



**Second Session — Thirty-Second Legislature**  
of the  
**Legislative Assembly of Manitoba**

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**DEBATES**  
and  
**PROCEEDINGS**

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31-32 Elizabeth II

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Speaker*



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**MANITOBA LEGISLATIVE ASSEMBLY**  
**Thirty-Second Legislature**

**Members, Constituencies and Political Affiliation**

Name	Constituency	Party
<b>ADAM, Hon. A.R. (Pete)</b>	Ste. Rose	NDP
<b>ANSTETT, Andy</b>	Springfield	NDP
<b>ASHTON, Steve</b>	Thompson	NDP
<b>BANMAN, Robert (Bob)</b>	La Verendrye	PC
<b>BLAKE, David R. (Dave)</b>	Minnedosa	PC
<b>BROWN, Arnold</b>	Rhineland	PC
<b>BUCKLASCHUK, John M.</b>	Gimli	NDP
<b>CARROLL, Q.C., Henry N.</b>	Brandon West	IND
<b>CORRIN, Brian</b>	Ellice	NDP
<b>COWAN, Hon. Jay</b>	Churchill	NDP
<b>DESJARDINS, Hon. Laurent</b>	St. Boniface	NDP
<b>DODICK, Doreen</b>	Riel	NDP
<b>DOERN, Russell</b>	Elmwood	NDP
<b>DOLIN, Mary Beth</b>	Kildonan	NDP
<b>DOWNEY, James E.</b>	Arthur	PC
<b>DRIEDGER, Albert</b>	Emerson	PC
<b>ENNS, Harry</b>	Lakeside	PC
<b>EVANS, Hon. Leonard S.</b>	Brandon East	NDP
<b>EYLER, Phil</b>	River East	NDP
<b>FILMON, Gary</b>	Tuxedo	PC
<b>FOX, Peter</b>	Concordia	NDP
<b>GOURLAY, D.M. (Doug)</b>	Swan River	PC
<b>GRAHAM, Harry</b>	Virden	PC
<b>HAMMOND, Gerrie</b>	Kirkfield Park	PC
<b>HARAPIAK, Harry M.</b>	The Pas	NDP
<b>HARPER, Elijah</b>	Rupertsland	NDP
<b>HEMPHILL, Hon. Maureen</b>	Logan	NDP
<b>HYDE, Lloyd</b>	Portage la Prairie	PC
<b>JOHNSTON, J. Frank</b>	Sturgeon Creek	PC
<b>KOSTYRA, Hon. Eugene</b>	Seven Oaks	NDP
<b>KOVNATS, Abe</b>	Niakwa	PC
<b>LECUYER, Gérard</b>	Radisson	NDP
<b>LYON, Q.C., Hon. Sterling</b>	Charleswood	PC
<b>MACKLING, Q.C., Hon. Al</b>	St. James	NDP
<b>MALINOWSKI, Donald M.</b>	St. Johns	NDP
<b>MANNES, Clayton</b>	Morris	PC
<b>McKENZIE, J. Wally</b>	Roblin-Russell	PC
<b>MERCIER, Q.C., G.W.J. (Gerry)</b>	St. Norbert	PC
<b>NORDMAN, Rurik (Ric)</b>	Assiniboia	PC
<b>OLESON, Charlotte</b>	Gladstone	PC
<b>ORCHARD, Donald</b>	Pembina	PC
<b>PAWLEY, Q.C., Hon. Howard R.</b>	Selkirk	NDP
<b>PARASIUK, Hon. Wilson</b>	Transcona	NDP
<b>PENNER, Q.C., Hon. Roland</b>	Fort Rouge	NDP
<b>PHILLIPS, Myrna A.</b>	Wolseley	NDP
<b>PLOHMAN, John</b>	Dauphin	NDP
<b>RANSOM, A. Brian</b>	Turtle Mountain	PC
<b>SANTOS, Conrad</b>	Burrows	NDP
<b>SCHROEDER, Hon. Vic</b>	Rossmere	NDP
<b>SCOTT, Don</b>	Inkster	NDP
<b>SHERMAN, L.R. (Bud)</b>	Fort Garry	PC
<b>SMITH, Hon. Muriel</b>	Osborne	NDP
<b>STEEN, Warren</b>	River Heights	PC
<b>STORIE, Jerry T.</b>	Flin Flon	NDP
<b>URUSKI, Hon. Bill</b>	Interlake	NDP
<b>USKIW, Hon. Samuel</b>	Lac du Bonnet	NDP
<b>WALDING, Hon. D. James</b>	St. Vital	NDP

# LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, 3 May, 1983.

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

**MR. SPEAKER:** The Honourable Member for River East.

**MR. P. EYLER:** Mr. Speaker, the Committee of Supply has adopted certain resolutions, directs me to report the same and asks leave to sit again.

I move, seconded by the Honourable Member for St. Johns, that the report of the committee be received.

**MOTION presented and carried.**

## MINISTERIAL STATEMENTS AND TABLING OF REPORTS

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

**HON. M. HEMPHILL:** I have statement, Mr. Speaker. Mr. Speaker, it is my pleasure to inform the House of guidelines for school divisions which wish to dispose of surplus schools.

We all know, Mr. Speaker, of the important role which schools play in the life of our communities. The loss of a school has a major impact on the quality of life. For this reason, our guidelines require that divisions make every effort to make surplus facilities available for community use. As enrolments continue to decline, it is extremely important that school divisions and the public understand the rules by which the process of disposal of surplus schools will take place. By establishing a set of guidelines, Mr. Speaker, we hope to alert the public to the opportunity they have to continue to make good use of surplus facilities.

The guidelines have been reviewed by representatives from the education community and the response has been uniformly positive.

The guidelines require that a division wishing to close a school in use must follow the school closure guidelines. Those guidelines require 20 months notice prior to closing and extensive consultation with the local community. A closed school may be disposed of only after a division can provide data to show that the facilities will not be required within five years of disposal or cannot be used by a neighbouring school division for educational purposes.

If it is determined that a school is not needed by the school division - it shall then be made available to community groups for educational, recreational, cultural or heritage purposes. The property may be leased at a cost which will cover ongoing maintenance.

The division must allow six months for community groups to consider possible uses for the facility. If the facility cannot be made use of by the community, ownership will be turned over to the province and the Department of Government Services will investigate its use by government or other users.

The government may take steps to lease, sell or demolish the property. If sold or leased, the school division and province share the assets on a ratio proportionate to the original investment made by each.

In conclusion, Mr. Speaker, I wish to repeat that these new guidelines give local communities the opportunity to keep their school facilities in use for community purposes. This should go far to helping many struggling recreational, cultural and other groups maintain the quality of life of their communities and reduce the impact of the loss of a school.

Thank you, Mr. Speaker.

**MR. SPEAKER:** The Honourable Member for Tuxedo.

**MR. G. FILMON:** Thank you, Mr. Speaker. I thank the Minister for this announcement today. I know that the subject of school closure is one that has attracted a great deal of public debate and concern in recent times. Indeed, such a decision has far-reaching ramifications throughout communities - invariably it is difficult for people to find alternate uses that are compatible with the existing residential uses within communities. In fact, many people make decisions to purchase homes based on the existence of schools in the area and the continued use of the facilities in the manner for which they were planned.

I know that the school closure guidelines and that whole subject was an area that was brought to the attention of the Legislature in a Private Members' Resolution, which I presented last year, and I know that the Minister has worked a great deal to try and come up with some adequate plans to deal with that whole problem on a province-wide basis. I know that the decision to require some 20 months notice for closure of schools is one that continues to be of concern to people on all sides of the issues, and I would hope that's a matter that continues to be discussed to the satisfaction of those who service at the local level on school boards.

I thank the Minister for this final announcement or this concluding announcement of the use of the facility and of the property after closure, and I would hope that throughout this whole process that you will continue to keep informed those people who must be consulted throughout the process.

Thank you very much, Mr. Speaker.

**MR. SPEAKER:** The Honourable Minister of Agriculture.

**HON. B. URUSKI:** Mr. Speaker, for honourable members, I would like to advise them that we will have distributed for their information copies of the Eighth

Annual Report of the Prairie Agricultural Machinery Institute and the 29th Annual Progress Report of the Faculty of Agriculture, University of Manitoba, for their information.

**MR. SPEAKER:** Notices of Motion . . . Introduction of Bills . . .

## ORAL QUESTIONS

### Manitoba's credit rating

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

**HON. S. LYON:** Mr. Speaker, I have a question for the First Minister. In view of the unprecedented action of Standard and Poor's in lowering Manitoba's credit rating from a AA category to a AA-minus, while at the same time leaving the City of Winnipeg untouched, what steps does the Government of Manitoba have in mind or what steps does the government propose to take to restore Manitoba's reputation as a good place to invest and thereby to create jobs as a sound borrower and as a prudent manager of its taxpayers' affairs?

**MR. SPEAKER:** The Honourable First Minister.

**HON. H. PAWLEY:** Mr. Speaker, first, the Leader of Opposition ought to be conscious of the fact that the downgrading re credit of provincial administrations, banks, state administrations, has indeed been taking place at quite a rapid pace during the past year or two due to the recession. So rather than being unprecedented, Mr. Speaker, there is a tendency throughout North America both within banking institutions, state administrations, provincial administrations, for there to be changes in regard to the rating that is applied. Insofar as Manitoba is concerned, the best method of ensuring that the creditworthiness of the province be maintained is through healthy job creation, job formation projects. Unemployment has been the greatest threat to state and to provincial administrations, and to the federal administration insofar as economic health is concerned.

In the last few days, I'm pleased to see that there is a trend that is commencing, certainly in Manitoba, towards a restoration of economic health whether it be by way of the announcement demonstrating confidence by the oil industry in southwestern Manitoba; whether it be the announcement yesterday pertaining to Inco intending to proceed by way of open pit development in the Thompson area; whether it be by way of the largest start up by way of housing in Manitoba of any province in Canada in the first three months of this year; whether it be by way of continued healthy growth insofar as retail sales are concerned, Mr. Speaker, it is through positive economic strides that Manitoba, and any other jurisdiction can best deal with the recession, can best deal with its creditworthiness insofar as dealing with the international banking community.

So while they're non-precedent, Mr. Speaker, the trend unfortunately due to the recession throughout

the North American continent has been towards a decrease by way of credit rates. We would prefer for this not to have occurred, Mr. Speaker. On the other hand it could have been much more of a severe decrease if we are to judge by what has happened to banks and other provincial administrations, state administrations throughout North America.

**HON. S. LYON:** Well, Mr. Speaker, a further question to the First Minister. Against the background of these alleged improvements in the economy which he has just tried to cobble together to indicate that the province, somehow or other, is enjoying a return from recession at a time when 54,000 people remain unemployed in Manitoba; against all of these snippets of hope that he is trying to dangle in front of the unfortunate unemployed in Manitoba; against the record of this government announced on the 24th of February and even before that in the Throne Speech of its \$200 million so-called Jobs Fund which he refers to as healthy job creation projects which will restore Manitoba's creditworthiness, Mr. Speaker, the question to the First Minister very simply is this, that notwithstanding everything that this government alleges it has been doing for the economy, Standard and Poor's have still seen fit to designate this province as having a spiraling deficit which requires its credit rating to be lower, so rather than tell us that all of the things that don't count in helping to maintain creditworthiness, will he tell us what his government is now going to do to change direction to restore creditworthiness to Manitoba?

**HON. H. PAWLEY:** Mr. Speaker, I only wish indeed that other jurisdictions in North America could receive the same kind of report that Standard and Poor's gave to the Manitoba economy in the report issued yesterday.

Mr. Speaker, for the information of the Leader of the Opposition, because he must not have had opportunity to have read the telex from Standard and Poor's that was issued to the Province of Manitoba and its comment pertaining to the economic health of Manitoba, I would read to the Leader of the Opposition and to members across the way, as well as our own members on this side, the final sentence of the telex from Standard and Poor's which reads as follows: "Manitoba's economy is also less susceptible to manufacturing-led recessions than most provinces, as last year's relatively strong economic performance makes clear."

**HON. S. LYON:** Mr. Speaker, the First Minister's comment leads one to the observation that if there's nothing wrong with the economy, there must be an awful lot wrong with the government in order to cause Standard and Poor's to lower the creditworthiness of the province.

Now, Mr. Speaker, the First Minister today presumes to read from a telex that he received at some time earlier from Standard and Poor's. When was the Government of Manitoba notified of this lowering of Manitoba's credit rating by Standard and Poor's - time and hour?

**HON. H. PAWLEY:** Mr. Speaker, yesterday. I can't tell the Leader of the Opposition precisely what hour and minute, nor am I going to concern myself about that. We were informed yesterday.

**HON. S. LYON:** Mr. Speaker, given the fact that the information was on the street in Winnipeg yesterday at 1:38 p.m., before the House came into Session, will the First Minister explain to the House why he didn't make the announcement yesterday when he had his Minister of Mines and Energy trying to take credit for an Inco project that had been postponed and was put back into force by Inco without any help from this incompetent bunch next door? Why were they making phony announcements about stepped-up - as they would have us believe - stepped-up Inco development when they had a real announcement to make about their own mismanagement and the judgment passed on that mismanagement by credit-rating agencies?

