

LEGISLATIVE ASSEMBLY OF MANITOBA

Wednesday, 19 May, 1982

Time — 2:00 p.m.

OPENING PRAYER by Mr. Speaker.

MR. SPEAKER, Hon. J. Walding: Presenting Petitions . . . Reading and Receiving Petitions . . . Presenting Reports by Standing and Special Committees . . . Ministerial Statements and Tabling of Reports . . . Notices of Motion . . .

INTRODUCTION OF BILLS

HON. H. PAWLEY, on behalf of the Minister of Health, introduced Bill No. 37, Loi sur le Conseil de la recherche médicale du Manitoba. The Manitoba Health Research Council Act. (Recommended by Her Honour, the Lieutenant-Governor).

HON. R. PENNER introduced Bill No. 36, an Act to amend The Highway Traffic Act.

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we reach Oral Questions, may I direct the attention of honourable members to the Gallery where we have 26 students of Grade 5 standing from the R.F. Morrison School under the direction of Mrs. Chirko. This school is in the constituency of the Honourable Member for Kildonan.

There are 26 students of Grade 8 standing from the Warren Elementary School under the direction of Mr. L. Taylor. This school is in the constituency of the Honourable Member for Lakeside.

There are 26 students of Grade 6 standing from the Ashern Central School under the direction of Mr. Busch. This school is in the constituency of the Honourable Minister of Agriculture.

On behalf of all of the members, I welcome you here this afternoon.

ORAL QUESTIONS

MR. SPEAKER: The Honourable Leader of the Opposition.

HON. S. LYON: Mr. Speaker, I have a question for the First Minister.

In view, Sir, of the alarming statistics on farm bankruptcies and the statements carried in today's press by the Executive Secretary of the Manitoba Farm Bureau to the effect that hundreds of farmers are unable to get loans and don't have enough money to get through the year, can the First Minister advise the House, Sir, if the government is formulating any new policies or any new expanded programs, on top of those that already exist, in order to meet this growing economic threat to our farm community?

MR. SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: Mr. Speaker, this is a matter which falls under the brood of the Minister of Agriculture.

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. B. URUSKI: Mr. Speaker, I thank the Leader of the Opposition for his question. I wish to indicate to him that we are attempting and negotiating to expand the Loan Guarantee Program that has been in place for a number of years but hasn't actively been pursued by financial institutions. We are in the process of negotiating agreements with financial institutions in the Province of Manitoba to be able to provide necessary operating credit to the farmers of Manitoba who are having difficulties.

As well, those farmers who are being approved under the Interest Rate Program or may not fall into it and are having difficulties, we are attempting to channel and funnel some of those people under our regular lending program through MACC of loan debt consolidation and operating credit extensions. Those are the two areas that we are attempting to assist farmers of Manitoba.

MR. SPEAKER: The Honourable Leader of the Opposition.

HON. S. LYON: Mr. Speaker, I certainly wish to thank the Minister of Agriculture for his response and for the encouragement, even though it may be only limited encouragement, that those measures are able to give to the farm community finding itself, as it does, in the economic straits that prevail today. Can the Minister of Agriculture or the First Minister indicate to us whether the government is actively considering the further expansion of such temporary relief programs not only for the farm community, but indeed for the small business community in Manitoba which is consequently a consequent upon the farm decline facing equal problems? I suggest by way of example, can we anticipate that there might well be an extension, an expansion of the Interest Rate Relief Program for the benefit of small businesses as well as for any ancillary benefits that might be given to the farm community?

MR. SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: Mr. Speaker, I thank the Leader of the Opposition for his question. Obviously, we are hoping that there will be a redirection in respect to federal policy pertaining to high interest rates. If indeed there not be some redirection of that policy, we will, after careful monitoring, have to reconsider whether or not existing programs should be expanded in order to meet the pressing needs brought about by a lack of policy federally.

HON. S. LYON: Again, Mr. Speaker, I think that offers some small measure of encouragement to the two interests about which we have been speaking; namely, the farm community and the small business group. Can the First Minister advise as to whether or not he and his government would be or are considering the need at the present time for any form of debt moratorium legislation and, if so, would it be the intention of

the government to have that legislation considered on an emergency basis before this Session ends?

HON. H. PAWLEY: Mr. Speaker, we are looking at that situation.

MR. SPEAKER: The Honourable Member for St. Norbert.

MR. G. MERCIER: Mr. Speaker, I have a question for the Minister of Labour. Mr. Speaker, in view of the Globe and Mail report today, formulated as a result of a survey of Provincial and Federal Government forecasters, that 16 percent of students will be unable to find employment this summer, Mr. Speaker, and in view of the concern that the Minister of Labour has recognized that we have brought forward to him through his departmental Estimates and he has now included additional monies in his Budget to provide jobs for students, would he agree to consider this matter as an urgent matter and announce the details of that program as early as possible?

MR. SPEAKER: The Honourable Minister of Labour.

HON. V. SCHROEDER: Mr. Speaker, I have said throughout that when I introduced the program initially, together with the funding of \$2.9 million of which about \$2.4 million were for the summer program, that we would be looking at conditions and if necessary we would be changing the program or details of it in order to ensure that we would find creative employment for the maximum number of students possible. At this point, having added a further \$4 million to that fund, we are not in a position where we have exhausted that fund. I am told that applications are coming in from both employers and students in significant numbers, that the program is being taken up enthusiastically by both employers and students. There have been some excellent creative programs prepared by many employers in this province and we are indeed grateful to them for the kinds of initiatives that they have demonstrated in response to our program.

I would agree with the honourable member that we are nevertheless concerned. The 16 percent student unemployment rate that he refers to is a federal rate. I believe that the Globe and Mail report he refers to indicates that some discussions had been held with the federal people in Manitoba, who indicated that they felt they would be able to place 1,500 fewer students than they had hoped to be able to place, and therefore this program was enriched already. We are currently in the process of working together with the federal people with respect to other job creation measures in the province. That doesn't mean that we will be able to totally alleviate unemployment. I don't believe that anyone would argue that is possible, but we will do whatever we can to alleviate the situation.

MR. G. MERCIER: Mr. Speaker, I would like to seek some clarification. Could the Minister indicate or confirm that he has added \$4 million to the \$2.4 million program that he previously announced and if so, how many jobs does he expect that additional \$4 million to create? I assume that he has not changed the criteria

of the program from his original \$2.4 million program.

HON. V. SCHROEDER: Yes, we have added an additional \$4 million to the 2.4 million so that there is a total of \$6.4 million in that program. I also indicated on Budget night that we had added a further \$6 million for a total of \$10 million in new job creation measures. The other \$6 million is in abeyance with respect to fall and winter prospective employment programs that would be announced at that time.

In terms of the criteria for the additional \$4 million, it is similar to the first \$2.4 million, excepting that I am asking that it be geared more to small business employers for whom there is a subsidy of \$2.00 an hour, as opposed to the other categories for which other employers were qualified with respect to the \$2.4 million, in order that more jobs would be created per dollar with the \$4 million than there were with the first \$2.4 million because of the enrichment in some of those jobs.

MR. G. MERCIER: Mr. Speaker, I have a supplementary question for the Honourable Attorney-General. The Federal Revenue Ministers apparently announced that applications will be invited next week for the establishment and operation of a duty free store in Emerson. My question, Mr. Speaker, to the Attorney-General is: has he foregone all jurisdiction with respect to this matter or does he not consider the Provincial Government to have some jurisdiction with respect to the establishment of the duty free store and the appointment of the operator?

MR. SPEAKER: The Honourable Attorney-General.

HON. R. PENNER: Yes, I thank the Member for St. Norbert for that question. I am pleased to report that I have been working very closely with the Federal Minister of Revenue right, virtually, from the day that I took office. Indeed, the Federal Minister of Revenue has recognized Manitoba jurisdiction with respect to the liquor vendor; that has been clear. Since the liquor store will be an important part of the facility, it was necessary that there be close working all along the way.

I am also pleased to report that I have been making representations consistently to the Federal Minister of National Revenue with respect to the Town of Emerson's desire to, through a nonprofit corporation, be the operator of that store. I supported the application of the Town of Emerson right from the beginning and I hope that my support may result in the nonprofit corporation of the Town of Emerson getting the right to operate that store, so that there has been close working. I hope that my representations on behalf of the Town of Emerson will have been successful.

MR. G. MERCIER: Mr. Speaker, a final supplementary question to the Attorney-General. In view of the conclusion of the Jimmy Mann assault case yesterday and in view of the up until now refusal of the Attorney-General to answer any questions, perhaps quite properly so while the matter has been before the courts, is the Attorney-General now considering laying assault charges against Paul Gardner of the Pittsburgh Penguins for breaking his stick over the head of Doug

Smail of the Winnipeg Jets and incurring disciplinary action by the NHL as did Jimmy Mann?

HON. R. PENNER: First of all, with respect, it is not accurate to say that the incident and the charge arising out of that particular game is at an end because of the plea of guilty by Mr. Mann and the sentencing. It is still open to him, if he is so advised, to appeal the sentence. So for that reason, I am going to be very very limited in my remarks. But in direct answer to the very specific question involving Smail and Gardner, the answer is that I have not been advised by my senior officials including the Director of Prosecutions and the Senior Crown Attorney that there exists the same basis as they thought existed for the laying of a charge in the Mann incident and, therefore, I have issued no instructions that there should be a charge.

MR. SPEAKER: The Honourable Member for Arthur.

MR. J. DOWNEY: Mr. Speaker, following on the concern shown by the Leader of the Opposition dealing with the magnitude of the bankruptcies within the farm community in Manitoba, and in view of the fact that the basic industry, the No. 1 industry, in the Province of Manitoba is facing astronomical difficulties with the high cost of money and the concerns that we are all aware of, could the Minister of Agriculture assure us and this party on this side of the House that he will immediately contact the Federal Minister of Agriculture either by telephone, telex or make a direct trip to Ottawa to lay before the Federal Minister of Agriculture and explain thoroughly the magnitude of the problem that the No. 1 industry is facing in the province?

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. B. URUSKI: Mr. Speaker, with the Legislative Assembly in Session, it is quite difficult to do that, but I should mention to the honourable member that I have written the Minister of Agriculture after his recent trip here indicating that the funds available through the Farm Credit Corporation could have been available to the farmers of Manitoba. It has been inadequate and that there should be additional programs put into place to assist the farm community. We are attempting to do what we can, Mr. Speaker, with our limited budget and our programs that we've put into place and certainly we will endeavour to, as I have explained, find innovative ways in which we can assist the farm community in . . .

MR. J. DOWNEY: Mr. Speaker, I would again ask the Minister of Agriculture, seeing the seriousness and the magnitude of the problem, would he directly communicate by telephone or telex or in fact pay for a flight to Ottawa to lay before the Federal Minister specifically the concerns and if the Minister would agree — I'll ask him if he agrees — No. 1 is the high costs of interest, the high cost of energy but as well the low returns that the farm community is receiving. Is he as well putting that case before the Minister and I ask him if he wouldn't consider an immediate trip to Ottawa to lay before the Federal Minister the concerns

of the farm community of Manitoba?

HON. B. URUSKI: Mr. Speaker, I thank the honourable member for his suggestion. I believe that the Federal Minister of Agriculture in his own Province of Ontario certainly had this case put forward to him several months ago in terms of the severity that farmers have been faced with, with bankruptcies in their financial plight, Mr. Speaker. I am sure that from our point of view we would want to and I will continue to press the Federal Government for assistance. But I as well say to the Honourable Member for Arthur, it was his group, while they are now sitting on the other side of the House, who turned thumbs down on a proposal by the Canadian Wheat Board Advisory Committee to at least discuss openly with the farmers of Manitoba the Market Assurance Plan which farmers would now be able to use, would require and would urgently need in terms of assisting them for the grain that they have in store on their farms. That program should at least have had discussion in the farm community and should have had at least a wide discussion rather than having the government of the day and western provinces turn thumbs down without even at least giving that approach by the Canadian Wheat Board Advisory Committee to get off the ground and have some discussions there for the grain farmers of this province.

MR. J. DOWNEY: Mr. Speaker, a final question to the Minister. If he feels so strongly about that Market Assurance Program, then I again ask him would he proceed to Ottawa today to present that idea to the Federal Minister and ask him to advance it so that it, in fact, could be debated and discussed within the farm community? If he feels so strongly, then I invite him again to proceed to Ottawa to present it.

HON. B. URUSKI: Mr. Speaker, what I have said — and if the honourable member doesn't agree and I've made this statement publicly a number of times in the past — I spoke to the Farm Bureau about it and we discussed this matter. There was general consensus from the members of the Farm Bureau that it should have had wider discussion and at least that the farm community could have been better informed and could have made their decisions on it, rather than having a few groups turn thumbs down and pour cold water on it. That is one option, Mr. Speaker. That isn't the only program that might be available to the farmers, but that's certainly in the area where the grain industry has and is faced with low international markets. This would be one way of assisting the grain industry in terms of providing necessary cash flow for people who have to go out and borrow operating capital at a time when interest rates are as high as they are and were supported by his party.

MR. SPEAKER: The Honourable Government House Leader.

COMMITTEE CHANGES

HON. R. PENNER: Just before we reach Orders of the Day, I have two announcements. First of all, Mr. Speaker, some committee substitutions for Public

Utilities which is meeting tomorrow at 10:00 a.m. The Member for Kildonan will be substituting for the Minister of Community Services and the second substitution, the Member for Springfield will be substituting for the Member for The Pas.

My second announcement is that May 24th is the Queen's birthday. If we don't get a holiday we'll all run away and in concordance with the tradition of this House there will be no sitting of the House as I understand it by convention on Monday, May 24th.

MR. SPEAKER: The Honourable Member for Tuxedo.

HANSARD CLARIFICATIONS

MR. G. FILMON: Mr. Speaker, I wonder if I could make a couple of corrections in Hansard in some remarks which I made yesterday. On page 2578, the last paragraph of my speech I was quoting John Kennedy and it says in Hansard, "A rising tide lifts all votes," it should be "boats." Mr. Speaker, and on page 2577 in the third paragraph I'm referring to a story about developing or acquiring a small business in Manitoba and I said, "that first you start with a big business," it says, "the big business."

MR. SPEAKER: I thank the honourable member for that correction.

ORDERS OF THE DAY

BUDGET DEBATE

MR. SPEAKER: On the proposed motion of the Honourable Minister of Finance and the proposed amendment thereto by the Honourable Leader of the Opposition, the Honourable Member for Elmwood.

MR. R. DOERN: Mr. Speaker, I rose yesterday at 5 o'clock but for some strange reason didn't get the floor until today.

