Who are they trying to help, Mr. Speaker, who are they trying to help? They're not trying to help the basic people in society; they are hurting doubly the people they should be helping.

Today, Mr. Speaker, again, as the Leader of the Opposition said, we now will have a taxation on food. A taxation on labour is a taxation on food because of the labour that goes into the producing of it and the multiple effect, Mr. Speaker, tells me that we are going to have an increased cost in everything that people put their hands to. That, to me, is the kind of thing that

cannot be tolerated in this country. Again I'll refer to the differential between the operation of a diesel fuel outfit or anything that used diesel fuel in a commercial way in Saskatchewan and Manitoba, referring to it as a border town. The trucking industry that is based across the border now has an advantage of quite a few percent. The new Government of Saskatchewan reduced the taxation in Saskatchewan by approximately 20 percent. The wise Minister of Finance in the Province of Manitoba increased the diesel fuel tax by 15 percent. That gave the people who provide services an advantage in Saskatchewan of 35 percent on strictly diesel fuel taxes alone without the 1.5 percent on the wages that they have to pay to their employee.

Mr. Speaker, we have seen one of the worst moves that any government could have made by the kind of quick political trickery that we have seen in this Budget, and they'll live to regret it. I assure the Minister of Finance that they will live to regret it because it will come home quicker than they think and if they want to know how it will affect them and what kind of lives they will live, they just have to look at the Prime Minister of Canada and the Federal Minister of Finance, the kind of life and the kind of criticism that they have been getting since they introduced their ill-conceived Budget several months ago because, again what I am saying, is they're heaping the cost of the programs in government on the backs of people who are the producers in society. I'm saying, Mr. Speaker, the alternative is to broaden the tax base, to get the other resources in society producing and producing goods and services.

Mr. Speaker, again I am very pleased that an individual like Grant Devine has taken over the helm of Saskatchewan and I want to wish him the best of congratulations and support in his efforts to help the people who are needing the support at this particular time.

The tax that was introduced on the payroll, Mr. Speaker, has been touched on very adequately by the Leader and the other members that have spoken on our side and I do believe that is a very detrimental tax to the whole outcome and the ongoing betterment of the Manitoba economy.

One other area that I want to touch on very briefly because it was a very important move to help extend the non-renewable resources in Manitoba and that was the move to produce gasohol or alcohol from agriculture production. A very successful story, Mr. Speaker, but immediately what we see happening, and I'm not saying that the people who produce gasohol didn't expect a tax at some particular time, but I think the government moved far too quickly to tax an industry that just started to breathe life, Mr. Speaker. What is happening? Saskatchewan, if you remember some of the announcements that were made in Saskatchewan some time ago, they as a government thought they would try and catch up to the private sector and do the same thing and they have a project announced for up in Saskatchewan. Mr. Speaker, you can bet if they don't tax the non-renewable resources that they're not going to tax gasohol, and where do you think the expansion and development of gasohol is going to take place? Are they going to come and invest in Manitoba, in small towns, in villages that are going to be able to produce this commodity? No, Mr.

Speaker, they closed the Minnedosa plant once and it could be a possibility they may move to close it the second time under their kind of taxation policies. They have to be thought through a lot more plainly than they've been thought through at this particular time.

Mr. Speaker, I am somewhat disappointed when we see the Minister of Finance who, in his arrogant way, thinks that he has introduced the greatest Budget that this province has seen.

Mr. Speaker, again I want to go back to the point that I tried to make and want to make it again, is that we all have to deal with the high cost of government and the inflationary effects that we have on us today. Interest rates have added to the cost of doing business in a way in which I don't think people can really understand and, of course, the first thing we want to do — and I have no sympathy at all for the banking system in this country — I think we are paying interest rates that nobody can really understand why but, Mr. Speaker, I'm sure that we could hear more from the community of Manitoba if the Government of Manitoba had, instead of going out on a philosophical hangup about the Crow rate and trying to help the Saskatchewan election and give information that truly wasn't that important to the everyday lives of the farmers and the development of ongoing economics or sound economics.

Mr. Speaker, if the Government of Manitoba had set up a Legislative Committee through the agricultural department and gone out through Manitoba and held legislative hearings, listened to the farm people because — I'll tell you, Mr. Speaker, and the Minister of Finance that there are far more farm people in trouble today than I'll bet there were in the '30s — because in the '30s, Mr. Speaker, they didn't have the ability or they didn't have the opportunity to get into debt the way that they have been able to get into in the last few years.