**HON. H. PAWLEY:** I'm saddened by the fact that honourable members appear to take such exception to the announcement that was made yesterday by the Minister of Mines and Energy, which indicates reactivation insofar as the economy of the Province of Manitoba is concerned. I am saddened by the fact that we have an opposition which is apparently distressed by that announcement, Mr. Speaker. At the same time, we have an opposition that wishes to and I include the entire opposition, not just the Leader of the Opposition in this statement, an opposition that has suggested that Manitoba is a loser. Mr. Speaker, Manitoba is not a loser and Standard and Poor's themselves have clearly indicated and I take exception to the opposition in this Chamber, Mr. Speaker, that has suggested that our province is a loser.

**MR. SPEAKER:** Order please, order please. The Honourable Leader of the Opposition.

**HON. S. LYON:** Mr. Speaker, the First Minister can put on his little wet hen attitude all he wishes, the fact remains that the credit-rating agency has said that his government is mismanaging the affairs of the province and it has lowered the creditworthiness of the province and given Manitoba a bad reputation in the eyes of the investing world and in the eyes of the world which Manitoba goes to and rattles its tin cup to borrow with. Now, that being the case, Mr. Speaker, the question remains, when did the government first learn this piece of bad news?

**HON. H. PAWLEY:** The Leader of the Opposition already received the answer and, Mr. Speaker, again I want to take exception the strongest way to a deliberate misrepresentation by the Leader of the Opposition in suggesting that Standard and Poor's have indicated that the Government of Manitoba is mismanaging the economy of this province. They have said no such thing, Mr. Speaker. If they were to say any such thing as that then they would have to in a blanket way condemn the other governments in this country, condemn most states in the United States of America that have been downrated by way of reports. They would have to, in fact, be condemning, I believe, Mr. Speaker, each and every Canadian bank in Canada. Mr. Speaker, it will not serve the interests of Manitobans for any responsible political leader in this province or party as a whole to be exaggerating and to be creating doom and gloom in circumstances in which all

Manitobans wish to pull together in order to pull our province out of a very difficult international recession.

**MR. SPEAKER:** Order please, order please. The Honourable Leader of the Opposition.

**HON. S. LYON:** Mr. Speaker, that last pronouncement coming from Manitoba's original political mortician who was making wild statements from 1977 to '81 about the bad state of the province when there were only 24,000 people unemployed and when the province was moving ahead, that statement's going to get him nowhere. Mr. Speaker, when did the government receive the communication from Standard and Poor's?

**HON. H. PAWLEY:** I responded yesterday, Mr. Speaker, and I would like also the Leader of the Opposition to be informed because he has talked about investors' confidence, I'm informed by the Minister of Finance - and I'm sure the opposition will be delighted to hear this - that the bond market today insofar as Manitoba secondary bonds are concerned is just as strong today as it was yesterday.

**HON. S. LYON:** Mr. Speaker, under this government, we're happy to receive any good news, no matter how transient it may be.

When did the government receive the information from Standard and Poor's about the downgrading of Manitoba's credit rating?

**HON. R. PENNER:** On a point of order, Mr. Speaker, that question has been asked . . .

**MR. SPEAKER:** The Honourable Government House Leader on a point of order.

**HON. R. PENNER:** That question has been asked three times and it has been answered three times by the First Minister. It is simply becoming abusive to go on asking the same question, having received an answer.

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

**HON. S. LYON:** Mr. Speaker, in view of the fact that the street had the information at 1:38, will the Premier confirm that the information arrived in the offices of the government well before the House met yesterday? That being the case, why was this downgrading of Manitoba's credit rating not announced to the Legislature of Manitoba yesterday; instead announced to the press first? Why? What are you hiding?

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

**MR. SPEAKER:** The Honourable First Minister.

**HON. H. PAWLEY:** Mr. Speaker, the Leader of the Opposition, speaking on behalf of the official opposition in this House, I'm sure, has again - I am fearful - demonstrated some sort of paranoia. Mr. Speaker, a brief time after receiving this information, a release was issued pertaining to the information that there had been a decrease from AA-plus to AA-minus. In response to

the Leader of the Opposition, nobody is worried about hiding anything insofar as our opposition is concerned in this Chamber.

**HON. S. LYON:** Mr. Speaker, two questions then: First of all, will the First Minister table the telex that he read from to the House a few minutes ago, No. 1; and No. 2, will he confirm that the senior officials of the Department of Finance attended the caucus of the NDP Government yesterday before the House went into Session, and was the purpose of that consultation to explain to members of the NDP caucus why the credit rating was being downgraded even though that information wasn't being given to the House at 2 o'clock?

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

**MR. SPEAKER:** Order please, order please.  
The Honourable Minister of Finance.

**HON. V. SCHROEDER:** Mr. Speaker, although I was not here yesterday, I am told that there were no members of the staff of the Department of Finance at any NDP caucus meeting. I find it somewhat scandalous, despicable that the Leader of the Opposition would make that kind of an allegation as a statement of fact to this House and to the people of this province. I just find that very shocking and saddening.

### Abortion clinic - Dr. Morgentaler

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

**MR. G. MERCIER:** Mr. Speaker, my question is to the First Minister. Mr. Speaker, in the light of the answer which the Minister of Health gave to me yesterday with respect to Dr. Morgentaler's clinic; in the light of a reported statement by the Attorney-General that Cabinet had not considered Dr. Morgentaler's application; in the light of news reports that the Cabinet is going to consider tomorrow whether or not his clinic should be declared a hospital, could the First Minister indicate whether the answer which the Minister of Health gave yesterday is the government position and if it is a government decision, is it subject to change?

**MR. SPEAKER:** The Honourable First Minister.

**HON. H. PAWLEY:** Mr. Speaker, the Attorney-General will be asked to further clarify in regard to the statement, but the Minister of Health responded to this question yesterday and indicated that the clinic would not be accredited as a hospital. That statement stands, and I don't know where the confusion rests insofar as the Member for St. Norbert is concerned.

**MR. SPEAKER:** The Honourable Attorney-General.

**A MEMBER:** The guy that can't keep his mouth shut.

**HON. R. PENNER:** Fortunately for us, you can't keep your mouth shut; and everytime you open it, you expose yourself as a damn fool.

Mr. Speaker, if the Member for St. Norbert was not so selective in his reading and even more selective in his understanding, he would have read to the extent that the press report was accurate, and I believe it was, that what I said - and I have no hesitation in repeating here - is that at some point, Cabinet will want to consider the criteria in general with respect to what is a hospital; what criteria should be used with respect to the approval of hospitals; that it was a complex question; it is a complex question that we had asked, in the absence of the Minister of Health, his senior officials to prepare some background papers on the whole question of what is a hospital. Applications have not hitherto been received with respect to that particular question.

It wasn't something that we were going to jump in on overnight. We weren't going to make a decision on something as important as that simply on the basis of one application. It is not at all inconsistent in any way with the decision made by the Minister of Health on a specific application, and he gave his reasons, reasons acceptable without question to this entire government and caucus. He gave his reasons in this House, and they are supported.

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

**MR. G. MERCIER:** Mr. Speaker, for some reason, the Ministers opposite seem to be very testy today. My question was based on a statement made in a news article and on radio reports this morning. I want to ask the First Minister whether the announcement, the response given by the Minister of Health yesterday is a government decision, and is it subject to review by Cabinet tomorrow or in the very near future?

**MR. SPEAKER:** The Honourable First Minister.

**HON. H. PAWLEY:** Mr. Speaker, the decision by the Minister of Health is a decision that the Minister of Health is required to render by way of legislation as a result of and pursuant also to discussion and general guidance from the government itself.

**MR. G. MERCIER:** Mr. Speaker, if the answers were not so ambiguous, I wouldn't have to ask another question. I want to ask the First Minister clearly - he can answer yes or no - does the government support the position taken yesterday by the Minister of Health, or does it intend to review that decision that the Minister of Health made?

**HON. H. PAWLEY:** Mr. Speaker, I don't quite know what sort of effort the Member for St. Norbert is engaged in. I don't know what he is attempting to do, though I have my own idea as to what the Member for St. Norbert is attempting to do so. The Minister of Health speaks on behalf of the Government of the Province of Manitoba, and has spoken on behalf of the Government of Manitoba.

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

**MR. SPEAKER:** Order please.  
The Honourable Minister of Health.

**HON. L. DESJARDINS:** Mr. Speaker, in view of the statement and the question from the Member for St. Norbert, I wish to say that the decision that was made was under the guidance of full Cabinet and as I announced yesterday, there is recommendation that I was asked to survey, to investigate the situation, the whole situation, and as I stated yesterday there will be a Cabinet paper that will be presented to the Cabinet probably not tomorrow, but the following meeting.

Now, I've also announced in this House that we're looking at the whole set-up of hospitals, the makeup of hospitals, the boards of hospitals in general; we are reviewing that and I read the same statement. I can't see anything that would have us disagree at all.

### Careerstart Program

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

**MR. G. MERCIER:** Mr. Speaker, I have another question for the Minister of Labour. In light of the severe crisis of unemployment among young people with predictions that appear to be coming true that one out of four young people are going to be without jobs in the Province of Manitoba this coming summer; in the light of these numbers and these facts and the lack of ability would appear for this government to encourage job creation in the private sector on its own, Mr. Speaker, does the Minister of Labour intend to expand the Careerstart Program and add increased funding to that program to attempt to accommodate the thousands of young people who will be unemployed this summer?

**MR. SPEAKER:** The Honourable Minister of Labour.

**HON. M.B. DOLIN:** Mr. Speaker, I answered that question yesterday, but I would be happy to reiterate that the program has been very successful and an announcement is forthcoming and that will be made very shortly. The paper yesterday, if the member did read it - or it's today's paper, perhaps - indicated that the provincial program is very successful as compared to some other programs and we will be talking about any increased funding within a day or so.

**MR. G. MERCIER:** Mr. Speaker, what the Minister of Labour terms "successful" happens to be a tragedy for thousands of young people who are without jobs. My question to the Minister of Labour is, does she intend to increase the funding for the Careerstart Program to provide additional jobs for young people in the province? Will the funding be increased?

**HON. M.B. DOLIN:** We are looking at increasing the funding, Mr. Speaker, for the Careerstart Program. I think that should be clear from all the previous answers I've given on this.

### Canadian Home Ownership Subsidy Plan

**MR. SPEAKER:** The Honourable Member for Tuxedo.

**MR. G. FILMON:** Thank you, Mr. Speaker. My question is for the Honourable Minister of Housing. In view of

the fact that 700 Manitobans who have made commitments to purchase new homes under the federally funded Canadian Home Ownership Subsidy Plan will now be unable to purchase these homes as a result of an insufficient allocation of federal funding by CMHC to Manitoba, has the Minister contacted his federal counterpart, the Minister responsible for CMHC, to press the case and to emphasize Manitoba's concerns at the lack of funding that is available for Manitobans who wish to purchase homes under this program?

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

**HON. J. STORIE:** Thank you, Mr. Speaker. I'd like to thank the honourable member for that question. I have been in contact with the honourable Minister responsible for CMHC prior to the Budget, indicating that we certainly required more. I did so on the basis of information I received from CMHC locally. I have been in contact with the local regional manager on this issue. He indicated to me that they were still hopeful that additional allocations from other provinces were possible. I would certainly support that and when we have some clear indication as to the number of people that are going to be negatively affected by that, certainly if there are people that are going to be negatively affected by the fact that the Federal Government in effect has not lived up to its original commitment to move to the end of May, then I will be contacting that Minister and expressing in the strongest terms possible our desire to see that continue and our desire to see that commitment kept.

Indeed there are a number of Manitobans who are going to be forced into a situation of abandoning their hopes for a new home and I don't think that's an acceptable position. I don't think the member's figure of 700 is necessarily correct. I think the indications are that there may be up to 700 people who would otherwise have been eligible for that grant, who may not be. Whether or not that completely undermines their ability to proceed with a new home is another question. Clearly, we will be looking at what the province can do in terms of trying to get a commitment from the Federal Government to ensure that those people who are eligible benefit to the maximum from that original commitment by the Federal Government.

**MR. G. FILMON:** Well, Mr. Speaker, I'm wondering just exactly what the Minister's commitments are? He's given us a great deal of verbiage in response to that question and I emphasize to him that the President of the Manitoba Home Builders Association in a release today has stated at this time and I quote, "About 700 homes have been sold based on qualifying for the CHOSP grant and now will be unable to be funded due to the insufficient funds allocated to this province." So that's not my figure; that's the figure of the President of the Manitoba Home Builders Association, confirmation of which was on the radio today by Trevor Gloyn, the representative of CMHC.

So my question to the Minister is, Mr. Speaker, will he emphasize to the federal Minister the importance of the house building industry in terms of jobs in Manitoba, employment at the present time? Will he

also emphasize that these Manitobans made their commitments based on the extension of one month that was given in the Federal Budget recently, that now appears to have been withdrawn - the rug has been pulled out from under - will he make the case for them because he is the Minister responsible for Housing?

**HON. J. STORIE:** Mr. Speaker, I've indicated already to the honourable member that I have sent a number of letters and a telex to the honourable Minister indicating the importance of this program, the importance of the home building industry to the revival of our economy. Clearly, the number of home builders that are mentioned as 700, I indicated to the member that is the number whom CMHC at present believes have applied under the program, may not be able to receive the grant because they've run out of funds. Whether that will completely undermine their ability to proceed is another question. There may be some that it affects this way.