Mr. Speaker, I would like to welcome you back to the House. Because of the fact of your recent illness and also, Mr. Speaker, because when I spoke on the Throne Speech at that particular moment the Deputy Speaker was in the Chair, so it's really my first opportunity this Session to greet you and wish you well in the Legislative Session.

Mr. Speaker, I think that one of the reasons that members on this side of the House have been talking about some of the political events in some of the other provinces in relation to Manitoba is because of the fact that the recent Budget in Ontario and the recent election in Saskatchewan are major political events and I think that Manitobans, and Manitoba politicians in particular, are extremely sensitive to what is going on in our neighbouring provinces. In particular, in Saskatchewan there is such a political upheaval or earthquake that I think it is very easy on the part of Conservatives and New Democrats to draw the wrong conclusions from the so-called lessons or events that took place in our neighbouring province.

I think that one of the questions that we have to examine and one of the decisions we have to make is are we going to, in the next few years, do anything that would resemble the actions of the Ontario Govern-

ment in their Budgetary announcement and, in particular, are we going to follow some of the strategies that were indicated in the election campaign in Saskatchewan? I suspect, Mr. Speaker, that the people who are most vulnerable to that particular strategy will be the Conservative Party in Manitoba at the time of the next election, because they will draw the conclusion that it pays to imitate the "success" of the election campaign conducted by their brothers in our western province.

Mr. Speaker, similarly I think that no one on this side of the House should fall to the weakness of overestimating the kind of campaign that was conducted by the Saskatchewan Conservatives because some people will think that success justifies anything and that anything that occurs in a neighbouring province can easily be transmitted, duplicated and imitated here. Mr. Speaker, when I've watched political events over the years, as a student on, I used to think years ago that if the Labour Party won in Great Britain it helped the New Democratic Party in Manitoba, or that if the Democrats won in the United States it would be a good thing for us in Manitoba, that somehow or other this spilled over or emanated into the Province of Manitoba. Of course, it would be easier still to make that deduction in terms of Saskatchewan. I hope that the Conservative Party of Manitoba adopts the program of Premier Grant Devine as their election platform in 1984 and the last thing — (Interjection) — well, you see, the Honourable Member for Emerson, he's going to bite on that. He thinks that if they come in with a program of no sales tax or no gas tax, that's a guaranteed barn burner and it might be his barn, as my benchmate says, which will burn. That barn may burn — (Interjection) — some people may burn them for insurance purposes, but I am talking about for political purposes.

So, Mr. Speaker, I would like to take a look at what happened in our neighbouring province and to warn members on this side not to be adversely affected by what happened in Saskatchewan, not to be too concerned about what happened in Saskatchewan in terms of certain deductions. In terms of certain things, yes, we have to be concerned. In terms of the program of the Saskatchewan Progressive Conservative Party, I think that should be ignored to the largest extent possible by the New Democrats in Manitoba. I urge the members across the way to adopt Grant Devine's program holus-bolus, bring it in, promise to eliminate the sales tax, promise to eliminate the gas tax, promise all sorts of things, and promise to balance the Budget, last but not least.

Mr. Speaker, I hope that occurs because my own thinking, of course, would be more in tune with the moderate stance put just recently at that so-called Tory brainstorming down east. Robert Stanfield, who was a Leader of the Federal Conservative Party, made a fairly intelligent statement which probably was ignored by delegates to that convention. — (Interjection) — Not entirely ignored, say one or two Red Tories opposite, but they are swamped in a sea of blue or purple. — (Interjection) — It was filed, I see, filed for the record.

I think it was Mr. Stanfield who said and I am not sure of his exact words, but I assume that what he said in effect was that the Tories shouldn't simply swing to

the right and imitate what happened in the United States and that they should not believe that everything that private enterprise does is good. They should, in fact, realize that people in business are out to make a buck. —(Interjection)— You voted for Stanfield. I think in those days I would have voted for Roblin as opposed to Stanfield.

In fact I think, Mr. Speaker, that the Conservatives made a big mistake, they did vote for Stanfield, and I think they probably would have beaten Trudeau if they had voted for Duff Roblin. Of course, there were a few problems. What if Duff hadn't won a seat? That was a problem. Of course, the federal judgment of some of the members in this House isn't very good, because I recall that the hero of the former Member for Morris — the present Member for Morris, one of his early heroes was Robert Stanfield, but the hero of his predecessor was Jack Horner. Jack Horner was the man that was backed by Warner Jorgenson and perhaps our friend from Lakeside and others, they thought that he was the man, he was the big cowboy who was going to ride out of the west and show people what to do and lead the country to freedom and free enterprise, a good man. —(Interjection)— The Member for Portage la Prairie agrees as well.

There is only one thing happened. As he was galloping out east he suddenly joined the enemy, he suddenly became one of the posse; let me put it this way, one of the Tory posse that was riding down east to arrest the Prime Minister and some of his gang suddenly joined the outlaws and became one of the group that he was dedicated to overthrowing. That was a tragedy and big Jack Horner is now a Senator. He may become the President of the CNR —(Interjection)— he is not a Senator, right. So there's an opening. But he may be getting a reward, which is the Chairmanship of the CNR, which isn't bad. It's not a bad opportunity for a person who is looking for employment.

So, Mr. Speaker, I am saying that the Tories are now going to be confronted with a real problem in Manitoba, and that is, which way to go. Are they going to follow Sterling Lyon on the right, keep right and have that rural Conservatism ascendant in Manitoba once again, or is the Party going to shift a little to the left or to the centre in the days of Roblin and others? —(Interjection)— No, they are not. Well, I know that they are not and I shouldn't tell them but I am hoping that they keep their wheel on the right side of the road.

Mr. Speaker, words, great quantities of words about the Budget per se are going to be made by colleagues of mine today, tomorrow and the next day. I want to talk more about the future and about where this Budget is going to lead us. —(Interjection)— You are going to knock us off tomorrow night?

Mr. Speaker, I think that the false conclusion about the Saskatchewan election is this: that two programs were put before the people of Saskatchewan with two leaders and the people of Saskatchewan chose one over the other and they were attracted — this is a false theory — they were attracted by the Conservative program. Mr. Speaker, that government will never implement that program. We here in this Chamber almost every day were baited and berated for our program and for our promises which are now being implemented. I mean, look at the terrific program that the Minister of Municipal Affairs delivered yesterday

to this Chamber and all those other promises that are now being brought to realization, but the Saskatchewan government cannot deliver on those particular promises.

Mr. Speaker, I would say that there were two reasons why the Saskatchewan Government lost: first of all, that they lost touch with the people, which is a very broad statement; and secondly, because they were in power for 11 years; that's why they lost. Mr. Speaker, if you look at the performance of the government and try to read some of the articles that have been written and some of the analysis, I mean all of us were shocked at the result. Nobody predicted that result. Maybe some of us predicted that one party would win or the other, but nobody in this Legislature could foresee the magnitude of the response.

I must say that I, myself, when I looked at the numbers that were printed in the Globe and Mail, I guess it was, I was shocked at the magnitude of the numbers because there were many seats that were not close. I say the first reason that caused the downfall of the Saskatchewan Government that has to be watched by our government, that wasn't watched by their government, in Manitoba is of course keeping in close touch with the grassroots. That is the ultimate duty and responsibility of a government and, Mr. Speaker, every government has that problem, every government.

In Ottawa, you have a Prime Minister who surrounds himself with 60 or 80 employees run by Lloyd Axworthy's brother Tom, who is a nice guy, who is from Winnipeg, one of the Axworthy boys who has made it big. One was a hotel owner, one is running the PMO and one is a Federal Minister. Of course, the problem there is that by listening to the people around the Prime Minister he loses touch with his caucus and his party and the general public.

Mr. Speaker, the last government, the Lyon Government lost touch as well. I think they lost touch by associating with the wrong kind of people. They were associating with what they consider to be the right kind of people — the upper classes, the big dinners, the \$125 a single for that Dinner '82 held on February 9th —(Interjection)— well, ours won't be \$125 a shot. It might be \$125 for eight or for a family, but it certainly won't be per ticket.

Mr. Speaker, the Member for Fort Garry was quoted in January of '82 on the question of whether the party was in touch or not. I am looking at an article here in the Free Press which says, "Grassroot Tories feel left out," and a number of people were quoted at that time. They mentioned, Mr. Speaker, that there were only two general meetings in the last four years. Len Domino — remember him — Domino — he used to be an MLA and he was quoted in this article. Bill Neville, a very astute political scientist, he was quoted. Deputy Party Leader, L.R. (Bud) Sherman, he was quoted in this particular article. He said this, "It is probably true. We were too heavily preoccupied with the business of government and did lose touch to a certain extent with the grassroots." Well, it was a qualified and a moderate statement, not a reckless remark, but I think it was probably accurate. Harold Piercy — remember him — he's the fellow who always tries to run against my colleague, the Minister of Finance. He, too, said that he thought maybe there wasn't enough grassroots communications —(Interjection)— well then, yes, we

only have our new Member for River East and I'm not sure —(Interjection)— oh, Mr. Piercy ran against you, didn't he? He doesn't remember, but I think he ran against the Member for River East.

Mr. Speaker, the Saskatchewan Government had that problem. One of their workers was quoted in Maclean's Magazine as saying, "We lost touch with the people." She said, "The government stopped listening to the people and worried too much about just being good administrators." And she said, "Hell, I've been with groups that have tried to get action from the government and we didn't get to first base, couldn't get in to see their own Cabinet or get any action from them. So, Mr. Speaker, that I think is the first problem of every government and that certainly was a problem of the administration in Saskatchewan.

The other thing, Mr. Speaker, the other reason why they lost I think is simple as well. Eleven years in power, that is a long time. Mr. Speaker, if you think of the history of Manitoba Governments, 1948 on, you had the Campbell Government which lasted 10 years and where are they now? Where are the Liberals now? Gone, gone with the wind. Mr. Speaker, when I came into this House in '66, there were 14 Liberals sitting over there, led by Gil Molgat, and there were only 11 New Democrats and the Liberals slowly went down from 14 to 5 to 1 to 1 and, finally, then there were none.

The Roblin Government was in power, depending on how you want to count it, for either 9 or 11 years. Duff Roblin was in from '58 to '67 and then Walter Weir came next. So in a way it's one government, and in a way it's two governments, but I think the sins of the Roblin administration were visited upon the heads of the Weir administration and some of the fallout that accumulated in the 1950s and '60s befell the Weir administration.

So there you had a Tory Government, a series, 9 years or 11 years, depending on how you want and then they were gone and that seemed like an awful long time to me. I mean I lived through that like most of us, it struck me that the Conservatives were in for an awfully long time — 11 years; that's how many years the government of Allan Blakeney was in. Then you had the Schreyer Government and the Schreyer Government was in for eight years. Good government, Mr. Speaker, but in spite of its program and in spite of its accomplishments which were legion, and in spite of the popularity of its leader — you know, there was a poll taken one time, I'm told, before '77 in which they compared Sterling Lyon and Ed Schreyer and the poll was 83 to 17 in favour of Premier Schreyer and I don't think a lot of the members on the opposite side would dispute that. They might not quite believe it but they would admit that Premier Schreyer was more popular than Mr. Lyon, always was, is now and ever shall be. But it didn't win the election; it didn't win the election. You cannot only win with the leader, you cannot only win with the program, you have to win with a whole four-year package, with a whole team, with a leader, with a program and with a little bit of luck, last but not least. Mr. Speaker —(Interjection)— but did not switch party colours. Mr. Speaker, the point that I make here is this, that there is no shame in losing. In fact, it is not only not a shameful thing, it is a healthy thing for a government to change and for another group to get in.

The tragedy of modern times federally is that the

Conservatives, who finally got into power federally under Joe Clark who finally got in after, I don't know how many years in the wilderness, blew it. That's the tragedy because there was a lot of housecleaning that had to be done, should have been done and it would have been good for the country, but in six months they blew their chance and went back into Opposition and are now knocking on the door. But, Mr. Speaker, it is unfortunate, it is unfortunate that for the good of the country there wasn't another administration, even a two, or three, or four-year change would have been healthy for the political process. So, Mr. Speaker, I say that's what happened. The government lost touch and the government was in for 11 years and that's why they lost.

Mr. Speaker, some people will say, well, you know, there's lots of other things that you have to consider and one of the things that I think should be most mistrusted by politicians are polls, professional polls. —(Interjection)— Well, the Member for Rhineland says, "He doesn't know." But the Member for Rhineland was not in the Cabinet but he was in the government last fall when a decision was made to call an election. —(Interjection)— No, I wasn't, I was referring to the double "I's." Mr. Speaker, I'm saying to the Member for Rhineland that somebody came running into caucus one day, the Conservative caucus, and said, "God, we've got the poll results, we'll kill them if we call the election now." Isn't that what happened? And some said, "Well, we better wait until spring. Let's not do it now, let's wait until spring," and the others said, "No, the poll results are favourable, we've got to go now."

Mr. Speaker, you have to be very careful about poll results. I just gave you an example of Premier Schreyer being infinitely more popular than Mr. Lyon before '77 and yet the NDP lost because there's a whole lot of other factors. The same thing was true in Saskatchewan. Blakeney was far more popular than Devine; nobody ever heard of Devine. —(Interjection)— Yes, and they assumed that Allan Blakeney would take the party into victory, sweep the party along into victory because there was a somebody running against a nobody. Well, Mr. Speaker, that's obviously only one factor; that couldn't have been the basis of the election result. Polls, Mr. Speaker, have been I think relied on heavily, relied on heavily in the post-war period and they've been wrong again, again, again and again.

In the United States, Harry Truman in '48, he was supposed to get killed by Thomas Dewey and he won. Walter Weir called an election in '69. I wasn't sitting there, I'm sure that some of the members who were in that Cabinet and in that caucus had poll results which showed without doubt that if the election was called in '69, in the month of June, that they'd win. They'd win easy, they'd beat Molgat, they'd beat this young guy, Ed Schreyer, who wasn't even the leader at that time. They called the election before the NDP had its leader picked. That was a great time to call an election, so they called an election.

In 1977, I'm sure that the NDP polls showed without doubt a victory and I have no doubt whatsoever, Mr. Speaker, that in '81, in the fall, there were those who were relying heavily on the polls to show that the party should go at that time. —(Interjection)— Mr. Speaker, well, the Member for Inkster is saying something else.

He's saying that they should have gone then because they knew they were going to lose in the spring and that therefore —(Interjection)— well, then we would have had 57 seats or 50 seats. —(Interjection)— You see, Mr. Speaker, the Member for Pembina assumes that it is his personal charm that ensures the delivery of that seat. Mr. Speaker, I am telling the Member for Pembina this, that in the month of July, on July 1st, 175 Doerns are going into Morden to celebrate our family's 90th Anniversary in this country and we are going to see what we can do to take a few of those votes away from the Member for Pembina. I think we will all buy some real estate and go down there and up the NDP vote another 175. That should, at least, double it.