The financial services that are available to the farmers have been used. But farmers, Mr. Speaker, and I want to be very clear on this, they entered into a contract with banks at an interest rate that was somewhat about half what it is today and when the ground rules change, to somebody who is trying to do business to start with, with a very narrow margin, when that interest rate goes up, what did it do to those people who are heavy users of capital? It has put them in extremely difficult positions, Mr. Speaker. Don't let the Minister of Agriculture try and fool the farm community that a \$6,000 half-loan, half-grant is of any assistance at all to the massive problem that we have today in the farm community. Mr. Speaker, the upper limits to start with aren't anywhere near adequate to help those people who are in financial difficulty.

So what I am recommending, Mr. Speaker, to the Minister of Agriculture, the Minister of Finance and to the Premier of this province is this: why don't they have legislative hearings throughout the Province of Manitoba to make the point, to raise the point with the general public, to point out some of the difficulties that the farmers are having with the banks? Let us hear from the farm community. Let's not get hung up on a dogmatic, political, philosophical argument over how it best could be corrected, but let's look at it in a full and extensive way because, Mr. Speaker, if we don't

deal with it as legislators and people within this Assembly, then I think we're going to have the very basic industry that has generated the revenues, generated the taxation for this country, hurt in a way in which will take many many years for it to recover. —(Interjection)—

Mr. Speaker, the Member for Dauphin — and I have to mention him because he is great at speaking from his seat and not from his feet — he has a great opportunity to stand and say how good his programs are.

I have many times, Mr. Speaker, put on the record the kinds of policies through the Manitoba Agricultural Credit Corporation, through the different programs when we had drought, flood and all those things that the farm people needed support, Mr. Speaker, we didn't have to be kicked around in the Legislature to try and get the Opposition to force us to do things. We moved with the farm community to support them in a way in which was meaningful. —(Interjection)—

Mr. Speaker, we have a government in office who I believe have an opportunity to go to the farm community with legislative hearings and have the case put before them and I will agree, not like they said in their election promise that they could keep people from losing their farms, or they can keep them from losing their businesses, but what they might be able to develop is a consensus of people from the banking industry, from the farm community to recommend to the Federal Minister of Agriculture, to recommend to the nation how best we can resolve the problems and, yes, how best we can take some of the load off the backs of those people who are producing food because if we don't, Mr. Speaker, then it will be too late.

Again I'll go back to my opening comments when I said, the only thing in the Canadian economy today that's generating revenue in a major way, Mr. Speaker, is the grain that is moving outside of this country. As I've indicated, if it wasn't for the grain moving through the Great Lakes system, the Great Lakes Seaway might as well be closed because they aren't hauling any iron ore this way, they are hungry for business, Mr. Speaker. Again the importance of agriculture has to be emphasized particularly when it is one of the only industries in Canada that's generating outside wealth.

So I would hope that the Minister of Finance and the Minister of Agriculture would take my recommendation seriously, set up legislative hearings to be held throughout the province, to make recommendations to government how best we can work our way through what is not a recession, but a major depression and I think if it isn't dealt with, Mr. Speaker, we will not have the kind of base that we want to see maintained.

Mr. Speaker, again I make the comments about the heavy debt load that we're carrying as Canadians imposed on us by government. A good example is in the hydro report if you go to page No. 7. What did they do — and I missed this point when I was speaking earlier — what did they do in their term of office with Manitoba Hydro? When we came into office, Mr. Speaker, the offshore borrowing was costing us a fantastic amount of money so we froze the hydro rates. Today, if you look at page 7, the debt load, the interest rates that each Manitoban is paying for the cost of hydro is 52 cents, 52 cents out of every dollar

that we spend goes to the cost of borrowing money. Mr. Speaker, that is a tremendous load, something that was caused during the Schreyer years because of the overbuilding and the lack of markets.

Mr. Speaker, I would say if they were to advance the Western Power Grid in a meaningful way — and I'm sure that the Government of Saskatchewan and Alberta would be very receptive to this — that preselling or committing of sales at a profitable basis would be a way in which we could restimulate our economy.

Mr. Speaker, thank you for this opportunity to address a Budget which I think is one of the most ill-conceived budgets that this province has ever seen.

MR. DEPUTY SPEAKER: The Honourable Member for Brandon West.

MR. HENRY N. CARROLL (Brandon West): I would like to speak on the Budget Debate. However, if the House were to decide that it was 5:30 I would speak . . .

MR. DEPUTY SPEAKER: The hour being 5:30, I am leaving the Chair and will return at 8:00 p.m. this evening