I will undertake, I have already contacted the Minister responsible in the past and certainly if there are no funds forthcoming, I intend to pursue it so that Manitobans will be eligible for what they have come to expect by way of the announcement in the Federal Budget.

**MR. G. FILMON:** Mr. Speaker, my final question to the Minister is, does he plan to enlist the assistance of his colleagues, the Honourable Minister of Labour, the Honourable Minister of Education, in presenting his case to the Federal Government, because they apparently - according to the Minister of Education yesterday - were very persuasive in convincing the Minister of Employment and Immigration to give more than Manitoba's proportionate share of the Federal Skills Growth Fund to Manitoba. In view of their success in getting a greater proportionate share in this plan, will he enlist their support and their encouragement and their advice in presenting the case properly to the federal Minister?

**HON. J. STORIE:** I'm certainly prepared to enlist the support of my colleagues; I know that I have that. I would indicate as well, Mr. Speaker, that the Manitoba Home Builders have indicated that they support what this government has tried to do for this industry unlike what happened during the four years that the then Minister was responsible.

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

**HON. J. STORIE:** I find it quite astonishing, Mr. Speaker, that we continue to get messages of concern, particularly from the former Minister responsible for MHRC, whose major accomplishments in four years was 400 CHRP grants compared to about 4,000 in 1982.

**MR. G. FILMON:** Mr. Speaker, I'm encouraged to hear that there's support being expressed from the building industry for this Minister's efforts. Are they expressing support for the fact that in the first year of government of the NDP in this province - last year that is - housing starts dropped over 40 percent in this province over the previous year?

**HON. J. STORIE:** Mr. Speaker, clearly there was a significant drop in the number of housing starts in 1982, but unlike the previous government, we didn't sit on our hands. We introduced the Homes in Manitoba Program, which has been more successful than they have done in their four years by far.

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

### Farm Financial Review Panel

**MR. SPEAKER:** Order please. The Honourable Member for Arthur.

**MR. J. DOWNEY:** Mr. Speaker, in view of the fact that the Minister of Agriculture did not have the common courtesy to make an announcement in the House today regarding the Farm Financial Review Panel, and the fact that he is admitting that all his programs to help the farm community during difficult financial times have failed, can the Minister tell us at this particular time who the panel members are and what regions they will be located in so that the farm community can contact them immediately?

**MR. SPEAKER:** The Honourable Minister of Agriculture.

**HON. B. URUSKI:** Mr. Speaker, first of all, the honourable member was aware, as I said last week, that we were setting up the review panels. The members were also made aware that we provided them with the terms of reference. We have forwarded all the names that have been given to us to our regional staff to contact the people who have been nominated to see whether they will serve on those panels.

Any farmer who wishes to have his case reviewed can contact either the regional director, farm management specialist, or our staff in head office. The director who is responsible for the program in a central co-ordinating way is Mr. Deveson, and the phone numbers are available for that program. The farmers can contact them and then an assessment will be made to see whether or not there is need or further information is required so that a review panel can be set up.

The review panels are to be set up on a regional basis as close as possible to the area where the problem exists so that people from all over the province would be involved. Twenty farmers from across the province have confirmed, by the reports from staff, who are prepared to assist in the panels. There have been approximately 50 names submitted to us and those kinds of contacts are continuing.

**MR. J. DOWNEY:** Mr. Speaker, in view of the fact that the Minister of Agriculture has failed in his duties to deal with the farm community and has now turned the responsibility over to the farm communities to look after themselves, I'm sure that there will be some good advice coming forward.

Will the Minister of Agriculture or has he directed the Manitoba Agricultural Corporation to deal with - in a positive way - the recommendations coming from the panel so that if a farmer has an opportunity to continue on in business, that the Manitoba Agricultural



Credit Corporation will move in and finance that operation and that the recommendations of the committee do not fall on deaf ears or, in fact, are not dealt with in a meaningful way and wasting the time of those 20 farmers or all those panel people who are going to spend their time? Will he instruct MACC or will MACC pick up the financing on those farm units that are in dire straits and could use some of the financial aid that is available through the province?

**HON. B. URUSKI:** Mr. Speaker, we have been attempting to deal with some of the financial problems of farmers in a positive way. To suggest that MACC should, in fact, step in in every case as is being intimated by the honourable member, I don't think that should be the case. Certainly, Mr. Speaker, if there is and the overwhelming criteria should be the opportunity or the viability of that farm to continue operating, that being the case, whether it be MACC, whether it be FCC, or private lending institutions, they should work in a co-operative way to make sure that the viability of that farm be sustained.

### Mosquito Abatement Program

Mr. Speaker, while I'm on my feet, I took a question from the honourable member as notice yesterday dealing with the matter of equine encephalitis. Mr. Speaker, I should inform the honourable member that there has been an ongoing committee for a number of years in which our veterinarian, Dr. Jim Neufeld, serves on the committee with Dr. Eadie from the Department of Health, and they are part of a committee that monitors the situation.

I should also advise the honourable member that recommendations for inoculating horses have been made annually for a number of years and have continued and do continue to be made presently, so that inoculations are made. Costs are not that high and vaccine is available through our regional vet clinics, as well as the serum is available through our central distribution in our Vet Services Lab and those serums are distributed through our veterinarians throughout the province. There is no doubt that we have continually and will continue to encourage people who have horses to annually vaccinate them, irrespective of whether they've been vaccinated before. But the most crucial issue is those horses which are - at least the yearlings and the two-year olds are the most crucial to have vaccinated.

**MR. J. DOWNEY:** Mr. Speaker, I appreciate the Minister's response. I'm glad that he made himself aware of some of the difficulties that could arise from not inoculating horses and dealing with what could be a serious situation, as has been identified by the Department of Health.

### MACC Loan Guarantee Program

Following the question on MACC, Mr. Speaker, last week, my colleague from Roblin-Russell asked the Minister if he would consider changing the criteria under the Manitoba Agricultural Credit Corporation, rather than forcing a farmer to have 20 percent equity in his farming operation changed from 10 percent. Will he

now reduce that to zero or change the criteria so that MACC, in fact, can be effective in helping those farmers who may receive support or a recommendation of support from the Farm Review Panel so that the program can be meaningful and not useless like everything else he's done in a smoke-screen attempt to help the farm community, Mr. Speaker?

**HON. B. URUSKI:** Mr. Speaker, the only thing that's useless are the gratuitous comments coming from the Honourable Member for Arthur.

Mr. Speaker, I should tell the honourable member, as I answered the Member for Pembina yesterday, we have instructed the MACC that the overriding criteria in determining the eligibility for acceptance under the loan program is the continued viability of the farm unit and the ability of that farm unit to repay that debt load, Sir. That is the overwhelming criteria that should be used by MACC.

### Enterprise Development Program

**MR. SPEAKER:** The Honourable Minister of Economic Development.

**HON. M. SMITH:** Yes, Mr. Speaker. I undertook last week to bring further information to the House to clarify the support available for industrial design projects.

Mr. Speaker, there is a federal program called the Enterprise Development Program. Our design branch has been co-operating in order to assist Manitoba clients to obtain design and product development assistance under that program.

It's been a very major part of our activity, Mr. Speaker, and in 1982-83, \$596,000 of support became available to Manitoba firms. A further \$2.5 million worth of submissions have been submitted to the Federal Government at the moment, and another almost .5 million are being worked on.

There is another program called Design Assistance for Small Projects, Mr. Speaker, operated by the province but funded by both federal and provincial governments on a 60-40 basis. This agreement has been part of the Enterprise Manitoba Agreement, which expired March 31st, 1983. In the wind-down period, or the phase-out period, Mr. Speaker, fewer funds are available and those funds that are available for the design project will be used to pay for outstanding commitments under that program, so no new applications are being accepted. This original program was designed to introduce smaller businesses to the importance of industrial design. It wasn't intended to be a permanent program to give direct financial assistance.

So in many ways the objectives of the program have been achieved, but the resources of the branch are now being devoted to continuing to help refer people to the EDP Program and to give them direct assistance in handling their design needs.

**MR. SPEAKER:** Order please. The time for Oral Questions has expired.

The Honourable Member for Rupertsland.

**MR. E. HARPER:** Yes, may I have the leave of the House to make a non-political statement.

**MR. SPEAKER:** Does the honourable member have leave? (Agreed)

### NON-POLITICAL STATEMENT

**MR. SPEAKER:** The Honourable Member for Rupertsland.

**MR. E. HARPER:** Yes, last month, the beginning of the month, a team from Sackeeng went to Munich, Europe to compete in a hockey tournament. The team from Sackeeng is from Fort Alexander.

The team won the 1983 International Cup C Division against Norway by the score of 6 to 5 in overtime.

Also the Sackeeng Oldtimers were awarded the most prestigious team award in Europe, the Fair Play Cup, for being the least penalized team in all throughout the tournament.

I wish the House to join me in congratulating the team for being such good ambassadors.

Thank you.

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

**MR. B. RANSOM:** Mr. Speaker, I beg to move, seconded by the Member for Lakeside, that under Rule 27, the ordinary business of the House be set aside to discuss a matter of urgent public importance; namely, the implications of the downgrading of Manitoba's credit rating from AA to AA-minus.

**MR. SPEAKER:** Order please. In accordance with our Rule 27, the honourable member is allowed to explain to the House for five minutes why the matter is of an urgent necessity.

The Honourable Member for Turtle Mountain.

The Honourable Government House Leader on a point of order.

**HON. R. PENNER:** I didn't understand if you said that you had received notice of this in accordance with the rule, that is, an hour before.

**MR. SPEAKER:** Indeed, it is in order as far as this point with Rule 27, and that is the reason I am proceeding to allow the honourable member the necessary five minutes.

The Honourable Member for Turtle Mountain.

**MR. B. RANSOM:** Mr. Speaker, last year the Minister of Finance tabled a Budget in this House of spending Estimates that predicted a deficit of some \$334 million. That deficit subsequently ballooned to an unprecedented \$495 million. Mr. Speaker, that came about as a consequence of expenditures rising in the range of 18 percent, while revenues were rising less than 10 percent despite the fact that the government imposed a payroll tax. At that point the Standard and Poor's . . .

**MR. SPEAKER:** Order please, the Honourable Minister of Energy and Mines on a point of order.

**HON. W. PARASIUK:** Clearly, Mr. Speaker, the Member for Turtle Mountain is debating a subject, not

determining whether it's urgent or not and he should confine himself to the urgency of debate or be ruled out of order and should sit down then.

**MR. SPEAKER:** To the same point?

**MR. B. RANSOM:** Yes, on the same point of order, Sir. In order to demonstrate urgency, it is necessary to demonstrate the significance of the issue with which we're dealing.

**MR. SPEAKER:** Order please. I hope that any members speaking will familiarize themselves with our Rule 27 which allows debate on the urgency of the matter and not of the matter itself.

The Honourable Member for Turtle Mountain.

**MR. B. RANSOM:** Mr. Speaker, having arrived at that point, the government was then placed on a credit watch by Standard and Poor's, and subsequent to that the government introduced a set of spending Estimates and a Budget which showed that expenditures were expected to rise in the range of 19.2 percent, while revenues were expected to rise in the range of 15 percent, even substantially being still below the amount of revenue of expenditure increase, despite the fact that a further tax increase in the sales tax area was implemented. The implications and the urgency of this matter are, Sir, that the government will experience increased borrowing costs unless some action is taken to restore the credit rating of the province to its former level. The urgency also, Sir, is that they could face a lack of availability to deal with the necessary capital expenditures which the government is going to have to undertake over the years to come. It is also an urgent matter as it affects the confidence which investors would have in this province. It is urgent from the point of view that the government may be forced to undertake decisions, such as those taken by the Government of Quebec, Manitoba now finding itself with the same credit rating as Quebec, Quebec having had to take some very difficult decisions in government with respect to control of their expenditures.

Sir, the Minister has already introduced his Budget. The Budget has been dealt with. There is no opportunity for debate of this issue at that point. The Minister's Estimates have already been introduced into this House and have been dealt with. There is, therefore, no opportunity to debate this issue as to the implications that may flow from it as to what the government may do, Sir.

It is necessary to deal with the question of the priorities of expenditure of this government, the government having implemented, for example, a 27.5 percent increase in Civil Service salaries over a period of 30 months, which is an exorbitant settlement by standards of any other province. The government has also undertaken to borrow capital funds for things like ManOil, the government entering into business which, in itself, is going to work against investor confidence in this province.

Sir, I suggest that the implications of this downgrading are extremely serious and there is no other opportunity to debate it. I hope that you will find that this motion is in order, and I'm sure that the House will wish to proceed and debate this very urgent matter.

**MR. SPEAKER:** The Honourable Government House Leader.

**HON. R. PENNER:** Mr. Speaker, unlike the opposite House Leader, I do not intend to debate the substance of the matter. The question of the credit rating, the downgrading from AA to AA-minus, has been one that, in fact, has been anticipated by this government. We have said as much. It is not an urgent matter in any sense of the word, because, as was already announced in this House today, the value of our bond issues on the secondary market have remained unassailed by this development which was fully anticipated.