Mr. Speaker, one of things that was done, one of the promises made that has already been delivered, a wild promise that was made that has already been delivered by our neighbours to the west, and this is one that I say to the First Minister and the Cabinet they should avoid like the plague, other than they have had to make some adjustments on the bordering towns of Manitoba, was the elimination of the gas tax.

Mr. Speaker, I really think that was a popular thing at the time, but surely that is not the kind of policies that we need in this country, either in Saskatchewan and Manitoba or anywhere else. I mean, what is worse at this point in our history than encouraging people to drive their cars? What is worse than that? Isn't this the very moment when we should be encouraging energy conservation and a lesser use? —(Interjection)— Well, if I had the money, Mr. Speaker, I would buy one of the horses from the Member for Lakeside that he is selling for horsemeat. I would rather ride on those horses than see them chopped up and sent to wherever they are, probably sent to some of the restaurants that we eat at in this particular city. But surely it is not a good idea, Mr. Speaker, to encourage people to use their cars and so on. What is that going to cost? One hundred and thirty-nine million dollars they are going to have to come up with for that election promise.

They are going to eliminate the sales tax, they are going to eliminate the sales tax. Well, we will see about that. We will see, No. 1, whether they eliminate it and No. 2, for how long. For 60 days, 30 days or 90 days? Mr. Speaker, they are not going to deliver on those promises. I don't care how many taxes they remove, I am not interested. Let them remove all the taxes in Saskatchewan, but I can tell you by the time another year or two goes by they are going to be putting on those very same taxes and they are going to be adding new taxes. If they imitate the Lyon Government with acute protracted restraints, they are going to be in big trouble, big trouble, because I have a list here, Mr. Speaker, and it looks, according to this, that they promised to eliminate \$700 million worth of taxes; sales tax, gas tax, income tax, oil tax and then they are going to spend \$900 million more: mortgage assistance, 100 million; farm purchase, 252 — God, I hope that isn't state farms; incentives to oil companies, 12 million; and irrigation grants, 600 million; \$964 million, total 1.6 billion. Well, they are going to do that? We will see.

Mr. Speaker, whatever they eliminate, they are going to put back, and they are going to be in trouble because they are going to take those taxes off now

and they are going to add them on in the next few years just before the election. That is not a good strategy, Mr. Speaker.

Mr. Speaker, I guess the other thing to be noted is that there were some mistakes made by the Saskatchewan Government. I am told one of the biggest mistakes they made, which was exactly identical to what was done in this province, just before the election the Crown Corporations flooded Saskatchewan with full-page ads about how wonderful everything was. Does that sound familiar? Does that ring a bell in this Legislature? You don't remember —(Interjection)— well, that's true. There is a difference. The Member for Lakeside is honest enough to recognize it. He says in Saskatchewan it was the Crown Corporations that paid for the ads; in Manitoba they paid for the ads, the government paid for the ads, so that is a distinction. In Saskatchewan, there were apparently a lot of ads put out by the different Crown Corporations. In Manitoba, of course, there was a flood of ads and what silly ads. Do you remember those ads? "You're sitting on a gold mine." That has to be the winner of the year, the Dim Bulb Award —(Interjection)— and all those other ads, Mr. Speaker —(Interjection)— Mr. Speaker, the debate is getting rough.

Mr. Speaker, in Saskatchewan they spent a lot of money right on the brink of the election and the people didn't like it, and in Manitoba, of course, the same thing happened as well. I have a list here of things that were done in the last couple of years of the Conservative administration in Manitoba and it was attacked heavily by our side and I was one of those who was most vocal on this issue because I believe it is wrong in principle. There is a fine line between information and propaganda; there is a fine line between having to notify the public of what is going on and, on the other hand, simply propagandizing on behalf of the government.

Constitutional pamphlets, remember that, had to send out that pamphlet to everybody? Forty thousand bucks. The SAFER Program, promoted with an ad campaign; remember the SAFER Program with the Honourable Member for Sturgeon Creek? Eighty thousand bucks. Economic Development "Stay in Manitoba" TV campaign and other campaigns, two times \$65,000.00. The White Paper promotion, 100 grand; and then the worst of all, of course, the industrial benefits, pre-election expenditures \$150,000.00. That was part of the election campaign that was designed to hit on the eve of the election so that the government could piggyback that and go into the campaign with some inertia. Then the colors, of course, red, white and blue, just like those licence plates and —(Interjection)— well, the Member for Pembina says, "Should have been." Did he consider orange and black? Did he consider dago orange and black? No.

I will tell you something else, Mr. Speaker, the Saskatchewan Government is starting out on another Civil Service vendetta. The other point is that they are making a fundamental mistake, they are firing people in Saskatchewan on the following basis - I am now looking at the Globe and Mail, May 13th, and it says, "The Cabinet obtained a list of Saskatchewan civil servants who contributed money to the NDP at the federal level in 1979 and that list was used in deciding

who should stay." Mr. Speaker, is that freedom of association? Is that not a democratic right that a person should be able to contribute to a political party —(Interjection)— Mr. Speaker, I ask the Member for Lakeside, would he tap telephones? Would he obtain lists from the Federal Government and hound these employees? That surely is not a very democratic approach, Mr. Speaker.

So, Mr. Speaker, I simply say in conclusion that if you look at two of the major —(Interjection)— Mr. Speaker, of the two provinces that border —(Interjection)— could the Member for Pembina allow me to continue? Mr. Speaker, of the two provinces, I don't think too many of us are going to be impressed with what happened in Ontario recently, no, neither our side nor their side is going to be impressed with what happened in Ontario. That isn't the way to go, higher health premiums, considering a heat tax. Remember the Roblin Government and the heat tax, Mr. Speaker, and meals over 20 cents. Did you ever get a meal for 19 cents? The Member for Sturgeon Creek, when he comes home every night and gets a double cheeseburger with a double order of Tabasco sauce and a slice of cheese, that is \$4.95 a shot. No wonder he wanted the exemption moved up to \$5.00.

Mr. Speaker, I simply say in conclusion that in Saskatchewan both parties may think that there was some merit in the approach of the Conservative Party in their election campaign but I say, in fact, what happened was you simply had a government that was in power a long time, 11 years, that eventually unfortunately lost touch with the people. So, let us not, in the New Democratic Party, think there is anything to be learned from Grant Devine and his Conservative Government. What we should do is look at the record of the Blakeney Government, which was outstanding in nearly every area of administration, of economics and of social policy and realize that they did make some mistakes and make sure that we avoid them.

MR. SPEAKER: The Honourable Member for Gladstone.

MRS. C. OLESON: Thank you, Mr. Speaker. I, too, would like to echo some of the remarks of other members who have risen and welcomed you back to the House. It is an honour for me to address this Assembly today and add my support to the amendment made by the Member for Charleswood, the Leader of the Opposition. Unlike the previous speaker I do not intend to discuss matters of other provinces. I intend to discuss the Budget of Manitoba, which is most important to this party.

This is an interesting Budget and interesting more from what it does not say. There are good things about it and I would be remiss if I did not say so, but the Budget does not address the difficult financial times with which Manitobans are faced. In times of high unemployment, high interest rates and uncertain economic future for many businesses, this government has chosen to make life even more difficult for the employers of our province and also, ultimately, for the employees.

The other day, as one of our members was expressing his view on this Budget, one of the members oppo-

site was heard to remark that this Budget represented, "a Renaissance." Well, Mr. Speaker, this government, in my humble opinion, has not exactly reached what I would call the age of enlightenment about the workings of the business community or the problems of the farm communities of the Province of Manitoba. At a time when the Minister of Agriculture could help the farm community with a promised Beef Stabilization Plan, which could be a real help in a crisis situation, and an Interest Rate Relief Program, which could be a real help in a crisis situation, we find ourselves with two ill-conceived bandaids programs which allow for little, if any, help to the farmers of Manitoba.

I would also like to discuss the minimum wage. "Minimum wages are being increased to help maintain the standard of living for our lowest paid workers," so stated the Budget Address, on Page 6. We all agree that workers should be well paid for what they do, but we also believe that people want to be employed. By raising the minimum wage, you have caused every employer in Manitoba to take a long look at his operation, his staff and make realistic business decisions on who he will hire, whether or not he will hire more staff, remain at the same staff level or whether or not in fact he will cut staff. I quote from a submission from the Manitoba Restaurant and Food Service Association on Page 2, "Debate about the economic effects of minimum wage have been widespread. While growing economic evidence shows that minimum wage increases constrain job creation and the province's ability to compete internationally, proponents continue to believe that the minimum wage can be used to help the poor. We believe that the minimum wage is an inefficient instrument for reducing poverty. A high wage floor limits employment opportunities among the disadvantaged, the inexperienced and those with limited skills and ability. Supporters of the minimum wage forget that the many factors which cause and sustain poverty, such as ill health, large numbers of dependants and unsteady work histories are unassailable by the high wage floors. Minimum wage increases are of no benefit to those without jobs.

"During the time of high unemployment increases in the minimum wage force employers to contract their labour force further, resulting in reduced national income and more applications for welfare and UIC benefits." This new minimum wage is to take effect at the time when students are hoping to obtain summer jobs - faint hope. Fast on the heels of this setback the employers and employees of Manitoba were treated to the news that they will now be faced with a payroll tax. This will likely go down in history as the Schroeder sneaky tax.

In trying to come up with some way to pay for ill-conceived election promises this government had to come up with something, after all, they made all those promises. Remember, Mr. Speaker, they made those promises to the people of Manitoba during last fall's election. They did not tell the people how these promises were going to be paid for. They led them into the hope and belief that times would be so much better under this so-called "kind but firm" administration and I quote "kind but firm" from the Minister of Northern Affairs Throne Debate speech where he said that this was a "kind but firm" government. The NDP "kind but firm" government would give them

everything they wanted and in some cases more than they wanted.

The people voted in the NDP band not knowing who was to pay the piper. After last Tuesday's Budget, many are still unclear as to who will pay the piper and how much they will pay him. We can rest assured that we will all have to pay. The payroll tax bothers me more than anything else this government has done because it is so devious. It purports to affect only one segment of our society - the employers. In fact, it will affect everyone in the province indirectly. The members opposite do not seem to understand the fundamental structure of the business community. An employer, like any other person in our society, is concerned with making his or her living for their family. If expenses within the business are increased, he must pass the increases along to the customer. If he does not, and cannot, the expenses become more than the income generated by the business and the business fails. It is as simple as that.

Small businesses in Manitoba are having a tough enough time to struggle to stay viable during the present economic times without further expense. The expense to the employer is one facet of the problem. Time and paperwork is another. Many large employers will have to hire additional staff in their payroll departments and in turn, of course, pay payroll tax on the employees hired to work on the payroll tax. Most interesting of all, Mr. Speaker, is the fact that such a large percentage of the employers in Manitoba are publicly-funded organizations, be a case of shuffling money from one department to another and back again, sort of a large money recycling bureaucracy with the ultimate losers being the taxpayers of Manitoba. It could be called the Schroeder shuffle.

Without really trying very hard and without providing a comprehensive list, I came up with a list of at least 24 publicly-funded organizations, either government or private donations. I won't read the list to you, it's lengthy and it's not complete. We could go on all day and add to a list like that.

It is interesting to note also the reaction to the Budget. For example, the May 12th edition of the Brandon Sun had some interesting headlines which more or less summarize the feelings of the majority of people in rural Manitoba. One headline said, "Business Afraid Surtax Will Spell End For Some"; another said, "Payroll Surtax Worries City Officials"; another said, "Budget Offers Little To Farmers"; and yet another said, "Singles Out Business." It is all summed up by Brandon Alderwoman Margaret Workman who is quoted as saying, "Somehow, someone is going to have to pay." Yes, Mr. Speaker, we all know who will have to pay, it will be the people of Manitoba.

MR. SPEAKER: The Honourable Member for Radisson.

MR. G. LECUYER: Thank you, Mr. Speaker, I welcome this opportunity to place my comments on the record pertaining to this government's first Budget. First of all, Mr. Speaker, I want to compliment the Minister of Finance for drafting a Budget which Manitobans will accept with understanding because it is a pragmatic effort to face up to the reality of Manitoba's economic climate. Mr. Speaker, no government wants

to impose additional burdens on any sector of the economy and this is especially true when times are difficult and the economy is struggling. This government is most conscious of these factors and the people of Manitoba can rest assured that it did not take lightly its responsibilities when making difficult decisions having to do with the management of revenues and expenditures of this province. On the other hand, our government will not shirk its responsibilities or simply choose the easy course of inaction which has been demonstrated by the previous government of Manitoba.

As was so well explained by the Honourable Member for Osborne the other day, all alternatives were carefully weighed. In fact, even before I look at these alternatives, I look at this year's Budget compared to last year's Budget. I see it's twice the thickness but it's got a whole section that deals with recent statements and, if time would so allow me, I'd also take time to go over some of the recent statements that appeared in the newspaper, but I don't think the Opposition would like to hear them. But I'm just giving this as an example of who's spending money carelessly. The paper maybe is cheaper this year, it's not as thick but it says a lot more.

We could have chosen to limit spending to the level of the former administration's last Budget, a status quo, a no-action type of Budget. That approach in itself taken into account the inflationary factors which would already give rise to a deficit of over \$300 million, while at the same time providing no additional stimulus towards economic recovery. To make such a choice would have meant we were opting for the *laissez-faire* stand aside approach of the previous administration and most definitely would have meant a cutback in the level of social programs.

Mr. Speaker, I would like to refer to an article which appeared in the Free Press in September of 1981, and I quote. It says, "In 1977, the Tories won the biggest victory in recent Manitoba history (49 percent of the popular vote) by promising to reduce the debt, balancing the Budget, cut government spending and generally remove the dead hand of government so that the private sector could flourish and return Manitoba to economic health."

Well, Mr. Speaker, Manitoba's debt in the last four years has risen from \$3.2 billion to over \$4 billion and, until this year, they have the record of holding the highest deficit. They've had that distinction of holding a deficit, providing a deficit, for all four of their years in government. Is that holding to a promise of a balanced Budget?

Further, in the same article of September 11, 1981, and I quote: "Government failure to prime the pump over the Tory years contributed to Manitoba's economy performing tenth out of ten on all major economic indicators in both 1971 and 1980. A spin-off from this was the highest provincial out-migration during the postwar period." In 1979 and 1980, Manitoba actually lost population and on September 2, 1981, I quote - in a 50-page document, Challenges for Manitoba, released prior to the October, 1977 provincial election, that PCs outlined 151 programs for change — "The general direction of these policies reflects the kind of government we will be in Manitoba after the election," Sterling Lyon said. However, inter-

views with specialists and community spokesmen determined only 81 promises have been kept. In the year that ended July 1, 1980, the province's population count in one year fell by 3,200.