I would simply say this, that in terms of the criteria which must be met to warrant the kind of debate, to warrant the setting aside of the ordinary business of the House, the criteria are simply not met. I will just deal essentially with one of them, that is whether or not there are reasonable opportunities to debate the issues raised by the credit rating of the province. Well of course there are.

The main money bills of this Session have yet to be before the House. When they do, and they will not be too long in the future, when they do - that is, second Loan Bill, Appropriation Bill, those clearly and obviously are the primary vehicles for debating the whole financial situation of the province; where it is going; what it is anticipated with respect to the deficit; what money is being borrowed for; at what cost it is being borrowed; where it is being borrowed, all of these things which, in fact, have been touched on one way or another every day of this Session, which can be dealt with from time to time during the course of debate in Committees of the Supply. All of these opportunities are there.

Any of the rhetorical flourishes and cries and gloom and doom, this running down of the province, can be exercised by any member of the House opposite during a grievance if they wish. But to suggest that there is no other reasonable opportunity is to fly, Sir, in the face of the reality of the agenda which is before this House before the end of the Session.

Again, let me emphasize the primary vehicles for that debate are there. The Loan Act in which the question of capital spending that has been referred to by the Member for Turtle Mountain in his introduction on this motion, that will be debated at that time in all of its dimensions with everything that thereto appertains, as I have just mentioned. So, too, when the final Appropriation Bill is dealt with. All of these, incidentally, must go through not only First Reading and Second Reading, but must go to committee. We recall last year, the opportunities that were available to the opposition in committee on these bills to debate all of the financial issues. We remember it well.

So that in terms of the citation in Beachesne, Fifth Edition, Page 91, Citation 285, "It must deal with the matter within the administrative competence of the government and there must be no other reasonable opportunity for debate." Let me conclude by saying that the matter which in substance the opposition wishes to debate is the action of a credit rating firm whose action is not within our administrative competence; whose action, in fact, is an action of its own not one that any resolution of this House can change . . .

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

**MR. SPEAKER:** Order please, order please.

**HON. R. PENNER:** The suggestion that there is some urgency about it is, again, an attempt by the opposition to magnify out of all proportions something which, at the most, may cost the province in terms of its borrowing, depending where its borrowings are made, \$600,000 or \$700,000.00.

This is the great matter of public urgency for which the whole business of the House must be set aside; for which the legislative program of the House must be set aside; for which the discussion on appropriations must be set aside. This which has been anticipated, this which has been discussed and this for which - and this is my main point - there are many, many opportunities for discussion. The motion does not meet the standards tests and, therefore, should be ruled accordingly by you, if I may respectfully submit.

### SPEAKER'S RULING

**MR. SPEAKER:** Order please, order please. I find that the motion as proposed by the Honourable Member for Turtle Mountain does, in fact, meet the requirements of the different parts of our Rule 27 in that the required notice was given. It is also in accord with Sub (5).

As the Honourable Attorney-General has mentioned, Beachesne does require that there be no other reasonable opportunity for debate on the matter. Several previous speakers have directed their remarks to this particular area. Members might want to refer to a ruling as of 1979 when the Speaker of that Day, on another motion on a matter of urgent public importance, referred to the opportunity for a grievance to be raised when the House goes into Committee of Supply. Also the opportunity is there still for a Private Members' Resolution, or he has an opportunity to debate it under the Estimates.

For those reasons and the matter of that there are still bills of a financial nature to come before the House, I must declare the motion out of order.

The Honourable Member for Turtle Mountain.

**MR. B. RANSOM:** I challenge your ruling.

**MR. SPEAKER:** Order please. The ruling of the Chair has been challenged. Order please. The question before the House is, shall the ruling of the Chair be sustained? The Honourable Government House Leader.

**HON. R. PENNER:** With respect, Mr. Speaker, and if I'm wrong, I shall be instructed by you and accept your ruling. In looking at our House rules, there is a procedure which is set out and this procedure is very clear. The Speaker makes a ruling and, if he rules in favour of the motion, then there is a motion, shall the debate proceed. It seems to me that for the opposition to challenge your ruling in this way is not in accordance with the standard procedure that has been followed in these matters at all.

**MR. SPEAKER:** The Honourable Member for Turtle Mountain to the same point of order.

**MR. B. RANSOM:** On the same point of order, Mr. Speaker, the Government House Leader should be

aware that any ruling by the Speaker may be challenged, and that's what I am doing. If he's speaking in favour of my position, then perhaps he'll vote with us.

**MR. SPEAKER:** Order please. It's my recollection that on similar occasions in the past where a Speaker has ruled a matter of this nature out of order that the House has, on occasion, challenged the ruling and there has been a vote of the House on that particular question, as distinct from Sub (3).

The question before the House is: Shall the ruling of the Chair be sustained? Those in favour please say, aye. Those opposed, please say, nay.

In my opinion, the ayes have it. I declare the motion carried.

### ORDERS OF THE DAY

**MR. SPEAKER:** The Honourable Government House Leader.

**HON. R. PENNER:** Mr. Speaker, I move, seconded by Honourable Minister of Finance, that Mr. Speaker do now leave the Chair and the House resolve itself into a committee to consider of the Supply to be granted to Her Majesty.

**MOTION presented.**

**MR. SPEAKER:** Are you ready for the question?

### MATTER OF GRIEVANCE

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

**MR. B. RANSOM:** Thank you, Mr. Speaker. I am advised to take this opportunity to use my grievance in addressing the issue of this government's incompetence in managing the fiscal affairs of our province, the mismanagement which has now led to the outcome that the credit rating of our province has been downgraded, has been damaged. Our province is now a less desirable place for investors, be they lenders to the Province of Manitoba, or be they outside people interested simply in investing in the economic future of the province. This has come about, perhaps not surprisingly, because of actions undertaken by this government.

At the time that they assumed responsibility for government, they seemed to feel at that time that the deficit was of a proportion that they found to be bordering on unmanageable, even though by all measures of their own arguments in terms of the breakdown of that deficit in capital or operating or as a percentage of revenues and expenditures, was indeed a manageable deficit. We then see this government bring in a set of spending Estimates and revenue projections which indicated that we would have a deficit of \$334 million.

At that time, the government was warned that they were underestimating their expenditures and overestimating their revenues. The Minister of Finance chose at the time not to acknowledge that that was the case but of course, as the year passed that did in

fact turn out to be the case, that expenditures rose - I believe the figure is something just under \$90 million - and revenues dropped by a somewhat greater amount. But certainly there was a substantial increase in the expenditure of government over that period of time. I believe from the time the Minister first brought in his Estimates to the time when he made the Estimates this year in his Budget of what the total spending would be, spending had actually risen by over 3 percent. So the government had not done an especially good job of controlling its expenditures in that period of time.

Because of the government's approach to fiscal management and, no doubt, because of the general economic situation prevailing in the country and elsewhere, the government was placed along with others on a credit watch, simply putting the government on notice that the people who appraise the creditworthiness of the government were becoming concerned about the way the government was managing the fiscal affairs of the province. Having been put on notice, the government then proceeded to bring in a Budget, a set of spending Estimates this year which will be up over 19 percent when one compares the initial set of expenditures tabled in this House last year with the initial set of expenditures tabled this year, 19.2 percent increase.

Even though revenues were projected to rise in the range of 15 percent and, of course, that only being an estimate and only being brought about because the government introduced last year a payroll tax, a tax on employment that will bring in something like \$140 million this year. It will take that out of the pockets of employers. They have also increased the sales tax this year which the Minister of Finance has termed a regressive tax.

So that we have this government, through these taxation measures which affect employers and employees alike, implementing these measures which are going to render the ability of the province less able to generate the sort of economic activity and, hence, to generate the sort of revenues which the government is going to require to help to get itself out of the problem which it is now placing itself into.

This year, of course, the government has been projecting a deficit at \$579 million, Mr. Speaker, and I believe that something in the range of over \$250 million of that the Minister says is going for operating costs, which is going to be a dead weight debt to the province for which there is no asset to offset it.

As a consequence of that borrowing, and borrowing for Crown corporations, and refinancing, the government is going to find itself going to the market this year for over \$1.2 billion. Yet we still hear comments coming from the members opposite that they don't really care what happens to the credit rating, that they are not going to be told by lenders in New York, or in Zurich, or in Japan how they should run their government.

Well, that may be a position which some people might respect on the part of the members opposite, but it really doesn't indicate any grasp of reality as to what might happen, where they're going. After all, the attainment of this credit rating which occurred during the Schreyer years was something that Premier Schreyer at the time spoke very highly about. It was a major accomplishment of his administration, in his

eyes, that the government attained a AA credit rating. Now we have the members opposite trying to say that when it is lost, it's no big deal.

Well, it is significant, and we're not going to know immediately just how significant it's going to be. The Minister isn't going to be able to tell today, or tomorrow, or the next day, or even the first time that he goes to the market how significant this is going to be, because depending on the availability of money at the time and depending on the creditworthiness of other people who are in the market, this may not have an impact. But I think if one talked to a cross-section of people involved in the bond markets, they would probably say that the government could end up paying anywhere from one-sixteenth to one-eighth to one-quarter of a percent and perhaps even higher.

Well, Mr. Speaker, if you're dealing with \$1.2 billion worth of money, of borrowing, as we are this year, then even one-eighth of a percent could cost the taxpayers a lot of additional money. That could cost them easily an additional \$2 million to \$3 million of borrowing costs. Now, when one takes that in comparison to some of the expenditures of different departments of government - the whole department of Crown investments which the Minister of Energy and Mines is in charge of and is fond of saying what great things it's going to accomplish - that department only has expenditures in excess of 600,000.00. The department of fitness and amateur sport has total expenditures in the range of \$3 million. So there are two entire departments of government that could conceivably be run on the basis of the extra borrowing costs which the government is perhaps going to encounter over the course of borrowing \$1.2 billion.

Now, that in itself taken relative to the total spending of government is perhaps not a huge amount of money, but the fact that we are now moving in this direction has drawn attention to Manitoba. Don't forget that Manitoba was put on credit watch along with B.C. and along with the City of Winnipeg, and the credit ratings of that city and that province have not been downgraded, but they have looked at Manitoba and have made the decision that it must be downgraded.

Now, there is also a second rating agency, Mr. Speaker, which at some point will no doubt pronounce upon the viability of Manitoba, the creditworthiness of Manitoba, and should that agency downgrade it even further, then I think the province would be in a substantially more serious situation than it is now. But what they have to recognize is that they are in a situation today that is probably only temporary. I think there was a very good possibility that this rating will not stay at this level for very long. There is a possibility that it will go back up. It's not a probability, but there is a possibility that depending on what action the government takes, it could go back up.

It could also, and this is the most probable thing, it could also go down further than it has now, and as that happens, then the pool of capital from which the government may finance its expenditures become smaller. As that happens, the government can find themselves not being able to get funds at a time that they would want it and they may then find themselves forced into a situation such as Quebec has been forced into. Quebec has a credit rating which is now the same as Manitoba, AA-minus. We all, over the past few

months, have witnessed the efforts of the Government of Quebec to cut back on their expenditures to try and bring their deficit under control.

Now what this government is faced with, and they may say that they don't really care what the bond rating agencies say and that they're not going to be dictated to, but if they don't gain control over their spending and get some proper balance between revenues and expenditures, they will eventually arrive at the point where they will be dictated to by outside lenders. They can either make the choice now to make the kind of decisions that are necessary to gain some balance when they still have a major degree of control, or they can allow things to deteriorate further and at some point in time, they will indeed have decisions forced on them by outside interests.

The members opposite have to realize the magnitude of the problem that they and the government and the people of Manitoba face on the deficit of this government alone for last year and for the year that we're in. We are going to be facing well over \$1 billion worth of deficit; money that the government has to borrow for which they don't have any revenues to offset. I have pointed out to them on numerous occasions that if they will care to examine the possible sources of revenue available to the government, they will find that there is no single source of revenue that they can expect to see increase to a sufficient degree to cover off that sort of a deficit.

You're talking about interest costs to carry that in excess of \$1 billion; you're talking about interest costs next year that are going to run likely well in excess of \$100 million.

Well, Mr. Speaker, the members opposite should realize that the payroll tax will only bring in about \$140 million. One point on the sales tax will only bring in about \$60 million. Next year the Minister of Finance is going to come into this House and is going to table spending estimates that will include an additional \$100 million over and above what he took over because of the deficits that that government has incurred in two years.

Now the good question, at last, is being asked by the Member for St. Johns. Someone on the other side is finally saying, what should we do? Well, the first thing, as the Member for St. Johns has done, evidently, is to recognize that they have a problem and unfortunately, a good many of his colleagues don't seem to recognize that indeed they do have a problem.

Now, Mr. Speaker, this government entered into a contract with the Manitoba Government Employees Association over a year ago now, and they subsequently have reopened that contract and renegotiated it, and the end result of that contract over a period of 30 months was an increase of 27.5 percent, an increase in public sector spending that was simply out of line with settlements being made anywhere else in Canada.

Now, the Minister of Housing scoffs at that, Mr. Speaker, but the Minister of Housing should also recognize where government expenditures go. That of all the money that this government is going to expend, roughly half of it is going to end up in the form of public sector wages somewhere, either within the government directly, or through the education system, or through the health care system. So what the government does in the area of controlling public sector

compensation is extremely important, because it affects directly half of the expenditures of government, and if one is going to control the expenditures of government, Mr. Speaker, they must address an area where there are significant amounts of money. One cannot make a significant impact on a deficit of \$579 million by trying to cut the number of paper clips that people use, or the size of car that the Premier drives, or by Ministers taking \$1,000 less in their compensation. Those things are tokenism . . .

**HON. S. LYON:** They're window dressing.

**MR. B. RANSOM:** That's right, and they're basically offset by the Minister of Agriculture driving a car that's \$3,000 or \$4,000 more expensive anyway. But those things are only tokenism. They're only tokenism, Mr. Speaker. They may give the members some satisfaction. They may even give some public impression of action, but obviously they didn't impress Standard and Poor's. They weren't impressed by the fact that the First Minister was driving a smaller car. So he simply has to recognize where all that money is going.

They also have to acknowledge that if they paid attention to the affairs that are properly the role of government, they would be looked upon more favourably by those people who are going to lend money. Now we know this year that the government is going to ask in a capital loan, for instance, for \$20 million to get another Crown-owned oil and gas corporation. Well that should not be a priority of a government that is faced with the situation that this government is.

**HON. S. LYON:** That's left-wing nonsense.

**MR. B. RANSOM:** And within the money they're spending, Mr. Speaker, one must realize that we're talking about 19.2 percent more money in the Minister's first estimates that he laid on the table this year, than the first estimates he laid on last years. So this is a big increase in expenditure to the Member for St. Johns. This is not a slim expenditure packet that's been placed before us, Mr. Speaker. It's a lot of money, but unfortunately, the priorities of the government within that expenditure are also off the rails and I'm sure that this is something that the rating agencies are looking at and it's certainly something that the government should also look at, because what we have, is that the government is allowing their basic infrastructure to deteriorate. They are not - contrary to the impression that they would like to leave - investing substantially in assets that are going to contribute to the economic well-being of the province. They are in many cases cutting expenditures that are going to come back to haunt this government, or to the government that replaces them, because things like the basic highway system, the basic transportation system, which has to be fundamental to economic activity in the province, is being allowed to deteriorate.

What this government should be doing is more carefully looking at the money they have available for capital assets, and then putting it into the kind of expenditures that will contribute to the economic well-being of the province, that will tend to lower the

expenditures of government in the future, rather than increase the expenditures of government in the future.

As an example of that sort of decision in that area, that can end up costing one millions and millions of dollars in the long run, is the situation with Seven Oaks Hospital. I recall that the capital cost of that hospital when it was built, I believe, was something in the range of \$34 million, if my recollection is correct. That seems like a lot of money, Mr. Deputy Speaker, but I'm sure that at the time, it was partly justified on the basis of public spending to create economic activity. But the figure that is really significant then, is that the operating costs of that hospital - and this is a figure that's based on three or four years ago - but it was relative to the \$35 million, was that the operating costs every year for thereafter would be in the range of \$23 million to \$24 million. So that desirable as some expansion of the health care system may be, Mr. Deputy Speaker, if this government is going to go out and build more plant for health care, they are also going to be building in greater expenditures.

So they must examine those very carefully and deal with those — (Interjection) — The Member for St. Johns says that it is a necessity. Indeed, health care is a necessity and what I'm trying to tell the members, and they don't have to accept my view, I simply want them to know what they're faced with, so that some time in the future it doesn't come as a surprise to them, like it did to the Minister of Energy and Mines when Fox Lake Mine was announced to be running out of ore at Lynn Lake. The very health care system, which the Member for St. Johns says is a necessity, and which I say is a necessity, will be threatened by this government more than it would be threatened by our government as long as this government continues to go in the direction that it's going. As long as we have the sort of fiscal mismanagement by this government to the extent that we have in the last two years, if that continues and the government does not turn that situation around, then the government is going to find itself in a situation where the economy of the province will not be able to sustain the services that we would like to have, and that the Minister of Finance may actually not be able to get money to finance the business of government. Now, that's not something that is going to happen tomorrow; that is not imminent, but I'm telling the members opposite that it is a possibility. There are other governments in North America that have found themselves in the position of not being able to finance, and that's what this government is going to have to face up to.

Unfortunately, Mr. Speaker, I see very little indication on the part of the members opposite that really they are facing up to it. Perhaps the Minister of Finance is. We haven't heard a great deal from him that would indicate that. But what they're going to have to do now, if they want to turn things around, is that they're going to have to make some adjustments in their spending plans. They're going to have to do something significant, something that is going to change the way in which Standard and Poor's assesses the performance of the government, and probably even more important is that something has to be done to head off what Moody's might do by way of their credit rating of the province. It isn't going to help for the government simply to say, this doesn't matter; it's not important, because Mr.

Schreyer thought it was important when his government was in power and they got this credit rating. They thought it was important then.

Now, the thing for this government to do is acknowledge that this is a problem and then begin to address it and decide what it's possible for them to do. They've made much to this point of saying, well, we're really no worse than others; we're no worse off than Saskatchewan or Alberta. They're fond of pointing out the huge deficit that Alberta has run up and that Saskatchewan is running up and B.C.; but I've pointed out to the members before, Mr. Deputy Speaker, and I'll point out to them again that there is no real comparison, there is no valid comparison that can be drawn between the Manitoba situation and the Saskatchewan situation, the Alberta situation and the B.C. situation. They simply are not comparable. Saskatchewan gets approximately 30 percent of their revenues from resources. Manitoba gets something like 2 percent of their revenues from resources.

So when we have a downturn in the mining area, it's of course extremely important to the communities like Thompson or Lynn Lake or Leaf Rapids or Flin Flon; but it is not significant in overall revenues of the province to the extent that a downturn in the mining economy is significant to Saskatchewan. When it turns around and comes back to where it was before, it still constitutes only about 2 percent of our revenues. If it's cut in half, it affects our overall revenues by 1 percent. What happens to Saskatchewan when the economic activity in the area of resource development is cut in half, it takes 15 percent off of their revenues, and when it comes back, they add 15 percent. That's not going to happen here. We're not going to get that kind of recovery and the same with Alberta and the same with B.C. They have huge resource revenues and they have been affected by the recession through those resource revenues to a much greater extent than we have.

Well, the Minister of Finance and his colleagues have to look very carefully at their revenue options, see where this province gets its revenue, and ask yourselves if there's any place in there where you really can expect to recover to get the additional taxes to the extent that they are going to be required to offset the deficit which has already been incurred; never mind trying to head off an increase in it. From my recollection, the personal income taxes bring in something in the excess of \$600 million, so that a complete doubling of the personal income tax would do no more than offset the Minister's deficit for this year alone. In the year just completed, he's getting something like \$65 million from the area of corporate income taxes.

Now, the members opposite are fond of looking at corporations and saying that business isn't paying its fair share, but the fact of the matter is that there simply isn't the opportunity to get the revenues out of the corporate sector that could have any real significant impact on the deficit problem which the government has today. They can go up and down the list of revenues and they'll find that there just simply isn't the opportunity.

As I said, the point on the sales tax only raises something like \$60 million. This year alone, the Minister has \$155 million more in debt-servicing costs than he had last year. All the new taxes that the Minister

introduced this year came to \$106 million and an extension of the payroll tax from last year will bring in a further 40 million, or 42 million perhaps it was; but anyway, it's approximately \$146 million of new taxes this year but his debt servicing costs are up by \$155 million. Now, that's the kind of problem that the government faces, and no one says that it's an easy situation to deal with and no one says that the government is totally responsible for what has happened, but until they change the attitude that has been exhibited by many members opposite that it doesn't matter, that a downgrading of the credit rating really isn't important and that they're not going to be dictated to by lenders in New York and Zurich, Mr. Deputy Speaker, then this government and the taxpayers of Manitoba are in trouble.

I think this Minister of Finance knows, and if he doesn't know, he certainly should know that within the term of this government, whether they decide to go for an election in the fall of '85 or whether they're going to cling to power into 1986, this Minister of Finance and this government are going to be faced with some extremely difficult decisions. In both his budgets so far, Mr. Deputy Speaker, the Minister of Finance has said that he's had to make difficult decisions. I'll tell you, Mr. Speaker, the Minister of Finance hasn't seen anything yet to what he is going to have to do within the next two-and-a-half to three years. This Minister of Finance has to bring in three more Budgets. He probably wouldn't be here to bring in the third Budget, Mr. Deputy Speaker.

**HON. S. LYON:** No, we'll have to clean up after him.

**MR. B. RANSOM:** That's the kind of gravity of the situation that the members opposite face.

**HON. S. LYON:** We'll clean up after you again, we did before.

**MR. B. RANSOM:** So, Mr. Deputy Speaker, I have simply found that it was absolutely necessary for me to use up this opportunity to speak on a grievance to once again place on the record a warning to this government and an urging to them not to underestimate the seriousness of the problem that they face. If it was only themselves that they would be taking down, I would say, go to it, but unfortunately they are going to be taking the people of Manitoba down with them too. Those 32 members opposite are faced with decisions that are of such a magnitude from a financial point of view that no government in this province has had to face before. They are to this point responsible to a very great extent for the problem that they are in. They are not solely responsible, but to a very great extent they are.

They came in here a year ago totally ignoring any kind of necessity to control expenditures, added 500 new positions to the Civil Service, and upped the expenditures by a range of 18 percent, and upped the taxes, and said that they would be able to stimulate the economy. A year later, they recognized that it was necessary to begin to take some kind of action. So they lost a year, but they still have anywhere up to four years left and they're going to have to switch the ground

from where they were for four years in opposition and from where they were in the first year of their government, face up to the reality of the situation, try and accomplish which is, I suppose by definition, impossible for a socialist government and that is, practice some fiscal management.

**MR. DEPUTY SPEAKER, P. EYLER:** The Honourable Minister of Finance.

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

**HON. S. LYON:** We would just like some facts.

**HON. V. SCHROEDER:** Thank you, Mr. Speaker. The Member for Turtle Mountain indicated that it was his perception that there was no concern on this side with respect to the ratings by that particular rating agency. I can assure him that we would much prefer not to have had a change. However, we recognize reality, and we recognize that we are a part of the Western World. This is not an unprecedented action that has been taken.

The Member for Sturgeon Creek can do all the moaning and groaning he wants, but when his party stands up in this Chamber and says that this is an unprecedented action, he should, as a responsible member of this Chamber, at least disassociate himself from that party's position with respect to that kind of a statement.

Mr. Speaker, Conservative Governments like the Government of California have discovered that they have been downgraded within the last two years; Conservative Governments like the Government of Michigan; Conservative Governments like the Government of Nova Scotia . . .

**HON. S. LYON:** Talk about Manitoba, you're the Minister in Manitoba.

**HON. V. SCHROEDER:** . . . and we can go through state after state and city after city and then talk about unprecedented. The man continuously and the party continuously distorts what is happening out there.

The members opposite seem to think somehow that we are completely immune from what is happening out there, completely immune from reality. Well, the only people who are immune from reality is the Progressive Conservative Party of Manitoba. They are completely, and just don't seem to understand at all what is going on out there. They ignore the fact, for instance, that regardless of where we are right now, there are only four provinces in this country that have a better rating from Standard and Poor's or Moody's than the Province of Manitoba does. The other five provinces who are behind us are all Conservative Governments. Does that mean that they are incompetent? Does that mean that they cannot run a peanut stand? Does that mean that they are branded losers? Does that mean that the Province of Nova Scotia is a loser, as the Conservative Party in Manitoba says of the Province of Manitoba? That is a pile of nonsense. The fact of the matter is that, in times like this, rating agencies have their jobs to do, governments have a different job to do, and we attempt as best we can to get through some difficult times.

Mr. Speaker, when we look at the alternatives - and that's what I was hoping for. I was expecting that we were going to get a Conservative blueprint from the Member for Turtle Mountain. He would stand up and say how it is that the Conservatives would tell us what to do, what their program would be. He didn't say anything. He said, he doesn't like the health and education levy. Well, one can presume he would remove it. We have had all kinds of representations from that side condemning us for the sales tax increase. They didn't like the surtax on incomes. There was a whole pile of taxes that they have been criticizing us for. One must presume that they wouldn't do that.

Then we hear, just last night for instance, those of you - and I wasn't there, but I understand that in the Natural Resources Estimates, the members opposite were suggesting an additional number of millions of dollars of spending. In Highways, they thought we should spend far more. In Agriculture, they think that we're being far too cheap, even though we borrowed money when they were in power in the high teens of percentages and borrowed it out to the farmers. They are saying now that notwithstanding the fact that we have to continue paying that interest on that money, we should be decreasing the interest payable by the farmers. We should pay it, not the farmers. That's fine. They are telling us time after time where to spend more money and where to cut taxes. Is that how to get a better rating?

Now one suggestion today we had from the Member for Turtle Mountain, only one suggestion that I noticed throughout that speech. He was telling us that our wage settlement was far too high. Well, Mr. Speaker, I can provide documentation that shows that at the time we settled our settlement was within the range of what was happening in industry in North America. That was what was happening at that time.