Well, Mr. Speaker, if they like to talk about promises, what did they do with their promises? Barely 50 percent, or just over 50 percent, of them were kept in four years, not in one year, in four years, Mr. Speaker. During the last election, we promised Manitobans that we would revitalize the economy, the construction sector, the manufacturing sector and the farm sector. We promised we would help the people of Manitoba maintain their jobs and that we would assist people who were in danger of losing their home, their business or their farm due to high interest rates and the recession. Both of these factors, I might add, to which they, the Tories, contributed.

Furthermore, Mr. Speaker, we were not elected on the promise of a balanced Budget, but rather on the basis that we would intervene with compassion and confidence in the people of Manitoba and confidence in the abundant resources of this province, rather than just to sit back and wait or roll over and die like tired dogs, which seems to have been what they've done while they had the responsibility of governing this province. So we chose a course which involves additional spending because we are convinced that this is in the best interest of Manitobans and for the future of this province. This must be done or else we do like they; that is, we elect to let this province slide further back which would then put us in the position of having to recover lost ground rather than surging ahead when the recession is over.

To go after additional revenues was a painful decision, but a wise one. We waived seriously the option of increasing the sales tax, but had to reject this alternative as being a regressive step, for it would indiscriminately affect everyone - widows, senior citizens on pension, unemployed people and those on fixed salaries. That is the course followed by Ontario's Tory Government - head stuck in the sand policy - as it was with the previous government of this province over four years. Instead, we opted for a levy on employees' salaries as being the least painful way to underpin the economy. We did so to maintain our health services and our services in the secondary educational sector.

After all, they haven't complained at all during the Estimates. They are getting more than 50 percent of the additional revenues being spent in the health field, more than 50 percent, and all I've heard them say was, we want more, we want more. This approach of ours, Mr. Speaker, we believe is a sound, fiscal management policy for it will bring in some of the additional revenue required to implement a progressive and a positive stimulus to protect this province's basic strengths and to enhance Manitoba's ability to take advantage of national economic recovery when it comes.

Obviously, no matter how a government obtains revenue, it has to be borne at least to some degree by its people. I say to some degree because only a portion of this additional revenue will be reflected in the individual pocketbooks, as part of it will come from the taxes that would normally go to the Federal Government and those who pay taxes will be in a better position in 1982 than 1981 due to indexing. For those

members who keep complaining that we are taxing food I want to remind them, as was pointed out by my colleague from River East the other day, for anyone going to a supermarket and buying \$100 worth of food this levy will represent less than 10 percent; whereas, if you compare this to what happens in Ontario, or as was pointed out by my colleague from Elmwood a while ago, if the Honourable Member for Sturgeon Creek goes and buys \$4.95 of chiliburger, compared to the new tax they introduced in Ontario it would cost him 35 cents just for that. People will be able to shop a whole month in Manitoba and still not have to bear more than what it would cost them in Ontario to buy a chiliburger with the tax they put on over there.

Some of the members across cry in their beer because churches and charitable organizations will have to pay this 1.5 percent levy on employees. Mr. Speaker, let me remind the Opposition that a sales tax increase of 2 percent would have been a much greater burden, after all, churches, parish rectories and charitable organizations purchase supplies of all sorts, whether it be curtains or carpets, candles, paper, etc.; they would have to be paying that 2 percent sales tax. The point is, they would have to pay even more if we had resorted to a sales tax increase at this time. Maybe we will think about that next year.

Mr. Speaker, the other day I heard the Member for Niakwa complain because this Budget will mean an increase in the cost of beer and spirits, especially, he complained of the effect this would have on the drunks and the alcoholics. This, Mr. Speaker, is sheer hypocrisy, I say he is concerned only about himself. I don't want to knock him too hard and I especially hope he doesn't drown at the four-foot level of his pool. Seeing he indicated he was considering running again in Radisson, I hope that was a challenge he will not shy away from when the next election rolls around because I am certain that as a result we will have another NDP seat in this House.

Mr. Speaker, the Member for St. Norbert said that taxes should not have been increased at all because this will cause a loss of jobs. I say that is simplistic rhetoric, especially coming from members who have endorsed high interest rates and inaction in their past four years; especially when one considers that during the Estimates period I heard literally every one of them asking for more money to go into their constituency, for drainage ditches as did the Member for Morris and the Member for La Verendrye, as did again the Member for Morris the other day asking for more money on educational spending, or as some members, yesterday when we announced the Main Street Manitoba Program, said that's not enough. When we talk about the Beef Stabilization Program, they say, that's not enough. When we talk about the Interest Rate Relief Program, they say that's not enough. All the time they say, spend more money and now they say we are spending too much money. I wonder what the members across want. Do they know? I don't think they are trying to represent the best interests of Manitoba here.

How many jobs, Mr. Speaker, have been lost as a result of those policies? In fact, I believe this Budget will help slow down the loss of jobs and create new jobs through construction programs which will remain permanent assets of this province and create perman-

ent jobs as well. Do the members opposite really believe that bankruptcies would decrease if we just stood idly by? At least, Mr. Speaker, the additional revenues will not be used as the previous administration did when they spent \$150,000 of taxpayers' money to let them know they were sitting on a pot of gold.

Yes, the province has many assets, Mr. Speaker, which can and must be made to bear fruit. We have the advantage of being a very young province with many renewable resources, resources yet untouched. Mr. Speaker, we have barely completed the period when the hardy settlers came here and we all know that their dreams and the great future of this province had not yet been fulfilled. As a government we should not treat this province and its people as though it were a home for the terminally ill. In fact, Manitoba is still as a newlywed couple whose future achievements is in the making through investment, hard work and yes, with some risk taking.

The Leader of the Opposition says that times are tough and we ain't got enough. It makes me think of the old song. Manitobans are suffering; the economy is morbid; everything is pessimistic; everything is seen in black. So, what does he propose? He proposes that we let them suffer; he proposes that we let the economy die. —(Interjection)— Yes, he proposes that we sit back and wait and things will get better on their own, or he also says the private sector will do it on their own. Has the private sector been able to cope on their own in the last few difficult years or aren't they the ones also crying for politicians to do something besides debating and being assured of a salary? They are pleading for action, for compassion and for assistance because right now, they can't do it on their own.

Economic stagnation over the past four years has knocked holes in the Conservative argument that all that was required for growth and prosperity was for the government to step back and let private enterprise do the job. Well, Mr. Speaker, the record of the past four years is not a glowing one. According to Statistics Canada and the Conference Board, Manitoba's economic growth for the period, 1977 to 1981, was 8.7 percent. We know what it was the four years before that. We know it was 80.1 percent and the four years before that, it was also 80 percent. The growth in the manufacturing sector for the same four years was 33.7 percent. You want to know what it was four years before that? 120.5 percent, and the product capital expenditures for the years 1977 to 1981, 49.3 percent. Again, do you want to know what it was for the four years prior to that? 98 percent.

Don't tell me that their Budget and their policies were made for the flourishing of the economy of this province. Yet, Mr. Speaker, according to an article which appeared in the Free Press on September 2nd, 1981, "Manitoba's debt has been accumulating steadily during the Tory years from \$3.2 billion to over \$4 billion."

Finally, even they, Mr. Speaker, came to the recognition that in a province such as Manitoba, lacking any major private economic engines, the Provincial Government itself must act as a catalyst and a pump primer for development. Therefore, in their last Budget the Tories increased spending by 15 percent, even though only a few months before, in October of 1980,

the then Minister of Finance had promised in this House that it would be held down to 8 percent. In spite of that, Mr. Speaker, what did they provide? They provided acute protracted disaster in Manitoba. Does the Opposition really believe that it's not worth, nor right, to take a chance on the people and the future of this province?

Doesn't the Good Book say - I'm going to make reference to the Good Book. The Good Book says that we must use the talents we have to make them multiply and grow. They pretend to care for the farmers, but when I listen to them I begin to wonder. Sometimes I really think they believe that we haven't got enough. Their attitude seems to be - yes, Mr. Speaker, their attitude seems to be let's keep the little we have for ourselves and our friends and hide with it until the storm blows over, then we'll come out strong and rich. Do you know how many people will be left around in Manitoba when you come out of hiding? There won't be many, Mr. Speaker.

Mr. Speaker, the way I see it, and I would like to make this as a comparison, if I or anyone else had in his yard, or on his farm, a number of fruit trees and we were undergoing a period of drought and I had access to water, even if it cost me money, I would give these trees a little bit of water because I'd know that when the rains would come the trees would still be alive and would be able to carry on on their own. What you're suggesting is, there's drought, the trees are thirsty and they will die if there is no rain, if I don't give them any water. Well, you say, let them die, we'll plant new ones. How much is that going to cost you when you have to plant the new trees, and how much crop are you going to get when the trees are dead and it takes you five or six more years to make them produce? Mr. Speaker, that I believe is what they're suggesting for Manitoba.

Thank you.

MR. DEPUTY SPEAKER: The Honourable Member for Lakeside.

MR. H. ENNS: Mr. Deputy Speaker, it's a pleasure, a privilege to again be able to participate in a Budget debate, a few more than perhaps I would like to remember but nonetheless a privilege to do so.

Mr. Deputy Speaker, I don't find it at all out of order or inappropriate that in the course of the Budget Debate that members tend to take in the waterfront. That is as it should be, that is traditional and it is an opportunity for all 57 members, Treasury Benchers and others, to put on the record those things that they feel are of importance, those matters that are of concern to their constituents, to their party, even if they don't always bear direct relationship to the motion to which we are speaking, namely, the Budget.

Mr. Speaker, the Budget, as presented by this government, their first government, perhaps makes it easier than is usual to support a nonconfidence motion in it, and I indicate very early on in my speech that's the position, of course, that I'll be taking.

Mr. Speaker, it is really a Budget that is bereft of any demonstration of will on the part of this new young government, this new young government that has been elected on that slogan - "Great people, great future, Manitoba and the NDP." Mr. Speaker, just in

terms of hard politics, one expects new governments in their initial Budgets to do the courageous things, even those things that perhaps are sometimes not all that popular, but certainly to take advantage of the time that's in their favour, four years running, to try to tackle some of the serious problems that the economy of Manitoba faces, the Government of Manitoba faces, in their initial Budget, particularly in their first few years.

Mr. Speaker, there's been a great deal said, not only in the Budget debate but throughout, about election promises. Mr. Speaker, I intend to dedicate a few moments to that matter too. Perhaps we've been negligent, Mr. Speaker, in allowing members opposite to get away with suggesting to us that all political parties make election promises. In fact, I forget which particular speaker it was but one speaker did make mention that, well, political parties are expected to make election promises at election time and then not always be held accountable for carrying them out.

Well, Mr. Speaker, let me remind honourable members opposite that yes, the government party that I was part of made some very specific election promises prior to the election of October '77. We promised, Mr. Speaker, that we would reduce taxes; that was a specific promise. Mr. Speaker, not within months or years, but within weeks, because among the other promises that we made, that we would call the House together in a special Session, as in fact did the now Premier promise, to deal with the problems facing Manitobans. We made a similar promise in October of '77, except the difference is we carried it out. We brought the House together, Mr. Speaker, and in that very first Session we repealed gift taxes, succession duties; we reduced personal income taxes, corporate tax; took away the mineral acreage tax. We brought into competitive structure our royalty structures on mining and oils. Mr. Speaker, a promise made, a promise kept, not six months later, immediately.

Mr. Speaker, I put on the record another promise that we made. We said we would repeal the Family Law, the ill-conceived family law that was passed by the NDP Administration. Did we carry it out? Did we carry it out? Oh yes, we said we would repeal it and we did. My colleague, the Attorney-General, brought in a Family Law that we hear very little about. There have been no great demonstrations in front of the building as they were orchestrated then in that first Session. I'm told that the Family Law, before the law that is now in place, is generally acceptable as being among the most progressive family law legislation on the books of any jurisdiction in Canada. Mr. Speaker, I see no signs, I hear no signs, and there are no signs from the Government House Leader that they're going to bring major modifications to the Family Law in this Session or the next Session; do you, do you? Well, Mr. Speaker, I just pointed out a promise made, a promise kept, even in the face of very agitated opposition orchestrated by the then Opposition, which is fair again. There's nothing wrong with that but, Mr. Speaker, a promise made; a promise kept.

Mr. Speaker, we told the farmers, the ranchers and other citizens of Manitoba that we would make available the sale of Crown lands. Did we carry out that promise, Mr. Speaker? Did we carry out that promise? Of course we carried out that promise, unlike members

opposite who didn't mention a word of that in the November 17th election. Not a word about it, but then let their ideology carry them out and cancelled that program. We promised we would sell Crown lands and we kept that promise; we made that promise and we kept that promise, thousands of acres, in fact. When it suits them they get up and say, "Oh, somebody actually got 21 quarters," or "somebody actually got 18 quarters." Yes, we sold lots of Crown land and we'd continue selling Crown land. We'd continue selling Crown lands under the qualifying conditions that we had laid down, Mr. Speaker.

Mr. Speaker, we indicated in the election that we would get the government out of land banking, that we would restore the Manitoba Agricultural Credit Corporation to its traditional role. Mr. Speaker, did we carry out that promise? We carried that promise out. Mr. Speaker, we pass over too glibly this idea of who is carrying out the promises and then we should be held accountable for not reminding members opposite about those unbelievable promises that this group made to get into government offices? Mr. Speaker, not just verbal promises, not just promises made in the heat of a debate, but promises with the clear signature of Howard Pawley, a determined picture of the future Premier beside it, that says there will be no layoffs and, if there have to be layoffs, there will have to be 12-months notice given. There will be legislation brought in to prevent all these things from happening, Mr. Speaker, those kind of nonsensical promises that were made.

Well, Mr. Speaker, if I really want to start reading the whole thing and talk about the profits that ManOil are going to provide — Manoil profits are going to stop high interest foreclosures. There just isn't that much oil in all of Manitoba to do that and anybody knows that who has been near them. Well now, Mr. Speaker, the biggest promise that we made was simply to promise less government. We made that promise, we stand by our promise and that really is the final analysis, the big difference between them and us. We don't have to call each other socialists or neo-conservatives, but that is the fundamental and the intellectual difference between their approach to public affairs and our approach to public affairs.