The former Agriculture Minister obviously doesn't know that Manitoba is in North America, and he just exemplifies the foolish position of the Progressive Conservative Party which doesn't understand that we are a part of the whole western economic system, and when the system is in trouble, we are in trouble. There is no question that we are in some trouble.

Mr. Speaker, in terms of, just for instance, per capita deficits - and I think that if you talk about deficits, that's the appropriate way of evaluating them. For last year, for 1982-83, Alberta had a per capita deficit of \$1,032.00. New Brunswick, which isn't exactly the richest province in the world, came in at \$730 per person. Nova Scotia was at \$624 per person. Quebec was at \$490 per person. Manitoba was at \$478 per person, considerably below a number of other provinces in this country. There is a suggestion that somehow it is only Manitoba that is having these problems, and that is nonsense. That is absolute nonsense.

We keep hearing from members of the opposition that what has happened here is unprecedented; unprecedented they say. The Conservative Party says it's unprecedented, and we are pointing out that this is something that is happening across this country and indeed across this continent. I have pointed out a number of states in the United States who have been downgraded. We can talk about Exxon which has been downgraded. We can talk about the banks, all of which have the same problem. Some of them have resources; some don't.



Now, Mr. Speaker . . .

**MR. F. JOHNSTON:** I feel sorry for you.

**HON. V. SCHROEDER:** Well, you have a strange way of showing it. The prescription that some opposite would like to give to the patient is basically cutbacks. Let's cut back on health spending; let's cut back on education spending; let's cut back on all those kinds of things; not highways and those sorts of things, but on social services, let's really save money. Let's save hundreds of millions of dollars.

That is the guaranteed way in the long term to provide us with far more difficulties; in the long term to provide us with probably a lower credit rating; in the long term to provide us with far greater human misery; far more, in the short term, unemployment; far more, because of that, other social problems, other costs that go up as a result of those sorts of things.

Just for instance, I was reading this morning, I believe in the Globe and Mail, it was estimated that the cost to the United States Government of its high unemployment, just directly to the government, was \$6 billion, just directly, and then there were a bunch of other costs associated that we all know about. That is the kind of cost that would be associated with that kind of Tory program which wouldn't in the long term work.

We have said that we are committed to providing some sustenance to this economy at a time when we are at the bottom of the economic trough. We hope that we will be coming out of it. We hear, for instance, there are certainly some signs that there is some economic recovery. Hopefully, it will be stronger than — (Interjection) — Well, the member says, not here. Last year, the recession-proofing we did here put us in a position where we had less employment loss than in practically any other part of this country. It put us in a position where retail sales were stronger than in most parts of the country. It put us in a position where a lot of our economic indicators were such that they were much better than the average in the country. Our economic growth rate, our negative growth, was less than most other regions, certainly a lot less than the average in this country. So there were a lot of those positive events as a result.

Now, if we took a couple of hundred million dollars off of our spending, as I have already explained during the Estimates, for every \$100 million roughly, we are told we lose 5,000 jobs. So if we take \$200 million off our spending, which wouldn't guarantee anything in terms of long-term credit ratings, we would talk about another 10,000 people unemployed. That is something that we cannot afford to do — (Interjection) — Well, the member says that he doesn't know where we get the statistics. I understand, just for instance, that last year's MHRC program provided approximately 2,000 person-years of employment. Certainly, we didn't spend anywhere near \$50 million on the projects there, so certainly those numbers are not that far out. Certainly in some areas, some types of works don't fit into that category but, anyway, there was no alternative, absolutely no alternative.

I would have thought that members opposite would have really laid out their complete program rather than

to just stand up and howl about something happening to Manitoba that is happening right across North America. They howl as though it is only in Manitoba that this is happening and they distort by talking about an unprecedented activity when, in fact, it is happening all across North America. They should be ashamed of themselves, the Conservatives, for calling Manitoba a loser. They should be embarrassed about that. They should be looking at the facts. The Member for Turtle Mountain had an opportunity during question period, and I expected that he would be asking questions so he could be informed when he was making his speech and he would have a little more facts to go on, a little less supposition.

My department has been doing some checking since yesterday and I am informed, No. 1, that this change will have no impact on our borrowing on the Eurodollar market where we do a fair amount of borrowing, in other European countries, Japan. It will have a possible effect in New York. However, it wouldn't be, in the view of people in the department, based on last year's borrowings. On last year's borrowings in the United States, it would have cost us up to .25 million; not the kinds of numbers that have been floated around here. They had the opportunity to ask questions about those things. Even indeed one would think, if they thought that the investors out there were so horribly concerned about this adjustment, they could have checked to see how the secondary bond market was doing this morning, and we could have told them that it was doing fine, thank you; that there were no decreases in values to Manitoba investors, to people who had bought Manitoba bonds. There were suggestions in the newspaper by some local people that it would have an impact, but it didn't have an impact on the very day after when the people would be most ready to realize that there was something that had happened.

Now that's something that they should have put into their equation when they started talking their doom and gloom, and their talk about unprecedented changes. That is a pile of nonsense. Mr. Speaker, they seem to forget as well that in the 1960's when they were in government, and they did a lot of good things - they built the floodway around Winnipeg and they started up the hydro electric projects in the north. They had a single A and it wasn't until about 1974 or 1975, under the prudent administration of Ed Schreyer, that it went to a AA. You know, they managed to get along quite nicely at a single A and they seem to think that with AA, which we still have that somehow the world is falling in, that something unprecedented is happening.

I want to tell them that under NDP administrations we still have more A's than they had. That is something that they should keep in mind when they're playing these little political ping-pong games, because that is what they are doing they are just playing a little cheap political game. They are not really getting down to the nub of the issues here.

They are distorting the truth by talking about some unprecedented actions. They are suggesting that members of my department went into the caucus room yesterday - that is an utter lie - to talk to the caucus members. That is absolutely nonsense, they were not in a caucus meeting.

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

**HON. V. SCHROEDER:** The Member for Turtle Mountain is now contradicting me and saying that they were in a caucus meeting. That is a lie. That is an absolute lie that the member is now announcing.

There they are, you know, they continuously distort the truth. They have been doing it all day with the issue. They talked about something unprecedented which is, it's ugly, it's just ugly. When you can talk about somewhere between five and seven states, for instance, that have been downgraded in the last few years. When you talk about Exxon companies, etc.

**MR. F. JOHNSTON:** What are you going to do about it? You're the Minister of Finance, what are you going to do about it? What are you going to do about it?

**HON. V. SCHROEDER:** Mr. Speaker, I do have some real concerns about the health of the member for Sturgeon Creek . . .

**MR. F. JOHNSTON:** You're the Minister of Finance, what are you going to do about it? What are you going to do about it?

**HON. V. SCHROEDER:** Do you want to calm down?

**MR. DEPUTY SPEAKER:** Order please. Order.

I'm having trouble understanding the comments of the Minister of Finance.

**A MEMBER:** So are we.

**MR. DEPUTY SPEAKER:** I would appreciate it if all members of the House would give him a fair and courteous hearing.

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

**MR. DEPUTY SPEAKER:** Order please. Is the House ready to proceed?

The Honourable Minister of Finance.

**HON. V. SCHROEDER:** Mr. Deputy Speaker, we are concerned, but we are not, absolutely not going to undercut the economy of the Province of Manitoba in order for the short term to save a credit rating which then in the long term would be assured of going downhill.

We believe, and we knew when we prepared the Budget, when we prepared our spending estimates for this coming year that there were concerns with respect to, not only our credit rating, there's credit ratings all over the place that have similar concerns attached to them.

**A MEMBER:** You're paid to take care of this one.

**HON. V. SCHROEDER:** Will you shut up?

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

**MR. DEPUTY SPEAKER:** Order please.

**HON. V. SCHROEDER:** You've obviously had some bad chilli.

**MR. DEPUTY SPEAKER:** Order please.

**HON. V. SCHROEDER:** Well, Mr. Speaker, we looked at the options, we looked at them very carefully.

One of the first things that I believe the opposition would do if they had the opportunity, they'd be eliminating the Jobs Fund. We could have eliminated that, we could have saved billions upon billions of dollars there, but we believed that was much more important than just looking at a rating.

A rating would be in itself of very little help to those unemployed Manitobans who would not be able to get jobs because of further cutbacks in government spending. We were not prepared to do that. We believe that we have come up with a balanced approach as we have shown as much concern as we can for those who are in difficult economic straits.

On the other hand, we have also demonstrated that we're prepared to tax further, and it's certainly no pleasure to increase taxes. We've done that as well in order to get money, in order to provide employment, and so all in all I believe our approach is a balanced approach.

That has been evidenced by the fact that it wasn't a full one A drop, it was just a minus, and so altogether I believe we have come out of this as well as we possibly could.

I also believe that if those people were on this side, then certainly we would not be in any better shape and indeed in all likelihood we would be in a lot worse shape, both in terms of our economy and in terms of our credit rating.

**MR. SPEAKER, Hon. J. Walding:** The Honourable Member for Lakeside.

**MR. H. ENNS:** I, too, wish to rise to exercise my right to express my grievance at the growing fiscal problems that the province is facing.

Mr. Speaker, perhaps at the outset I should express my grievance at the fact that the debate is going how it's going this afternoon. Because, Mr. Speaker, let nobody fool themselves, the debate this afternoon will be read by the investment community in New York and in Zurich and in Tokyo, and in other centres where this province from time to time has to go to raise money for the province. I think the response that we just heard from the Minister of Finance can hardly be described as encouraging, can hardly be described as at least acknowledging the fact that, as my colleague the Member for Turtle Mountain just said, our credit rating can go both ways. It can go back up to where it was in the Schreyer years, where Mr. Schreyer made a particular point in this Chamber to talk about how important it was to have achieved under his administration the AA-plus rating that is now being scoffed at by his successors as not being of any significance, not being of any consequence.

So, Mr. Speaker, that's what I suppose should worry all of us, is when our debates and the discussions of this afternoon are being read in the money centres of the world where we, on behalf of the people of Manitoba, are going to try to borrow in excess of \$1 billion. Mr. Speaker, on that level, I'm not going to be ashamed of anything that the Member for Turtle Mountain, the

former Minister of Finance, put on the record. I will do my best, Mr. Speaker, that I don't cause any concern in the parts of the money lenders of this world in a similar way.

Mr. Speaker, the point, of course, that is being lost by honourable members opposite is that they are throwing up and throwing away an unprecedented opportunity to try to work together in this House to resolve or at least to meet some of the problems that Manitoba is facing. Mr. Speaker, listening carefully to the speeches that have been made from this side of the House on the deficit issue, and listening carefully to the speeches that the former Minister of Finance of the Conservative Government has made and repeated just a few moments ago, we have not said and it is not on the record that it is the entire fault of the present NDP Government that we are faced with the kind of fiscal problems that this Minister of Finance faces. That is not on the record.

In fact, Mr. Speaker, what is on the record is the importance of this government and to recognize the tremendous opportunity that they have - that they have an opposition that will support them in trying to come to grips with this problem. That means, Mr. Speaker, in response to the question that I was asked: What do we do now? That means, Mr. Speaker, to begin with, fall in line with the rest of the country, for instance; not be the only government out of step; acknowledge, as even other governments belatedly of Liberal persuasion in the Federal House and Conservative in other politically described governments in other provinces have come to recognize, about the need to, in concert, exercise some restraint in public spending; begin to what we sometimes lose sense of but still is the best description of what has to be done, and that's said in the common language way, is to begin living within our means.

But, Mr. Speaker, what has this government done? What has this Premier done in attending and in being part of the federal-provincial meetings that have come or have tried to at least belatedly come to grips with this problem, not just in Manitoba but indeed throughout Canada? Mr. Speaker, it isn't a problem unique to Manitoba and it isn't a problem unique to a particular party ideology. It is a problem that Poland faces. It is a problem that California faces. It is a problem that the State of Michigan has faced. Yes, it is. It's a question of whether or not a government over the period of time has lost sight of its fiscal responsibility and has massively overspent, massively overindebted itself with respect to the revenues that it can reasonably expect to generate from the taxation programs that they have the political courage to impose on their citizenry from time to time.

You know, Mr. Speaker, that perhaps is the sorriest thing about this government. You know, as a politician of some time, I do appreciate the courage that it takes for a government when they do have to impose taxes. Nobody likes to impose taxes and, Mr. Speaker, least of all, this government. They will try to make them a little more acceptable by calling them health levies or educational levies or what have you, but you know, Mr. Speaker, one of the benefits, one of the privileges that a government should have that has to impose taxes is at least it should create for itself a bit of fiscal elbow room. It should be able to do a few more of the things

that it promised; for instance, on such kind of election pamphlets as we have often reminded this government of, the policies of Manitoba, "A Clear Choice for Manitobans," where it says it can do all these great and wonderful things. It can provide up to 12 months notice for any employee that's going to be laid off with compensation, and it can do it all coming from the profits from the yet-to-be developed ManOil; you know, money generator, that bill that is currently stalled in this Session, stalled in this haste, and from Hydro problems. Mr. Speaker, Limestone was going to provide that great economic generator, which indeed for many years capital construction on the Nelson River has in this province.

Mr. Speaker, I'm not often noted for going out of my way to acknowledge the intelligence or even indeed the objective reporting of the Free Press, but the editorial in today's Free Press is worth reading by all Manitobans in terms of the sad story of Hydro development spanning the decades, spanning the Premiers of Roblin, of Schreyer, of Lyon and of Pawley. It's succinctly told in that short editorial in today's copy of the Free Press. Well, now, Mr. Speaker, what can this government start doing and when are we in the opposition prepared to start supporting them in terms of making sure at least that we arrest this slide in credit rating, that we don't drop down another notch; and I'm not so sure at all that this afternoon the Minister of Finance hasn't contributed to making sure that will take place.

Mr. Speaker, I always find it very difficult to take lightly any amount of public money, whether we want to quibble whether this current drop is going to cost the taxpayers an extra \$700,000 as was said by the Attorney-General; or likely closer to \$1 million, \$1.5 million, as the figures are indicated by the Department of Finance officials; or whether it drops to a lower rating and it could end up being \$5 million or \$6 million of additional cost. I always remember that one arrogant Liberal Cabinet Minister that poked the farmer in Morris in the stomach and said: What's a million dollars? That was the beginning and the decline of a government at that particular time and ushered in the Diefenbaker era, Mr. Speaker. So, Mr. Speaker, to put off the suggestion that additional costs to the Manitoba taxpayers, costs that could well be used, could finance entire departments, are of little consequence. Those are the kind of remarks, Mr. Speaker, that politicians, Ministers will rue they have ever made.

Now, my colleague has indicated in clear and precise terms just the growing futility of this government's position. I started off by saying this - yes, they've had the courage. They've had to have the courage to increase taxations. They've introduced a brand new innovative tax that Manitobans have never seen before - the payroll tax. There are many reasons, and we've cited some of them in this House, why that was not a good tax to introduce in Manitoba. To tax employment, at a time when we have 55,000, 53,000 unemployed in the province - it's hardly a time to bring about that kind of innovation in taxation measures. But nonetheless this government did.

And this government increased the sales tax. Mr. Speaker, I know that that took a little bit of courage, but they shied away from probably increasing it to the level it should be, and they've increased fuel taxes and

other user's fees - anything ranging from cottages at lakeside, or fishing licences to hunting licences. But all of that, Mr. Speaker, doesn't get them ahead of the game. That's the tragedy, Mr. Speaker.

As I said a little while ago, when I was a Cabinet Minister and with Duff Roblin's Government, and we had the courage to introduce a then brand-new tax to Manitoba - the 5 percent sales tax, we introduced it and we left office two years later under Walter Weir with a \$55 million surplus, and we had funded a massive change in the infrastructure in the Province of Manitoba. Roads had been built in that decade. Schools had been built, not only built, but the whole structure of the education system had been built. Hospitals had been built, personal care homes had been built, \$100 million floodway protection around the city had been built. All the kind of things that generate the capability and provide the assistance, as governments should, to the creation of real wealth for the people of Manitoba, so that those social services programs can be provided with.

You know, Mr. Speaker, when I listen to my honourable friend, particularly the Member for Inkster, he would like to have a world where there are no hydro dams, no factories, no mines, no cottages at lakes, no snowmobiles running around, no cars - only personal care homes, hospitals, universities and schools. Now, Mr. Speaker, that is putting it maybe a little bit in extreme, but he represents and far too many in that party, represent that kind of attitude when they try to charge us with the difference between what comes first - social services or wealth-creating investments in business and in infrastructure by the province that will help those businesses be in business.

So when we argue about the importance of keeping several thousands of people gainfully employed in building roads and highways in this province, it happens to be more important at a critical time than investing more money in social services. Because without those jobs, without those people working, you don't create the wealth, you can't tax the people, you haven't got working people to provide the income tax to provide improvements to our social services. If we don't invest that kind of money in building the kind of infrastructure that rural Manitoba, that agriculture - our No. 1 industry requires - then we don't provide the kind of wealth in this province to maintain a healthy, growing, innovative education system. But, Mr. Speaker, this government doesn't recognize it. This government doesn't recognize it.

At a time when this government is spending 18 to 20 percent more - all departments - including bigger and better basket-weaving courses, in the departments that are meaningful to agriculture, meaningful to wealth creation jobs, and meaningful to the kind of infrastructure improvement that this Premier talks about, the building of roads. We see a 20, 25 percent, a \$20 million reduction in the department that we're just dealing with now - Natural Resources, in providing the kind of infrastructure that will enable farmers to yield more wealth out of the land. We see a \$7 million, or 60 percent reduction in the improvement of the infrastructure of this province and the Minister of Finance just threw it back at us - well, that's a terrible way to run a government. We're going to throw that all into social services.

Well, Mr. Speaker, that's fine, but I will stand up and the record will stand up to scrutiny at anytime, in terms of the Progressive Conservative's history and its track record. In terms of judicious spending of public money that has provided both, that has provided an ongoing improvement to the capital plant of Manitoba, whether it was on the Nelson River, or whether it was at Grand Rapids, or whether it was throughout the by-ways of the Province of Manitoba in the creation of a modern highway system. The Progressive Conservative Party brought the educational system of Manitoba into the 20th century. The Progressive Conservative Party brought Manitobans health care - the kind of health care that we now enjoy. The only thing that the New Democrats contributed was they did away with premiums and they put it in taxes through general revenue.

The other major social benefit that the New Democrats have brought to the people of Manitoba, and I acknowledge it, is that they solved that pressing social issue - the burning social issue of the day - to have to have your fender repaired by a state insurance corporation and they do a pretty good job of it, Mr. Speaker, I'm not suggesting they're not.

But, Mr. Speaker, I'm prepared to line up the record of solid accomplishments of the lasting kind, of the kind that my children, my grandchildren will still be deriving benefits from, in terms of how a Progressive Conservative administration or Party, is prepared to expend the kind of funds that are temporarily entrusted with us, when we have the privilege of forming government.

Well, Mr. Speaker, what is sad, is that this administration and the spokesman for this administration, even on a day and on a subject matter like this, shows so absolutely little concern about the direction that the Government of Manitoba and the people of Manitoba are heading. Mr. Speaker, this is only really their - well, I suppose it's their second Budget - their second Budget. We are now talking about a potentially - well, I don't want to exaggerate, but at least a deficit as large as the one that we are faced with this year, and I think it would not be an exaggeration to say it will be more.

So, Mr. Speaker, we are going to face this issue. This issue is not going to go away. When we next talk about this subject matter, the next Budget that this Minister of Finance is going to bring in, that is when he is going to start having to make some real difficult decisions.

Allusion has been to the decisions, to the difficult decisions that are being made currently in Quebec. Well, Mr. Speaker, I know that we sometimes out west, don't always appreciate the fact that, of course, René Levesque is a Socialist. René Levesque is the closest thing - you know, if you had an NDP Party in Quebec - the Parti Québécois is one. Now do you mean to tell that they enjoy, that René Levesque enjoys doing what he has to do to the teachers of that province? Roll back their wages? Roll back the wages of the hospital workers? These are his constituents, but he has to do it because somebody in New York is telling him to do it. That's why he's doing it, because the fiscal affairs of that province are in such serious problems that a stubborn, hard-nosed Premier, Socialist Premier like René Levesque, has to take on those kind of measures.

That just supports what the Honourable Minister for Housing said from his chair during the debate when

the Honourable Member for Turtle Mountain was speaking, and I agreed with him.

It is not a matter of ideology. It is a matter of governments getting themselves into fiscal problems. It can be a Conservative administration, it can be a Republican administration in an American state, or it can be a city government, municipal government, or it can be an NDP administration. I am just telling you the consequences, and that is what we are trying to tell you this afternoon, and that is what the financial community was trying to tell the province yesterday when they downgraded our credit rating. That is what they are trying to tell us, and we are trying to tell you, that is the direction that you are heading in and the cost is going to be very harsh on the people of Manitoba, Mr. Speaker.

When I explain to my constituents about the need for paying taxation of one kind or another, in 1983, Mr. Speaker, most constituents accept the fact that, look, our children, particularly in rural Manitoba, are being bused conveniently to schools, to nice, new, modern schools. If we are sick, we have, in rural Manitoba as well as in the city, a pretty fair health system. It was there in the Sterling Lyon years too. It didn't really have to be restored by this administration as they indicate in their election propaganda.

Mr. Speaker, for these and many other services, good roads, good cultural facilities, people don't mind paying taxes. As unpopular as taxes always are, most people don't mind, if they think they are going to pay \$100 and that's going to support some roads, it's going to support the schools and the hospitals in the area, they don't mind doing it. But, Mr. Speaker, what the people of Manitoba are going to start becoming increasingly aware of is that every time they send \$100 of tax money or \$10 of tax money, they're not getting \$100 worth of service, social or otherwise, back from the province. They're only going to get eight or seven or six or five. The rest goes to the money lenders of the world.

During the Budget Speech, I asked the Minister of Finance, how high is he prepared to let that figure grow to when it becomes unacceptable. The traditional position has been that it has cost Manitobans roughly about 4 percent to 5 percent of total revenues to cover our carrying charges, our debt. That has risen dramatically under this administration in one year to something like 8 percent or 9 percent, by 5 points. So I asked the Minister, what is acceptable? Okay, we assume that today is acceptable, because he can still laugh off the problem that the province is facing, but is it at 15 percent? Is it at 20 percent? Is it at 50 percent? It is possible, Mr. Speaker, that we could be taxing people inordinately high and only getting 50-cent dollars to supply services?

Regrettably, Mr. Speaker, the problem is probably even more serious because, in this day and age - and that's not, again, just of the making - that's not unique to Manitoba, that is unique to the world. There is a world pool of capital and those that have it decide who they want to lend it to. There comes a point in time where, simply, jurisdictions are excluded from availing themselves of that money. It is not a matter of whether - even if we're prepared to pay the interest charges. You know, and it's happened.

I don't know whether it has ever happened to any of the honourable members opposite, but it's happened

to me. I don't mind acknowledging, Mr. Speaker. I have had the occasion where I have gone to a bank and asked for some money and I didn't get it. Either the banker didn't think I was worth it, or the banker didn't like my scheme. The banker didn't have too much confidence in the raising of cattle — (Interjection) — no, I didn't go to the government, Mr. Speaker. But, for whatever reasons, there comes a point in time where governments, jurisdictions cannot just automatically go to the world pool of capital and get their money. That has been documented. That is happening.

There are certain jurisdictions, certain states right now and certain cities - Cleveland, I believe, is one of them - that can't float a debenture, can't get a bond. New York City was very close to it a few years ago. All of a sudden, they had to live totally within their means. Well, Mr. Speaker, do any members opposite - and the Member for St. John is gone and when he talked about the necessity about personal care homes, do any members opposite honestly want to even contemplate what it would mean if all they had to spend was the current level of taxation that was coming in every year, if they couldn't borrow a cent?

Mr. Speaker, I at least acknowledge that they are not smiling quite as broadly now and they are not laughing about it. Mr. Speaker, I don't think it need come to that. I want to repeat what I said at the outset of my speech.

Mr. Speaker, this government has an opportunity, unlike the situation that we faced when we were in government, unlike the kind of comments that honourable members opposite were making when they were in opposition - and yes, the Sterling Lyon Government, despite his aberration to it, had to run a deficit, but the kind of nonsense that came from NDP propaganda sheets and the kind of promises that they made that few Manitobans need to be told that the Lyon years have been tough years, people read it in the newspapers, hear it from friends and neighbours, leaving the province, see it in the empty storefronts and For Sale signs. You talk about us doom-saying the situation . . .

**MR. SPEAKER:** Order please, order please.

The Honourable Member for Inkster on a point of order.

**MR. D. SCOTT:** Mr. Speaker, I am wondering if the member would entertain a question as to whether or not or why his party called the election in the fall of 1981 instead of waiting until they had a Budget for the spring of 1982.

**MR. SPEAKER:** Order please. Order please. The honourable member may ask if another member will accept a question, but he is not allowed to ask the question until permission is given.

The Honourable Member for Lakeside.

**MR. H. ENNS:** Thank you, Mr. Speaker. Mr. Speaker, I wouldn't mind answering a question from the Honourable Member for Inkster, but it generally is of such light straw and chaff that blows from that corner of the House that I wouldn't want to waste the few remaining moments that I have in this debate.

The fact is, Mr. Speaker, and I make this point and I say this seriously, unlike the kind of position that was taken by members opposite - I won't have to repeat chapter and verse - we are prepared on this side of the House to strike a truce with the Honourable Minister of Finance to some extent. We may continue to argue about some of the other antics they're up to, but on this very important issue of fiscal responsibility, this very important problem that is facing the people of Manitoba and this Minister of Finance and his government, I know that we are prepared to support the kind of measures, we are prepared to support this government in taking the kind of measures necessary, Mr. Speaker.

If this government, for instance, were to say tomorrow that they were prepared to fall in step with the rest of the nation and accept a six-and-five formula for future wage negotiations, we would support it on this side. If this Minister were prepared to say to us in another Budget, look, our situation is that serious and we don't want to drop another couple of points in our credit rating, I will have to restrain next year's government expenditures or indeed even tailor this year's government expenditures to within our means, to the anticipated rise in revenue of this province. You would get support, Mr. Minister, from this side of the House.