Mr. Speaker, we told the people of Manitoba that we honestly believe that Manitobans could do with less government, that the amount of government we were getting was beginning to seriously interfere and hinder the kind of things and decisions that individuals should do or ought to do for themselves. I want to dwell on that point for a little while because less government does not mean no government; it does not mean no government. I do not have to repeat the litany. I do not have to repeat the long litany of accomplishments in the public sector that have been carried on by Conservative administrations. Mr. Speaker, virtually every important social program in place here in the Province of Manitoba, whether it is of benefit to our farmers, whether it is of benefit to the educational system, whether it is of benefit to the health system, has been put in place or had its roots put in place by a Conservative administration and, by the way, an administration that I was very proud and very privileged to be part of, namely, the Duff Roblin administration.

Mr. Speaker, so the question is, when is enough government? When is government enough? That is a —(Interjection)— Mr. Speaker, I am trying to carry on a reasonable debate with honourable members. I am trying to suggest that, in fact, the honest difference between us - and I am trying to suggest that is not a particularly fixed position - when it's enough and when it's not enough, I don't know. I don't have the tax figures, perhaps the Minister of Energy or the First Minister has them more readily available, but I suspect that we in Canada are taking about 40 cents out of every dollar for government purposes — in that figure. I understand that in Sweden, for instance, it's closer to 60 or 65 cents. I understand that in the United States, it's probably 26 to 28 cents. I don't put these figures on the record as being accurate but I believe they reflect roughly the range.

So the question has to be asked, when is it just about enough. I mean because the larger amount that you take, the less individual choices I can make for myself and for my family to do certain things with. Now, Mr. Speaker, we don't all want to do the same things. I don't particularly get a big thrill out of eating onion and cheese sandwiches at the Labour Temple on Sunday afternoons and listening to somebody. If somebody else wants to do it, that's fine. Maybe I want to invest my time and effort in developing a ranch, or maybe I want to spend my time and extra money on buying a car, or maybe I want to do some other foolish things, but things that I want to do, not that a government agency or a group of bureaucrats tells me what I should do. Mr. Speaker, to do that I need to retain at least 60 percent, 65 percent or 70 percent of the income that I earn or else I can't do it. It is not only that but it's the innovation of the individual application of those monies that is the main economic generator of jobs in this country and in this province. Unless you understand that things are not going to work. They will work the other way, of course, unless you believe that the state should take more and more of your resources and simply hand back what they believe ought to be a living wage or a living return.

Well, Mr. Speaker, I don't believe that way. I don't believe that and I believe that is a matter that ought to concern Manitobans. I believe that is a matter that will continue a lively debate in future elections in this province. It isn't just a matter of economics, it's in other areas about when government is enough or too much. Mr. Speaker, I may wish to get out of politics someday and I may wish to, you know, believing the comments of the Minister of Economic Development, have a less rapacious attitude towards what I need to recover in the sale of farm products. I may want to raise some chickens and sell them for somewhat less and she says — I know I'll get a charge out of the Member for Wolseley if I say that, but she says it in such a nice motherly way — "family sharing." I want to sell a quart of milk to her constituents for 60 cents instead of the prescribed 85 cents. Mr. Speaker, if I do that the Attorney-General of this province will put me in jail. The Attorney-General will put me in jail. I may wish to raise somewhat more than the 100 turkeys that the law now lets me raise. I may want to raise 200 turkeys and if I do that this Attorney-General will put me in jail. Now, Mr. Speaker, I cite these cases just as we have laws and I would get a rise out of all of them if

we talked about the right-to-work legislation. We have an unemployment problem, we have unemployment in this province, 10 percent of Canadians are unemployed but no politician dare raise the question of the right-to-work legislation and, Mr. Speaker, I make a deal with my friends opposite, the Socialists. Let me make it perfectly clear, when I talk about government having overextended itself in the affairs of individuals, I am not talking simply New Democratic Governments. I was Minister of Agriculture when I introduced some of those Marketing Boards I'm talking about. —(Interjection)— Yes, governments of Liberal persuasion, governments of Conservative administrations, governments of NDP, governments of any description, in my judgment, can overextend themselves into the affairs of individuals and business to the extent where you really have to begin to question the role and I'm simply raising that as a question. So, Mr. Speaker, when we promised in '77 less government, that really was philosophically what we are talking about.

Mr. Speaker, the one election promise that we also made and that we failed in, but members opposite will never raise it because it's not philosophically in their bent to raise it, we also promised the people of Manitoba that we would take a hard look, take a hard stab at deregularizing our economy to some extent. We set up a committee to study all the reams and reams of regulations that over the years have developed over the various pieces of legislation and we believed that there was room for substantial deregularization in this country, in this government, in this province of ours.

In many sectors of our activity, in the trucking industry, you name it, we failed. We did not do it, Mr. Speaker, not all governments can carry out all the promises that they made but I tell you, and I admit candidly that was certainly among our failures, one however that we are never reminded of by members opposite because they are the great Centrists, they are the great planners, they want to control and they want to regulate more, more and more of individual Manitoban's lives as time goes on.

Well, Mr. Speaker, so much for election promises. You know, Mr. Speaker, I want to come back to the Budget. What is missing, of course, in this first Budget is the fact that despite record borrowing commitments of between \$700 million and \$900 million, despite a stab at increasing revenues, and that's all he can call it and a very unfair one at that, there is no overall thrust, there is no overall strategy to the Budget.

Mr. Speaker, members opposite have also tried to have it both ways on issues of major resource-related development projects known as the mega projects. On the one hand they like to portray them, if it suits them, that was something the Conservatives just thought up 30 days before the last election, rushed some fast ads into print and started working on the mega project. On the other hand, as we heard the Minister of Energy indicate to us in the Public Utilities Committee when we were dealing with Hydro, when we were talking about the Western Grid, he quite correctly said that has been a matter of some discussion, of some negotiation for decades. In fact, there is no question in my mind that the previous NDP administration in the Schreyer years certainly had some discussions or contacts talking about the potential of

developing a similar Western Grid project.

But, Mr. Speaker, it was the government that I was part of, it was my colleague, Don Craik, that took that thing off the ground and started rolling with it. Mr. Speaker, we did that, not in the last year of our administration, we knew, Mr. Speaker, having laid out our strategy about relying on a mix of public and private development, that that was essential, particularly in view of the general economic situation that faced, not just Manitoba but the country. Mr. Speaker, why did we know? We should know that, all of us should know that, and if we take time to check a few figures, it's understandable.

Mr. Speaker, it is fair game to play the comparison game as to how we stand, whether it's with taxation levels or with different services provided between the different jurisdictions in this country, the different provinces. We've heard a lot of that during this Budget Debate. We've heard more about Ontario, for instance, in the last little while than we'll hear in a lifetime. However, that's fair game, that's fair game. Mr. Speaker, I think it's also fair game that the provinces that we are perhaps most often compared to, whether it's in this Legislature or by the general public as they visit back and forth, are with our sister prairie provinces, Saskatchewan and Alberta. Mr. Speaker, it's been a difficult league to travel.

It was difficult for us when we were four years in government. It's going to be difficult for the New Democratic Party administration, not because they're New Democrats, not because they're Conservatives, but because of the way the resources have been allocated under this part of the continent and the simple fact that Alberta is richly blessed with oil. Mr. Speaker, this manifests itself in the following way, that while we are charged with the responsibility and we want to, any government, certainly look after our teachers, as well as they do in Alberta or Saskatchewan, we have to pay our nurses, our health care workers at least comparative scales of pay or else we lose them and our official Opposition in the House of the day, as we will be doing, would be the first one to remind any government. Hey, our nurses are leaving the Province of Manitoba to Alberta. That's why our Minister of Health had to, in the last year, negotiate a fairly attractive package to the nurses in order to maintain — you know, the wave kind of rolls in from the west — the B.C. workers settle first, followed by Alberta and Manitoba has little option but to follow. Mr. Speaker, it's not just a matter of trying to keep up with the others, it is a genuine desire on the part of any government to do that. We want, and I'm prepared to acknowledge that the New Democrats want to as well as the Conservatives, treat our senior citizens as best and as well as we can.

Mr. Speaker, I ask you to remember only these three figures: in the Province of Alberta, the total revenues for the operation of their public affairs, they derive fully 55 percent from resource-related industries, of their total revenue expenditures of the Province of Alberta, 55 percent come from natural resources, principally oil, of course. In the Province of Saskatchewan that figure is some 26 percent, a little less oil augmented by potash, uranium, mining, but it's 26 percent. Mr. Speaker, do you know what that figure is in Manitoba? 1.8 percent.

Well, Mr. Speaker, we knew that; we knew that from the first day we took office in October and we knew that unless we put our fullest energy into somehow bringing up that resource revenue figure to maybe 5 to 6 or 7 percent, that was the only way that a province like Manitoba could keep pace with our sister provinces, provide the level of services that we all want to provide without the imposition of onerous burden of taxation that would begin to work in such a negative way.

So, Mr. Speaker, that is why we put so much time and effort into the development of the mega projects. Mr. Speaker, if we made a mistake it was a mistake in not getting that message across. We were accused, we allowed ourselves to be accused of "we were doing this for business sake, or we were doing this for Alcan; we were doing this for potash. We were doing this so that we knew the kind of imposition, the kind of burden on the Manitoba taxpayer that would continue to rise in order for us to maintain our health care services where we want it, in order to maintain our educational systems where we want them, to maintain the kind of relief that our municipalities required in terms of their property taxation. To do that we needed some revenue other than simply going back into the pockets of the taxpayers. That is what we were working for and if we didn't do that job well enough, Mr. Speaker, that is our responsibility and that is why perhaps we are on this side of the House, but the aims were genuine, they were sincere and they were correct for the Province of Manitoba.

It is not good enough for the Minister of Energy and Mines to suggest to us, well, there were some parts of deals that we didn't like. Mr. Speaker, the other day, and we will have more of that, again at the Public Utilities Meeting, we had the opportunity of asking the Chief Executive Officer of Manitoba Hydro what is wrong with the Alcan deal or what is wrong with the Western Grid deal?

It is easy for the Honourable Minister in a vague way to make reference in this House that there were details of the plan that weren't necessarily in the interests of Manitoba. I ask him now - I don't think he has debated the Budget Speech and I ask him now, Mr. Speaker - will he tell us what is wrong? Mr. Speaker, I am not going to be that parochial. If they didn't like our negotiations, if they didn't like our plans, if they were wrong, throw them out, but, Mr. Speaker, these projects are going down the tube.

Mr. Speaker, for the honourable members opposite to say they were never there, I will tell you that is really saying a mouthful because Ministers from two sister provinces signed an agreement, sent the recommendations up to their governments accepting the basic outline for the Western Grid, which would have enabled Limestone, which would have enabled you to at least keep one of your promises and perhaps one of the most important ones, by the way.

I have never lost sight of the fact that economic activity can be generated from a multi-billion dollar project in our northland on the Nelson River. You see, Mr. Speaker, that is what sustained them, plus the fact that the 1970s, of course, generally were better economic years, but an injection of the equivalent of \$200 million to \$300 million annually into the economy of Manitoba, no economist is going to dispute the kind of

spinoff effects that had on our economy. The fact that we didn't have that in all of the four years that we were government and that my colleague could still come up with 30,000, 35,000 new manufacturing jobs is a miracle in itself.

So, Mr. Speaker, I genuinely ask the Minister of Energy and Mines, okay, you don't like the principles that we dealt with, if you don't like dealing with the Chicago boys of IMC, that's all right. You want to make a deal with Sask Potash, go ahead and do it, but do it. If you don't like dealing with Alcan, all right. If you want to play around with Kaiser and with Reynolds, they are bigger multinationals than Alcan are and more American-based. Alcan is a multinational, but 60 percent Canadian-owned. If you don't like dealing with Alcan, fine; get Reynolds in; get Kaiser in. These were the kinds of glib answers that he gave us in the House here. I don't care, Mr. Speaker. Maybe some of our noses will be out of joint a little bit because it isn't exactly our plan, but that would be childish, that would be very small. I am simply asking him to do it.

I am simply asking him to recognize, Mr. Speaker, that a province like Manitoba that doesn't get much more than 1.8 percent of its revenue requirements from resource-related industry, it is absolutely essential that we move in that direction.

I am shocked and I am disturbed that in a Budget that calls for \$700 million to \$900 million of borrowings, there is nothing there of great substance — I shouldn't say that — aside from some public housing I believe, but even public housing while it is perhaps a needed social program, but it doesn't generate into the long-term future jobs. It generates a few short-term construction jobs and then in effect becomes a cost, an additional drain on the public Treasury.

Mr. Speaker, if you are going to borrow \$900 million, why isn't there a \$200 million water development project in there? Why are we not building the Holland Dam, the Pembelien Dam? Why are we not developing something in this province if we are going to be borrowing that kind of money? Why are we not starting Limestone with those kind of borrowing requirements, Mr. Speaker?

You see, Mr. Speaker, that is what I talk about, a lack of form, of strategy to this Budget. We are borrowing unprecedented numbers of millions of dollars, 900 million, and yet I won't be able to show my constituents, I won't be able to show my children some tangible wealth-producing benefit projects for that money.

Mr. Speaker, I appreciate it that it is far too early in the life of a government to pass any definitive judgment on their performance as a whole. What we can certainly begin to guess at, in this their first Budget, in this their first Session, the kind and the style of government that we are going to get. That leaves us with every reason for concern, Mr. Speaker. Ministers answer questions far too glibly. Mr. Speaker, there is nothing wrong with no answer. No rules in the House command an answer, but, Mr. Speaker, they dance around answers as did the Minister of Agriculture with my friend, the Member for Arthur. You know, he talks loosely about having ongoing discussion with the Federal Minister of Agriculture on the various agricultural plans, the beef plan particularly, and, Mr. Speaker, when just in the course of a few questions asked in

Hansard in this House, it develops that it is questionable whether the Minister of Agriculture ever talked to the Honourable Mr. Whelan.

Mr. Speaker, that kind of cute playing around with questions, and more important to the farm community, tells us something about the style, the substance of this government. The kind of questions that the Honourable Minister of Energy and Mines has been giving us on the major projects or the Minister of Finance, so ably dubbed by my colleague from Turtle Mountain as "Baffle-gab." Mr. Speaker, that makes for a few points here in the House. I don't even think it is impressing too many people that watch it on TV, but, Mr. Speaker, I'll tell you, time marches on and we will be back a year from now; we will be monitoring some of the answers and some of the actions of this government to see what progress has been made.

Mr. Speaker, the Budget is bereft of an overall strategy. It commits the future of Manitobans to an unprecedented level of indebtedness and, Mr. Speaker, I could even buy it if I believed their rhetoric, if I wanted to believe what I think they honestly believe and I think that is what must make them so uncomfortable. They do believe, Mr. Speaker, they do believe that at a time when the economy is poor that it is a public responsibility, society's responsibility to pump it up and top our some money into it. Mr. Speaker, fine, if you want to go along with that belief. I may disagree with it but at least I want to see it demonstrated. I would like to see \$250 million of that \$900 million going to buy a quarter interest in the proposed potash development, as we had proposed. I would like to see \$200 million or \$400 million to start up Limestone. I would like to see some of those signs of public sector involvement in major real growth projects. It's not there, Mr. Speaker. All we are going to be left with, all Manitobans are going to be left with at the end of it is a big bill — with a big bill and a heavy interest charge against it. Well, Mr. Speaker, for those reasons, I have absolutely no difficulty in supporting the amendment as put forward by my leader.

MR. DEPUTY SPEAKER: The Honourable Minister of Finance.

HON. V. SCHROEDER: Thank you, Mr. Speaker. Mr. Speaker, members on this side of the House, members of this Treasury Bench are busy working, are busy ensuring that this province is being properly run and I don't expect that every single one of them will be in here at all times listening to the entire debate. I am not going to comment on some of the absences in the honourable members' benches, but maybe he should look at them.

I would like, to begin with, to thank all the members on both sides of the House who participated in the debate up until now. Unfortunately, I won't have time to deal with all of the points which have been raised in the debate, but I would hope to cover most of the major ones and particularly those raised by the Leader of the Opposition last week.

The Leader of the Opposition gave the House his standard speech of indignation, complete with the usual references to chicken coops and drunken sailors and patched-up magicians and quick tricks and vultures, Uriah Heep, but while that makes for interest-

ing theatre, I regret to say that there was very little substance in his remarks and virtually nothing that could be considered positive or constructive. It seems as if he has learned nothing from last November's election and, in fact, is trying to re-fight it but with the same rhetoric that he used in 1977 and in the four years that followed.

The people of Manitoba found out what it means to have four years of his party's brand of nongovernment and they made it clear last fall that they had enough. They supported our party and they support it now because we are not afraid to acknowledge that Manitoba faced then, and faces now, some serious economic and financial difficulties. The people of Manitoba knew that we were prepared to make a genuine effort to try to do something about those difficulties as opposed to my friends opposite. They wanted a government which was prepared to face up to reality, not to turn its back on problems — remember the Blue Sky Budget — or to make them worse by using Manitoba as the testing ground for its simplistic neo-conservative theories, theories which have been tested and have been found wanting elsewhere, wherever they have been tried.

The people of Manitoba don't want a do-nothing government. They want a government which is prepared to act in the best interests of this province and our Budget for 1982 shows we are determined and committed to doing just that. As I've said on May the 11th, the Budget reflects some hard choices and some hard decisions, but they were decisions which had to be made and I believe now, more than ever, that they are the right decisions for the future of Manitoba.

I would like to deal with some specific items referred to by the Leader of the Opposition but before I do so, he and members opposite in the past few months have been making a great deal of our election promises and the fact that we haven't fulfilled all of them in six months of a four-year term. —(Interjection)— Well, any of them the member says. I can enumerate eleven that we have already kept and by the time we are through our four years, we will have done our best to keep all of them. But let me remind especially some of the new members opposite because they may not even have heard of the promises that the Leader of the Opposition made back in 1977.

Remember the promises about balanced Budgets? The Member for Morris must surely remember those promises. On October 3, 1977, the Leader of the Opposition was in Rossmere and he talked about unemployment, pretending that he would do something about it. Four years later, we had more unemployment than we had on October 3, 1977. You know, he said more and more of our young people — listen to this, this is a direct quote from the Leader of the Opposition - "More and more of our young people will have to leave Manitoba if they are to find the opportunities they will need to build their own prosperous and independent lives." He was such a fortune teller. He was so right because when that group of neo-conservatives came in, because of their policies, we had a drop in our population from '78 to '81. A drop, the only province in the country that was put in that position, so much for his promises, and people remembered that on November the 17th. And he said, October 3, 1977, "Today in Winnipeg alone, there are

more than 1,300 senior citizens on the waiting list for nursing homes; 1,300 people who cannot get the care that they need because we have not built enough nursing homes." And what did he do when he came to power? He froze construction of nursing homes and then he eliminated the lists so that we wouldn't have the count. That is the kind of promise-keeping we had from that government and that is why they are now on that side.

And then he said, same evening, October 3, 1977, and let me tell you a third fact, "Today in Winnipeg, less than one young family in three can hope to afford to own their own home." Now what did he do to improve that situation? He supported the high interest rate policy of Trudeau. He did everything possible to ensure —(Interjection)— Mr. Speaker, we have heard members opposite sitting there and supporting, standing there and saying, "Reaganomics may not be perfect, but at least it's something; we should do something." I am quoting your House Leader from earlier in this Session. And from the time when you were in government. Can we now on November 17, 1981, after four years of their government, could we have more people owning their own homes in this province? Absolutely not. That was the kind of promise that the Leader of the Opposition was making then and he was striking out promise after promise. "There is today in Manitoba a need for clear and helpful government action to permit people to own their own homes," that was the Leader of the Opposition in 1977. What did he do? He did absolutely nothing for four years and then he went on and he said older neighbourhoods all over Winnipeg are going downhill. Housing values are falling, people are becoming frightened to walk the streets at night. What did he do about that? Nothing, absolutely nothing. He said we must make a change to a government that will work to preserve these neighbourhoods. What did he do? He did nothing, absolutely nothing and four years later they were thrown out as they just so justly deserved to be thrown out.

The Leader of the Opposition referred to government spending and I would like to recall, remind members opposite that in his government's Throne Speech last year, in their last Throne Speech in many years, it was stated that even though the Federal Government was going to cut back transfer payments, he and his colleagues were "determined that the level of services provided to Manitobans shall be maintained and improved." That's what he was saying then. What have we heard in this Debate? We have heard that the members opposite and certainly the Leader of the Opposition would have ignored that commitment and imposed cuts. In other words, instead of trying to protect essential health and higher education services, they would have made them the primary target of their cuts.

The members opposite like to talk about fiscal responsibility but I do not believe they know the meaning of the word. One of the keys to responsible government is providing services that people can depend on and maintaining a reasonable measure of stability from year to year in programming and in policy. Clearly, what the members opposite are now saying, although they did not say it in the election campaign, is that after a few years of turning the tap off and then

desperately turning it on full blast — that's the Tory tango, three steps backward and one step forward — they would now if they were again on this side of the House, turn it back off because after all, they would be four years away from an election. Why wouldn't they cut it off? That's what they like to do. They would turn off the tap now and, hopefully, they would try again the year before an election to start up extra spending. Last year, the spending increase was something like 18 per cent and that is exactly the opposite of what our economy needs. The majority of the people of Manitoba understand that and that's why the Member for Sturgeon Creek and his colleagues are now sitting on that side.

The Leader of the Opposition spent a great deal of time talking about the provincial economy and he argued that the Budget had no clear strategy for dealing with the problems we face. It's somewhat interesting to hear him talk that way. His government seldom conceded that there were any economic problems, certainly no serious problems in this province when they were in office and even if they did acknowledge them, they would never have dreamed of mounting any sort of consistent strategy for doing anything about them. They were the advocates of the do-nothing strategy, except when it came to cutbacks. There, they were very effective. In fact, they tried to set themselves up and the people of Manitoba with them as Canada's example of Reaganomics at work and the people of Manitoba paid dearly for that experiment. The damage which was done to our economy was outlined clearly in the Budget.

The Leader of the Opposition talked about quick tricks. Nothing exemplified that approach better than his government's desperate attempt to sell the people of Manitoba on the so-called mega projects. In football they call that kind of desperation, last minute manoeuvre, the long bomb. Well, Mr. Speaker, that approach certainly bombed out here in Manitoba. There is no quick trick or quick fix for dealing with the economy and the economic problems we face. It will take hard work, substantial resources and it will take solid co-operation between the public and private sectors. The members opposite tried to pass themselves off as the only party which is concerned about the health of the private sector. That is ridiculous and most of the members of the business community in this province are well aware of that fact.

They know that members opposite supported the Federal Government's high interest rate policy. They know that we oppose that policy and have introduced an Interest Rate Assistance Program. They know that the members opposite through their cutbacks did major damage to the Manitoba economy, damage that was felt by virtually every business in the province. In contrast, they know that our government has introduced a number of tax reductions to help small business and has emphasized our concern about the need for a solid program of public investment to protect our economic foundations and lay the groundwork for future expansion.

The Member for Sturgeon Creek is sitting there and mumbling quite a bit. I would have thought that by this time in the Debate after having heard all those comments about Saskatchewan that we would have heard something about Ontario from that group. Now there

was some economic stimulation. Right? There was a Finance Minister who knew how to do something about the economy. Business is in trouble, so what does he do? He eliminates the taxes on corporations in Ontario, eliminates the tax on small business corporations. Income tax, isn't that interesting. If the Member for Sturgeon Creek could read, I would suggest to him that he read some of the letters to the editor in the Eastern papers these days — people pointing out for instance, that particular tax removal helps precisely those businesses who are surviving quite well.

The businesses that are paying income tax at this point are surviving quite well; those are the ones that he is helping. The ones that he is hitting are the ones that aren't paying income taxes. Those are the ones that are suffering and what is he doing for them? Tell us. Why don't they tell us about the sales tax increases in the Province of Ontario? They don't want to talk about that; they don't want to talk about that at all.

Mr. Speaker, our Budget sets out a realistic — (Interjection) — the Member for Sturgeon Creek mumbles and grumbles and groans. He has had several opportunities. First of all, he talked once legitimately, as is the right of every member in this House, on the Budget and then he talked, somewhat illegitimately, half the time talking about the very same types of issues he was trying to put on the record the first time when he brought them out yesterday. — (Interjection) — I was here.

What he is forgetting, when he is mumbling about Ontario, is that in fact in Ontario the Ontario Government says that 80 per cent of the Medicare premium down there is paid by the employers. The Medicare premium now for a married person with two children is \$648 per year; 80 per cent of that is over \$500 per year per employee. Now, why don't we hear something about that? You don't have anything near that if you have an employee at the average industrial wage in Manitoba, at \$15,000, that employers will be required to pay here. So, that is not unreasonable. We are not a province that has just an unlimited source of income.

We are not prepared to go along with the supply-side economics, the Reaganomics that is being practised and inflicted on the people of Ontario; we will not do that here. When it comes to taxation we feel that the people at the lowest end of the ladder are the ones that we shouldn't be increasing taxation on and if taxes are passed on, we are not going to start off by putting them on them to see whether they can pass them off on business. That is not our philosophy and never has been.

Mr. Speaker, our Budget sets out a realistic economic strategy which provides the kind of leadership this province so badly lacked for four years. We are not prepared to rely exclusively on some mega myths created by the members opposite's P.R. machine. We want to see if those projects go forward and we would like them to go forward and we are working toward that end, but we feel that the key to our development is to take a much more broadly-based approach with carefully developed policies to strengthen all sectors of our economy and that will take time. There are no quick trick solutions that the Leader of the Opposition likes to talk about. We acknowledge that it will take time, but it will also pay off in solid results and more

stable growth in the long term. Members opposite may not recognize it but that is the basis for a realistic and responsible economic strategy and one which this government believes is what the people of Manitoba really want.

One of the major difficulties facing the province, in formulating its Budget for 1982 and the years ahead, was the stark reality of major federal cutbacks in support for health and post-secondary education and equalization. Best available estimates suggest that the costs of those cutbacks represent some \$719 million for Manitobans over the next five years or an annual average of over \$140 million. Our government has taken the position that provision of high quality health and education services along with restoration of other basic programs and services, which were permitted to wither under the former administration, was one of our fundamental commitments to the people of Manitoba. In essence, contrary to the suggestions of the Leader of the Opposition, we simply were not prepared to reduce health services and educational opportunities for the people of this province as a result of the Federal Government's cutbacks.

The Leader of the Opposition made his position quite clear when he suggested that for the province to, "turn around and increase funding in the face of such revenue cutbacks and then to turn around and to increase taxes, in the face of such revenue cutbacks from Ottawa, and still be running the highest deficit in the province's history is not only irresponsible, Mr. Speaker, it's perverse." That is a statement that your leader made. These comments make it eminently clear to all Manitobans just what the Progressive Conservative approach to confronting the difficult challenges facing the government and people of Manitoba, in light of the national recession, compounded by federal cutbacks, would be; further cutbacks in essential provincial programming and far too little attention being paid to the longer-term implications of such cutbacks in basic programming and services for the long-term health of this province.

Instead, our government committed itself to preserving and protecting Manitoba's potential insofar as it is possible, within our limited resources, so that when the national recession ends Manitoba businesses and individuals can be in a position to take advantage of a national upturn in economic fortunes. Faced with the cutbacks in federal support and the challenges inherent in restoring the quality of public services for Manitobans, our government opted for a mix of selective tax increases and decreases designed to secure needed additional revenues and, at the same time, to provide additional relief and support to small business.

The major tax imposed in the Budget is, of course, the 1.5 percent levy for Health and Post-Secondary Education. Judging from his remarks, the Leader of the Opposition would prefer to see massive cutbacks in essential provincial programs rather than any tax increase. Again, he would do well to look back on his government's record where, after four years of acute protracted restraint, he and his colleagues left this province with the legacy of inadequate and underfunded programming and an increasing deficit. Is that what they promised the people of Manitoba in 1977? Did they go around telling us that in four years they

are going to have underfunded programming and a larger deficit? That is the group that is telling us after six months that because you haven't kept your promises that we made over a four-year period, that somehow we have done something wrong; that is the group that couldn't keep any of its promises in four years that is telling us that you must keep your promises, all of them, in six months; that's the group.

The simple reality facing the Leader of the Opposition and his colleagues is that, despite acute protracted restraint, the sluggish economic conditions contributed to a slowdown in revenue growth to the point that increased deficits were virtually unavoidable because of their very policies.

I would also remind him that our expenditure increase for 1982-83 at 16.4 percent is somewhat lower than the '81-82 increase of 18 percent under his stewardship, although even during his Throne Speech last year he was referring to cutbacks in federal payments, knowing full well they were coming. We told him as the Member for Transcona said, we told him, we warned them in '77, '78, '79, don't do this, you're destroying the economic fabric of this province.

We were the first province in the country to get into the recession and I pointed out in the Budget Speech the difficulties we were having in terms of having a population decrease, the only province that had that from '78-81, we wound up having the lowest rate of job increases in the country. We were at the lowest ebb in terms of this country and that is the legacy that government left us.

I would suggest that any realistic observer of the P.C. record in Manitoba would be left with the inescapable conclusion that major tax increases in '82-83 would have been unavoidable even if his government's policies would have been continued. Mr. Speaker, the House Leader of the Conservative Party well knows the numbers in terms of the Estimates of Expenditure that were on his table on November 17th of 1981, he well knows that. He well knows the difficulties that we were facing when we took office.

Again, judging by the comments of the Leader of the Opposition, his favorite option to secure the needed additional revenues for the province would have been an increase of two or three points in the sales tax; or maybe doing something innovative like the Province of Ontario who said, as the Member for Dauphin so eloquently described it yesterday, he made sure that the kids going to McDonald's would pay the 7 percent sales tax on a hamburger, but all the bureaucrats going to the Grill Room at the Chateau Laurier would have their sales tax reduced from 10 to 7 percent. That's the kind of Budget to fight recession, that's the kind of Budget to fight recession you see from a Tory Government, that's a Tory tax.

For our part we examined the relative impacts of the two levies, the sales tax increase that the members of the Opposition would have preferred, and the levy for Health and Post-Secondary Education. We concluded that the levy which we have introduced was the preferred course for securing needed additional revenues. We published a Budget paper evaluating the relative merits of the two options and it's a document which I would recommend as good reading material for members opposite. The Budget paper lists the most important factors influencing our decision to proceed

with that levy in lieu of a major sales tax increase.

These include, firstly, the desire to spread the burden as fairly as possible over all sectors of the provincial economy, thereby reducing the potential adverse impact on certain sectors. The Budget document included information on the impact of a 2 per cent sales tax increase on the new 1.5 per cent levy on various typical businesses. I'm sure that members opposite have seen that paper but in case they haven't I'll try to explain at least some of them over to them.

The information suggests that the levy will impact far less heavily on businesses such as hardware stores, building contractors, foodstores, hotels, motor vehicle dealerships than would the 2 per cent sales tax increase.

In contrast the new 1.5 per cent levy will ensure larger contributions for such businesses as banks, insurance companies, law offices, other professional offices, advertising companies and the federal government, thus in our view the new levy will spread the burden as fairly as possible over all sectors of the provincial economy and avoid the excessive impact of the sales tax increase on other vulnerable sectors.

You know, Mr. Speaker, I would have expected, especially the members from Western Manitoba who had the gall to contact me and say, we would like to have our Chambers of Commerce meet with you, Mr. Minister, please arrange a meeting, they want to talk about the sales tax. That's what they were doing and I met with these people. They had the gall to set up these meetings and then after we announced that there was no sales tax increase for their areas, their very areas where they had asked that the increase not be levied, they come in here and make ridiculous statements about the new levy because they would have loved, unfortunately for Manitoba, they would have loved —(Interjection)— yes, I would say that. That's the way they were. They were just waiting, just waiting with pen in hand May 11th for the number. Would it be 2 per cent or 3 per cent? They were filled with glee and they wanted to rush out there and attack.

Well, I've had contacts from those Western Manitoba business communities since, and I want to tell you that regardless of what their elected representatives are saying in this House, those business communities are grateful for the fact that this government went to the trouble of looking for an alternative that wouldn't hit them in the way that the tax would have.

We had a desire, Mr. Speaker, contrary to the Government of Ontario, not to impose additional burdens on low and moderate income Manitobans and again the Budget paper makes good reading. For the benefit of members opposite, I'd simply remind them that the sales tax is a regressive levy because low income Manitobans spend a higher portion of their income on sales taxable items than do higher income Manitobans, thus proceeding with the sales tax approach would impact unfairly on those living on low or fixed incomes, including our pensioner communities.

The Member for Morris says that's not true. I would suggest that every study, provincial and federal, that has been undertaken shows that those with incomes of under \$12,000, for instance, pay a larger portion of their incomes on sales taxable items than those with over \$35,000 and in between the same thing applies,

Mr. Speaker.

The recognition that the levy for Health and Post-Secondary Education is relatively minor for most businesses amounting to the equivalent of 1/66th of the total compensation paid to employers was one that we looked at. In contrast for a hardware store the sales tax option would involve over nine times the cost of the levy for Health and Post-Secondary Education. For a building contractor, the sales tax option would entail over three times the burden of the levy for Health and Post-Secondary Education and you know full well that in comparison to those comparisons, if you look at car dealers, that would be at least as large a number.

We recognized that the impact for Health and Post-Secondary Education is cushioned in a major way by virtue of its deductibility for income tax purposes. This means that major portions of the levy will be paid indirectly to reduced income taxes and again, there are always companies and businesses that are not in a tax payable position in any given year, but over a number of years ultimately they will be able to write the tax off against their taxable income.

I would refer honourable members to the table and there's a suggestion of survival over across the way. I would suggest that if we would have imposed the sales tax increase we would have ensured the nonsurvivability of many of those businesses that those members profess to stand up here and mouth support for in this House. That would have ensured that we would have had difficulties in the small communities of this province and in the small business community in this province. When we have that tax which impacts so unfairly against the retail community in the province as opposed to this tax which impacts much more lightly against them, it also touches as I said before, the banks, the insurance companies, the advertising agencies, the professionals, the government. The Federal Government will also be impacted to some extent.

Mr. Speaker, as I stand here there are some comments about the Federal Government. You know, I don't think anything has surprised me as much since May 11th as the fact that, that group opposite were taking the position after this Budget was brought forward, that we didn't have the right to do this. That is the most incredibly stupid argument I have ever heard in my life and just to demonstrate what that means; if they believed that, Mr. Speaker, then why didn't they intervene with respect to the Quebec tax of 3 per cent four years ago because that tax was impacting directly on the pockets of Manitoba taxpayers?

When a corporation doing business across this country was paying that levy off its income, its taxable income for across Canada was reduced by that amount and that meant we had less income for Manitoba for taxation purposes and we had less federal income tax payable to the Federal Government and if they believed that it was illegal, then they were being totally irresponsible by not going and protecting the rights of Manitoba taxpayers against that imposition by Quebec, by the imposition by Ontario who, as I said earlier, the Ontario Government is saying that 80 per cent of their health premiums are paid by employers — and that works out to \$500 per employee who is married with two dependants — why is it that they

were allowing that kind of deduction, robbery out of the Manitoba taxpayer's pocket, if they believed their arguments to be true? Their arguments were specious and they knew full well that they were, but I am shocked. I want to say, nevertheless, that I was shocked to hear those kinds of words from the Opposition in Manitoba.

Mr. Speaker, we saw this levy as being fundamentally equitable since the provision of high-quality health and education services provides both an economic and social benefit and the value of healthy and well-qualified employees is recognized by employers in wage and salary payments. The levy ensures a contribution from all employers in line with their measurement of value which they receive from our system. Members opposite have sought to create the impression that the levy will be a major cost for businesses and could serve to undermine their competitive situation. I can assure them that we took that particular concern into account in our evaluation of the merits of the options. The Budget Paper includes illustrations of the impact of the levy on the clothing industry, etc., we could go through the numbers.

The province also recognized that in addition to the adverse implications of the possible shifting of part of the burden of a sales tax increase back to manufacturers, the sales tax itself also applied to production machinery and equipment and a variety of items used in the manufacturing process. I remind the honourable members that just a day or two before the Budget was brought down the Leader of the Opposition was up there asking questions in front of the TV cameras about production machinery and the sales tax, and he was asking about lawyers' incomes and that sort of thing as the Member for Tuxedo was — those were the concerns they had — and the concern about production equipment was a legitimate concern and we took that into account and that's one of the reasons that we brought this particular tax in because we had to take some measures because of the weakness of the economy.

We were the province to enter the recession first. We were several years ahead of everybody else in the country because we were several years ahead of everybody else in terms of instituting the policies of monetarism, of Reaganism, etc., so of course we were the province that was at the bottom of the rook.

Now, Mr. Speaker, since the Opposition was unsuccessful in demonstrating any significant inequities in the levy for Health and Post-Secondary Education, members opposite turned their attention to ill-fated attempts again and I just want to reiterate, ill-fated attempts to dispute the deductibility of that tax and surely they regret that at this point — (Interjection) — well, the Member for Morris is shocked that people on that side would do such a thing. I don't blame him. I was shocked too. But I assure you, your leader was doing precisely that and if you want to check Hansard you can go ahead and do that.

Excuse me, Mr. Speaker, how much time do I have?

MR. DEPUTY SPEAKER: My understanding is that you have unlimited time given. You are speaking to a Motion of Nonconfidence.

HON. V. SCHROEDER: There's another criticism but

I don't think I'll take a great deal of time. But there was another criticism levied with respect to administration costs of this particular levy.

As members are aware, the Supplementary Estimates included provision for \$1 million for the administration of the new levy in the current year or about 1 percent of the anticipated full year revenues. For those members who view administration costs in that order as somehow being excessive or unwarranted or unjustified, I would note that similar costs would have been entailed in the sales tax increase option inasmuch as the commission rate for vendors under current legislation is set at a minimum of 1 percent of the tax collected. Thus, the administration costs entailed in a 2 percent sales tax increase would have amounted to approximately — get this, \$1.2 million — and we haven't worked out all the bugs yet. We may very well find that we can reduce our costs; it may be that we can't. We have, in fact, approached the Federal Government to ask them to collect this tax on our behalf.

Clearly, if we could get the Federal Government to agree to collect this tax, there would be some administrative savings for Manitoba. I don't have an official answer yet, but I am sure the Federal Government will take that under advisement. They wouldn't want us to waste money on administration if they can do it as easily for us. We will do everything we can to keep the Manitoba levy as simple and straightforward as possible in order to keep the record-keeping and tax remittance costs to employers to the absolute minimum and that is something that we have been concerned about — (Interjection) — yes.

Mr. Speaker, there was a comment from the Premier about health insurance premiums and I agree with him that it is a very clear distinction between that group and this one and it may well be if they say, Mr. Speaker, that they wouldn't have raised the sales tax — (Interjection) — I am not sure they said that. They want to be all over the place. They want to spend just as much money on any specific program as we would have spent, but they want to call us drunken sailors. Right? In fact, they want to spend more. They want to drain every nose in Western Manitoba. They had what, \$200 million proposed in drainage costs; \$200 million, the promise of drainage costs in Western Manitoba, that's what they were promising to do.

They came into my area of the city. They decided that this was an area that they could take over. What did they need? Somebody came along and said, boy, what you need to do is promise that we are going to start construction on the Concordia Hospital — (Interjection) — that's right, Saturday night before the election. You could call that a Saturday night special. People came up to the NDP candidates and said, where do you stand on this and we said — (Interjection) — you can look through all of our literature, the Member for Transcona, my literature, etc. We weren't going around making those kinds of irresponsible promises without looking at exactly what kind of a health care program we would be coming in with. You saw our Health Minister stand up in this House and provide you with Estimates going five years ahead. They were planned. They weren't on the basis of a back-pocket promise on the back of an envelope three days before the election. That is not the kind of government that we will be running.

We have been demonstrating that in this particular Budget year; we have attempted responsible spending. But I was saying, they are saying in every single program — I don't know of one program, certainly of mine in Finance or Labour or Civil Service Commission, not in one of these programs did they say, oh, you should but back on that. I don't know of very many if any other Ministers who had Tories sitting over from them during the Estimates and saying, oh, you should cut back. No, they were suggesting more roads, more hospitals, more nursing homes, more of whatever, more Main Street Manitoba, yes. We had promised a program of \$1.5 million. We delivered on that program. They stand up, we want more, we want more.

So, they would have had to tax, too. Now, they've told us they don't like the levy — (Interjection)— yes, the beef. Of course, they wanted more beef assistance; it wasn't enough. They would have done better, although they had four years during which that industry was going down the drain and they did nothing. They have told us they wouldn't have gone with the levy. Okay. Some of them are suggesting they wouldn't go with the sales tax. That leaves the health care premium, the health care premium as they've got in Tory provinces like British Columbia, Alberta and Ontario, \$648 for a family of four. How do you think that would run in Emerson? I would suggest, Mr. Speaker, that this is a much fairer approach than what the Tories by implication, would have done.

There are three taxes - or maybe they would have chosen corporation income tax but I doubt it. We saw what their friends did in Ontario. They eliminated it altogether. Now, I think they would prefer the poll tax. On reflection, I think that is the one that they would go with. They would like that. It's a nice regressive tax. It hits the small guy and the big guy is going to make sure that it trickles down — (Interjection)— a trickle-down tax. They'll make sure that those who have will somehow have so much money that a bit of it will fall off the table for the poor who are fighting to try to get enough money together to pay that kind of a premium.

Or, another alternative tax they might have chosen, but I doubt it, would have been the income tax which would have raised us to collect the same kind of money to the highest in Canada, but I tend to doubt that they would do anything like that — (Interjection)— no, I don't think they would have touched the banks or the insurance companies or Great-West Life. I don't think they would have touched Great-West Life — (Interjection)— yes, Mr. Speaker, I believe this is a quotation from John Kenneth Galbraith, in terms of supply side economics, "Feed the horses well in the barn and the sparrows will pick some up off the road." That's supply side economics. That's supply side economics and it's not working and it's not working.

Mr. Speaker, nobody enjoys levying a tax. We had to do that. Again we had those choices; we chose; we believe that the people of Manitoba would, in the final analysis, agree that this is the tax that they would prefer. I've had comments from many people in the business community since the 11th of May, congratulating this government on bringing in this particular levy, as opposed to the alternatives. Many, many, as many as I could possibly get, while at the same time, attempting to attend as often as possible, during this Budget Debate. I tried to keep a balance on

that as well.

There are other measures, which we did introduce to assist small business, because we are concerned about its viability in this province, as in the rest of Canada because of the recession and so we did introduce a 9 percent reduction in the corporation income tax rate for small business, of 11 percent to 10 percent . . .

A MEMBER: Are they going to vote against that?

HON. V. SCHROEDER: Well, Mr. Speaker, we wouldn't ask that question. The Member for Churchill put it very well yesterday. We recall the speeches of the Member for Roblin, who used to stand up in the House when he was on this side, standing over there and he says, "These people are going to vote against tax credits and they're going to vote against this and they're going to vote against that, if they vote against this Budget." Well, what would they be saying? What would he be saying if he was on this side today? As the Member for Churchill said, we wouldn't say it, because we thought it was dishonest. What he would have said would have been, "If those people opposite vote against this Budget, they're voting against the \$23 million Interest Rate Relief Program; they are voting against the Beef Stabilization Program; they're voting against the capital program of the Manitoba Agricultural Credit Corporation; they are voting against the Hog Assistance Program; they are voting against, in short, motherhood." That's what he would have been saying, had he been on this side.

Now, Mr. Speaker, we said all along that wasn't an approach that we thought was legitimate, but that is what they would have been saying if they were on this side defending the Budget and of course this Budget is one of the easier ones to defend in terms of the last number of years.

We also, Mr. Speaker, increased the small business corporation capital tax exemption by \$250,000, to \$1 million, and I want to tell you that I've had calls on that one, people thanking this government for doing that at a time like this when they know, when the business community knows that we need extra funds, they appreciated that. There are some 300 businesses in this province that have been put in a position as a result of that one change of not having to pay the corporate capital tax. That is an indication that we want to do what we can to ensure survivability.

We have also, Mr. Speaker, introduced major increases in retail sales tax commissions for smaller vendors and I am sure that every member of the Opposition, as have members of the government, have heard complaints from retailers about the limited amount of funds that they are getting to compensate them for being the tax collectors for the Province of Manitoba.

HON. W. PARASLUK: What did the Tories do about it?

HON. V. SCHROEDER: Well, certainly they did nothing about it. "The provision of authority for venture capital incentives to assist in the mobilization of Capital, as well as entrepreneurial and managerial expertise for promoting innovative small and medium size businesses, primarily in manufacturing and pro-

cessing," was also an item that was in this Budget.

I haven't heard the Opposition talk about the decrease in the corporation tax; I haven't heard them talk about the corporate capital tax; I haven't heard them talk about this particular provision which was requested, Mr. Speaker, by the Investment Dealers Association.

It was requested by others in the business community and in fact, it is an item that we felt was an offset to the other taxes that we were levying and we provided, Mr. Speaker, a commitment to safeguard against the potential negative effects of the levy for health and post-secondary education on businesses experiencing significant financial difficulty by rebating the costs of the levy for all businesses eligible for assistance under the Manitoba Interest Rate Relief Program. That may have been mentioned by members opposite, but I don't recall them making much of a to-do about that one but that's important to those businesses that are suffering.

If they qualify for the Interest Rate Relief Program, then they are entitled to a rebate of this particular levy. One would expect that members opposite would help us in disseminating that news to those businesses, rather than pretending that the matter doesn't exist.

The taxation measures outlined in the Budget were carefully tailored to raise the additional revenues required at the least possible cost to Manitoba taxpayers and included specific measures to preserve and protect the position of small Manitoba enterprise.

The Leader of the Opposition also criticized our government's decision to implement a surtax on higher incomes. Again notably absent from his remarks, were any suggestions as to how he would have raised the needed additional revenues, but he and his party are clearly against any measures which will result in high-income Manitobans paying their share of required revenues. Surely he must recognize that the inevitable result of such a policy is to ensure that the burden is borne by those with lower incomes and by those in less fortunate financial situations, but that's the Conservative approach.

The Manitoba surtax itself works out at most — at most, to 3.7 percent of taxable income — in excess of \$25,000.00. For a family of four with only minimal deductions the surtax will not begin to apply until total income exceeds \$34,180.00. In fact, given deductions for company pension plans and the variety of tax-shelter plans available to higher-income earners, our feeling is that the surtax will not apply to such families, or at least not to very many until their incomes exceed \$37,000.00.

Moreover, as a result of the Federal Government's decision to reduce the top marginal tax rates facing higher income earners and personal income tax indexing - I think this is important - due to the fact that the Federal Government is reducing the marginal income tax rate and due to indexing, most Manitobans will enjoy decreases in their combined federal and provincial income taxes in 1982 relative to 1981 and we haven't heard the Opposition talking about that.

I would draw the attention of members opposite to the background material included in the Budget which indicates that decreases in total Manitoba income taxes payable continue to be available for married tax filers with two dependent children up to

income levels in excess of \$50,000.00. For such a Manitoban with a total income of \$100,000, the gross surtax liability would be \$2,261 which, after the impact of the federal marginal rate reductions and indexing on provincial income taxes are taken into account, translates into a net increase of Manitoba income taxes in '82 of \$764, that's at \$100,000, for approximately .08 of 1 percent of the tax filers income at \$100,000 and that man has the gall to stand up and say that that's unfair. But he doesn't say where he's going to get the money. He says he wants more spending; he talks about drunken sailors. I'd like to see a plan. I'd like to see him stand up and say what he would have done in terms of spending and in terms of obtaining the revenue. We are showing the people what we are doing and we believe that this is what the people of Manitoba wanted and still want today.

The Leader of the Opposition went on to suggest that the surtax may result in higher-income Manitobans fleeing the province and taking up residence elsewhere. I would remind the Leader of the Opposition and his colleagues that income taxes represent only one part of the overall cost of living in any particular province in Canada. Moreover, I would refer him to recent analyses of costs of living in major Canadian cities recently published by the Conference Board of Canada. The Conference Board's analysis related primarily to middle and upper income households and analyzed all normal living costs, including housing, taxes, food, transportation, clothing, household goods and sundries. The Conference Board analysis concluded that at \$40,000 an income earner with a dependent spouse and two dependent children living in Winnipeg would have almost \$5,000 in discretionary income over and above normal living expenses. This remaining discretionary income is nearly double the discretionary income available of a similar income earner in Montreal, the next lowest-cost city in the Conference Board study, nearly double at \$5,000.00. In Toronto, Calgary or Vancouver, the same income earner would have to draw down savings to maintain the lifestyle which enables the Winnipegger to substantially augment savings. Moreover, the Manitoba surtax for such a family with no discretionary deductions amounts to, at most, \$157; so that the surtax will not materially affect the favourable advantage flowing to Manitoba.

The Leader of the Opposition may also be pleased to know, were he here, that Manitoba's tax structure remains among the most competitive in Canada by any objective measure. Our personal income tax rate at 54 percent of federal basic tax ranks fifth among the provinces. Our sales tax rate of 5 percent, which apparently he would like to see increased to at least 7 or 8, is tied with Saskatchewan as lowest in the country and, of course, Alberta doesn't have any. Other provincial rates: 6 percent in British Columbia; 7 percent solution in Ontario, you've heard about the many many taxes that were added on in Ontario in the last week and I'm sure members opposite would want to hear about them. They're taxing everything above pine floats in Ontario, anything other than a pine float in terms of food or water or drink is taxable and a pine float is a glass of water and a toothpick. It used to be that they had a \$6.00 exemption. Babies' skin creams are now taxable at 7 percent; toothpaste, dental floss

are taxable at 7 percent; magazines, you go to a news stand and buy a magazine and you pay the tax - 7 percent; student supplies, books, work books, drawing books, music paper - taxed at 7 percent; candy, confection, soft drinks - taxed at 7 percent; thermal insulation, storm windows, heat pumps, wood burning stoves, solar cells, furnaces, smoke alarms - taxed. That's the Tory's solution. Sanitary pads, tampons, taxed at 7 percent - the 7 percent solution.

That, Mr. Speaker, at the same time when they removed, didn't reduce, they removed the taxes on small business corporations in Ontario. That was the kind of choice they had to face. They made some tough decisions, didn't they? That was their tough decision.

Now, what else did they do? Federal CCA changes, depreciation changes, not to be implemented in Ontario. Another bone to business. The establishment of a Federal-Provincial Program that would provide substantial income tax incentives to buy common stock. Are they giving kids incentive to buy a cup of milk or school books? No, they're taxing the kids on those kinds of purchases. They're taxing the kids but they're giving an incentive to purchase common stock and those are the tough decisions that the Tories in Ontario have made.

Mr. Speaker, the sales-tax rate in Quebec is 8 percent; it's 8 percent in New Brunswick; 10 percent in Nova Scotia following the PC Government's decision to increase the sales-tax rate by two points in its recent budget; it's 10 percent in Prince Edward Island and it's 11 percent in Newfoundland.

Manitoba's gasoline tax rate at 6.4 cents a litre ranks seventh. Gasoline tax is seventh among the provinces and, unlike other provinces, the Manitoba rate is frozen for the remainder of this fiscal year. When we were in Opposition, we stood there and we said that we think that governments should stand up and be accountable for taxes. We don't object to taxes. We know that taxes have to be levied in order to provide services, but we didn't want that government to hide behind some ad valorem business. We have said that we will freeze the tax to the end of this fiscal year and when we increase the tax, as we may well do some time in the future, we will stand up and be accountable for so doing.

Of course, in terms of competitiveness, because I think you should look at all types of taxation, Manitoba does not have a health or medicare premium system as they do have in British Columbia, Alberta and Ontario. So, when you look at taxes between the provinces, I would hope that you look, not just at one tax or two taxes, but please look at all of them — (Interjection) — well, Mr. Speaker, the Member for Minnedosa suggests that medicare premiums and standard of living go hand in hand. That being the case, I presume that the standard of living in Ontario will blossom in the next little while as they have gone to \$648 for a family of four. He was saying that people are doing very well down there. He sees a connection between the medicare premium and wealth of individuals. Well, Mr. Speaker, we see a different connection on this side. We see a connection between income of individuals and taxation — (Interjection) — that's right. The more income one has, the more ability one has to pay income taxes and also medicare taxes.

The Leader of the Opposition also spoke at length about the projected deficit for the year ahead, about our overall borrowing requirements, about his concerns about our credit rating and access to investment capital. Of course, he would like the people of Manitoba to forget that last year, the fourth year of his government, the deficit went from just under \$90 million in '80-81 to about \$252 million or \$277 million - when you take into account the sock they emptied, the Special Municipal Loan Fund - \$277 million from \$90 million. In fact, that was a tripling of the deficit, but of course it was an election year, so that doesn't count. I think that's the theory. It's part of the Tory tango, three steps backward, one step forward.

Of course, that fact, a tripling of the deficit in one year by a government that came to power on the basis that it would balance the Budget, tripling of the deficit in its last year — (Interjection) — the Leader of the Opposition's expression of concern about our deficit seemed significantly shallow.

Some of the members of the Opposition were busy with some chitchat while I was going through that, so I'd like to start that over again because I think that's important. They got into power by going around the countryside and saying to the people of Manitoba that the NDP were into a position where we had these deficits and we will do something. The PC's will do something about it. I remember the mid-70s and the rhetoric of the Leader of the Opposition, and what did he do when he was in power? In his last year in office, he tripled the deficit and that same group, because we have only implemented about half or more than half of our promises after six months, is standing there, has the gall to stand there day after day and say, when are you going to implement that promise? And when we implement a promise they say, you're not spending enough money on it. We brought in Main Street Manitoba the other day. Not enough money, although we had said that it was going — (Interjection) — to spend \$200 million — (Interjection) —

But they were going in the exact opposite direction of where they, in fact, said they were going to head; a tripling of the deficit in their last year. Where did they come from? The Member for Sturgeon Creek says, what did we get? Of course, they got deficits. They also got assets. They got significant assets that we had provided to the people of Manitoba and they came along and said, with us, there won't be these deficits. That's what they told the people of Manitoba and yet, by the end of their regime, they had to triple the deficit and that is some condemnation of that government. The very issue that they brought forward in the greatest strength in the year preceding the 1977 election was the issue that they — talk about Wrong-Way Corrigan — (Interjection) — that's right - wrong-way creek, one could say, because they were heading the wrong way. They were heading in exactly the reverse direction from where they had promised people that they were going to. — (Interjection) — that's right.

Let's give them credit. They had a theory. They tried it, but it didn't work. We knew before they tried it that it wouldn't work. They have now found out that it wouldn't work because every time one of our Ministers comes forward with Estimates, they are saying, spend more money, but they don't tell us where to get it from.

So the Leader of the Opposition's concern again seems a bit shallow, but he didn't stop there. He also implied that somehow Manitoba's situation was different from that of other provinces this year and we have demonstrated clearly to the people of Manitoba and I believe to the Opposition, that we were the hardest hit province in terms of federal cutbacks in this last year and for the next five years. All provinces are facing problems with reduced transfer-payment growth and with relatively sluggish economies in revenue growth and, in fact, when you compare our Budget with other provinces, our bottom line looks comfortably favourable.

Last week we saw Ontario increase its deficit from about \$1.6 billion to over \$2.2 billion, notwithstanding all those great taxes they added in — the 7 percent solution. In New Brunswick, the deficit increased from about \$200 million in 1981-82 to over \$400 million this year, I suppose that being a Tory Government, that's an indication there's an election coming, the Tory tango again. In Nova Scotia, the deficit was reduced — that was after an election — from about \$560 million to about \$390 million. It's still a great deal larger than ours with a smaller population and a smaller economic base, but that was only after a large number of tax increases, including a 2 percent increase in the provincial sales tax rate from 8 percent to 10 percent. I might add that their capital spending in Nova Scotia went down; there is a greater portion of current spending in that deficit.

So, Mr. Speaker, in two Conservative provinces, which are smaller than Manitoba and which were hit much less severely by the Federal cutbacks, governments are running larger deficits than we are here and we would prefer to run a smaller deficit or none at all, but to do so at this stage, in these economic circumstances, would be irresponsible.

I do have a quote from the Member for Turtle Mountain from last year in his Budget. He said, "We are using the deficit concept in exactly the manner that responsible economists suggest it should be used." I'm sure he remembers that quote. He tripled the deficit, because he suggested at that time that it would be responsible, so this year when the deficit is being increased by some 20 percent, I believe is the number, 20 percent, I'm sure that he would agree that is certainly more responsible than tripling the deficit. Or would he say that this year, after an election, he would have tripled the deficit again, after he had done it the year before. I tend to doubt it.

As for concerns about access to capital markets, those are ongoing concerns, as members opposite well know. I'm sure they would agree that President Reagan's interest rate policies have a great deal more to do with that than virtually any other factor.

HON. W. PARASIUKE: They support that policy.

HON. V. SCHROEDER: Yes, unfortunately they do. However, I want to emphasize that the fiscal integrity of this province and securing access to development capital was one of the most important considerations we dealt with in reaching the budgetary decisions I announced last week. We feel the investment community will recognize the responsibility our government showed in making those decisions and in put-

ting forward a set of balanced revenue and expenditure proposals, which will help underpin our economy and keep public services while we wait for a national recovery.

Mr. Speaker, the Leader of the Opposition didn't refer much to the public debt, although we have heard a great deal about that subject from him in the past. I was surprised that he did not refer to the point I made in my Budget Address about the need to look at the asset side of the accounts as well, to get a full understanding of the reason that debt was incurred.

I would remind members of the statement made by the Attorney-General in his speech the other day, when he pointed out that we have interest payments on the public debt of 4.5 percent of revenue. Now you compare that — and people on the opposite side like often to compare government to business — well you compare that to either a small family or a family business, or a medium-sized business, a growing business. How many businesses in this province or country pay 4.5 percent of their income on interest? I would suggest that practically all Canadians, families and businesses pay more than that.

MR. DEPUTY SPEAKER, J. Storie: Order please. The hour being 5:30, accordingly the House is adjourned and will stand adjourned until 2:00 p.m. tomorrow (Thursday)