But, Mr. Speaker, that's why I'm saying this government, this Minister of Finance, is throwing away a very unique opportunity. They know our position on this matter; it's on public record. They know that we could easily be backed into a position where we'd have to support them, even if we thought the politics of it were not to. But, they're throwing away that opportunity, Mr. Speaker, and that's really is the problem facing us - because they still don't take it seriously enough. They still don't realize that the final price will have to be paid.

**MR. SPEAKER:** Order please. The time being 4:30, I'm interrupting the debate for Private Members' Hour. When this proceeding is next before the House, the honourable member will have 12 minutes remaining.

### PRIVATE MEMBERS' HOUR

#### ADJOURNED DEBATE ON SECOND READING PRIVATE BILLS

**MR. SPEAKER:** The first item is debates on Second Reading of Private Bills.

Bill No. 40, on the proposed motion of the Honourable Member for Fort Garry, the Honourable Member for St. Johns. (Stand)

Bill No. 38, the Honourable Member for Inkster. (Stand)

#### SECOND READING - PRIVATE BILLS BILL 53 - AN ACT TO GRANT ADDITIONAL POWERS TO STEINBACH CURLING CLUB LTD.

**MR. R. BANMAN** presented Bill No. 53, An Act to Grant Additional Powers to Steinbach Curling Club Ltd.; Loi accordant des pouvoirs additionnels au Steinbach Curling Club Ltd., for second reading.

**MOTION presented.**

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

**MR. R. BANMAN:** Thank you, Mr. Speaker. Some members of the Legislature may recall that in May of 1980, we dealt with a bill dealing with the Charleswood Curling Club and then a year before that, we dealt with another Private Members' Bill dealing with similar principles that this bill has and had to do at that time, in 1979, with the Rossmere Golf and Country Club.

There are two main features of this bill which I would like to deal with briefly today. The first one deals with the authority which this bill will give the Steinbach Curling Club to assess shareholders on an annual basis, a certain levy. Currently, the curling club has many shareholders who cannot be traced or located and the curling club board of directors aren't sure whether these persons are deceased or where they can be found. This bill will allow the curling club, as I mentioned earlier, to assess each shareholder on an annual basis, a charge against the shares. This means that if an individual does not pay his or her shareholder assessment within a given period of time, the share will revert back to the curling club and this will ensure, Mr. Speaker, that the shareholders of the curling club are active members within that particular club.

The second major feature of this bill is one which, for all intents and purposes, does make this curling club a non-profit organization. This will be done by ensuring that no individuals, whether shareholders or directors, will be able to benefit personally from any aspect of the club's operations or should any assets of that particular club be sold, that no person or shareholder again can receive any personal benefit from that.

The reason that the club is seeking this particular additional power is that it will enable them to deal with the Town of Steinbach, for instance, when it comes to municipal taxes, education taxes on their particular facility. Under present circumstances, the Town of Steinbach is granting a grant in lieu of taxes for the curling club and for the education tax on it. This bill will enable the club to get that exemption without having to go through the cumbersome process of each year appearing before the Town of Steinbach to get that particular burden of property taxes removed from them.

The Bill will also enable the Steinbach Curling Club to take advantage of some of the government programs such as the programs provided by Fitness, Recreation and Sport for capital grant, and will make it easier for them to deal with other groups who wish to, on a non-profit basis, provide funding as well as other things which might benefit the curling club.

I would ask that the members pass this bill and if there are any further questions, hopefully we will be able to answer those when the particular bill comes before the Law Amendments Committee and is dealt with at that time.

**MR. SPEAKER:** The Honourable Member for Concordia.

**MR. P. FOX:** Mr. Speaker, I move, seconded by the Honourable Member for The Pas, debate be adjourned.

**MOTION presented and carried.**

## ADJOURNED DEBATES ON SECOND READING PUBLIC BILLS

**MR. SPEAKER:** On the adjourned debates on second readings, on the proposed motion of the Honourable Member for The Pas, Bill No. 36, standing in the name of the Honourable Member for Pembina. (Stand)

On the proposed motion of the Honourable Member for St. Norbert, Bill No. 41, standing in the name of the Honourable Member for Wolseley. (Stand)

On the proposed motion of the Honourable Member for Turtle Mountain, Bill No. 44, standing in the name of the Honourable Member for The Pas. (Stand)

On the proposed motion of the Honourable Member for Turtle Mountain, Bill No. 45, standing in the name of the Honourable Member for The Pas. (Stand)

On the proposed motion of the Honourable Member for Brandon West, Bill No. 56, standing in the name of the Honourable Member for Arthur. (Stand)

## PROPOSED RESOLUTIONS

**MR. SPEAKER:** Is it the will of the House to have Resolution No. 1 stand? (Stand)

## SPEAKER'S RULING

**MR. SPEAKER:** On Resolution No. 8, which I took under advisement, on Monday, April 18th, the Honourable Minister of Economic Development, while speaking to the proposed Private Members' Resolution of the Honourable Leader of the Opposition, proposed an amendment to the resolution.

After listening to the advice of several members, I took the matter under advisement to review the admissibility of the proposed amendment. A careful review of the resolution and the proposed amendment reveals that the proposed amendment is syntactically defective in that it would produce a duplication of the final phrase of the resolution. The proposed amendment is thereby in breach of Beauchesne's Citation 426 and is not in order by reason of its form.

I repeat my previous suggestion that members wishing to present a motion or amendment to the House would be well advised to discuss the matter with the Clerk of the Legislature, who will readily assist with the preparation of any desired motion.

Are you ready for the question? The Honourable Minister of Natural Resources.

**HON. A. MACKLING:** Mr. Speaker, I rise to speak on this resolution, and I rise to speak on this resolution for two reasons: One, to reconfirm my views with respect to the so-called flag burning incident; and two, to reconfirm my personal friendship and respect - and I believe I can speak for all Manitobans - for the government and people of the United States of America, our most favoured member of this world family of nations.

Mr. Speaker, I use the words "most favoured nation" to indicate in a positive way that the people of the United States are very fortunate in many ways. Mr. Speaker, the people of the United States have an open, free society, a society that tolerates descent; a society

that tolerates and protects minorities; a society that has welcomed to its land, people from all over the world. Mr. Speaker, we know that the people of the United States won their independence and freedom and can therefore understand the aspirations of countries who, like the colonies of 1776, want to be free to organize and maintain their own style of government.

We recall, Mr. Speaker, the words of Thomas Paine, the fervent poet of the American Revolution, and I quote him, "The true idea of a great nation is that which extends and promotes the principles of universal society; whose mind rises above the atmosphere of local thoughts and considers mankind of whatever nation or profession they may be as the work of one Creator."

Mr. Speaker, some of the members opposite find humour with the words of some of the great statesmen, some of the great orators of the United States. I don't think those words are funny. I think they were addressed to a cause of freedom in the United States that was exceedingly meaningful.

Mr. Speaker, we read with awe and sincere respect the words of Thomas Jefferson, "Equal and exact justice to all men, of whatever state or persuasion, religious or political; peace, commerce, and honest friendship with all nations, entangling alliances with none; and freedom of religion and freedom of the press and freedom of person and trial by juries impartially selected.

"These principles from the bright constellation which has gone before us and guided our steps through an age of revolution and reformation. The wisdom of our sages and the blood of our heroes have been devoted to their attainment. They should be the creed of our political faith, the text of civil instruction. Let us hasten to retrace our steps and to regain the road which alone leads to peace, liberty and safety."

Mr. Speaker . . .

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

**MR. SPEAKER:** Order please. With all . . .

**MR. P. FOX:** On a point of order.

**MR. SPEAKER:** The Honourable Member for Concordia on a point of order.

**MR. P. FOX:** I think there are a few members here who have forgotten what it is to act like a parliamentarian and are singing and humming, and if you can't hear them, I can. I think it detracts from the decorum of this Chamber and it's time that they learn to do better. If they want to act like clowns, they should go to a circus, but not act like that in this Assembly.

**MR. SPEAKER:** Order please, order please. I thank the honourable member for that statement to the House. I hope that all members will accord the Minister the same respect that they would expect for themselves when speaking. The Honourable Minister of Natural Resources.

**HON. A. MACKLING:** Mr. Speaker, I would like to quote the words of a later freedom fighter, President Abraham

Lincoln. "That we here highly resolved that these dead shall not have died in vain; that this nation, under God, shall have a new birth of freedom; and that government of the people, by the people, and for the people, shall not perish from the earth." And he further said, "To do all which may achieve and cherish a just and lasting peace among ourselves and with all nations."

Mr. Speaker, as Canadians, we are forever grateful for the men and women of America whose lives were lost in the Great War, when people from different political philosophies acted as one in fighting fascists and Nazis. We, Mr. Speaker, are forever grateful for the United States of America for their generous outpouring of succour and assistance for people anywhere afflicted by natural calamity.

Mr. Speaker, to us the United States is Uncle Sam in the family of nations because many of us have intimate family living there. With the people of the United States we share the vast natural wealth of North America, and we Canadians share the cultural and scientific genius of the Frosts and the Einsteins of the United States of America. To quote Robert Frost, "I never dare be radical when young, for fear would make me conservative when old." And Einstein, "Our defence is not in armaments, nor science, nor in going underground. Our defence is in law and order."

Mr. Speaker, our appreciation and respect for the United States is profound, but like all members of a loving and caring family of nations, we don't have to agree, nor do we agree with all of their institutions and programs. While we share a common language and a common parliamentary tradition, our governmental systems, though considerably different in form, have common goals.

In Canada, government, even Conservative Government, has used the instrumentality of government more forcefully to enhance national Canadian interests in transportation, communication, cultural, educational, health and social endeavours. Some politicians in this country want to turn the clock backward and sell off the government railway, our government airline, our government radio and television broadcasting systems. Some modern conservative thinkers believe that all of these things and our systems of comprehensive state, hospital and medical care are too socialistic, too much government interference and control in the lives of free people.

Well, Mr. Speaker, I believe that it is only a very small minority who hold those views. Most people, even most Conservatives in this country recognize the benefits of positive government intervention, intervention by past Conservative Governments for the benefit of all people in Canada.

While many Americans may not consider our system of government radical, they may wonder at the role and extent of our government initiatives. To many Americans a Canadian desire to have a significant role in national energy development and programming may seem too radical, too socialistic.

Mr. Speaker, these Canadian desires are in keeping with the consistent positive mild interventionist role Canadian governments have pursued throughout our history as an independent country, as a caring respectful neighbor. We note with growing concern the alleged increasing American intervention in the struggle of a small nation to find its own way. A nation that after a

heroic struggle finally rid itself of a vicious military dictatorship.

The United States as a close neighbor has a right to be concerned, but what I say to Americans, and hopefully I say on behalf of all of the people of Manitoba, is please be supportive of more radical change in Latin and South America.

Mr. Speaker, where poverty, illiteracy, and disease are endemic, peace cannot be maintained by repressive military means. Desperate people will look to even more radical ways to improve their lives in this troubled world. Our interventions must be supportive not only of freedom, but of a greater sharing of economic and social benefit.

To quote the late President John Fitzgerald Kennedy: "No one can doubt that the wave of the future is not the conquest of the world by a single dogmatic creed but the liberation of the diverse energies of free nations and free men", Mr. Speaker.

Turning briefly to the first reason for my speaking. Mr. Speaker, I and other members of the government caucus did not attend a flag burning ceremony. I am embarrassed that some poor soul did torch a homemade American flag in front of cameramen, who were filming an otherwise dignified demonstration of concern about alleged United States support of a return of the despised Somozan military to Nicaragua.

Mr. Speaker, I am also embarrassed that some Conservative politicians have used that unfortunate happening to link my colleagues and I with flag burning. Neither I nor my colleagues burned a flag. The fact that a balaclava-covered individual would do such a silly thing never occurred to me or my colleagues. As we have already indicated, we categorically deny that kind of behaviour.

Mr. Speaker, we also reject those who for crass political purpose tried to capitalize on this incident, for those who knowing of my efforts respecting opposition to any development of the Garrison Project in North Dakota where Missouri River water would enter the Hudson's Bay drainage basin have sought to embarrass me. Let me say categorically, I reject any linkage of that flag incident with our legitimate concern about the probable environmental disaster that such a development would occasion to Manitoba.

The International Joint Commission confirmed that the transference of foreign fish species could put in peril our multimillion dollar fresh water commercial and sports fisheries.

The so-called flag incident had nothing to do with our opposition to environmentally damaging aspects of the Garrison Project. The flag burning was a foolish, incensative act. Mr. Speaker, while we, like our great neighbor, must be tolerant of decent, we must make clear our dislike for intemperate, unreasoned activity that adds nothing to better understanding in our family of nations but rather offends and antagonizes.

While I do not have his permission, Mr. Speaker, I nevertheless deem it necessary on behalf of that masked, emotionally-troubled person, who burned a flag, to apologize for that foolish act.

The American flag is symbolic of the noblest desires of the people of the United States for freedom and justice for people everywhere. Mr. Speaker, when I sing the United States national anthem, I am proud to confirm my respect for the United States of America, its flag, and its people.



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

**MR. SPEAKER:** Order please.  
The Honourable Minister of Natural Resources.

**HON. A. MACKLING:** Yes, I hadn't concluded, Mr. Speaker.  
No my time is not up, Mr. Speaker.

**A MEMBER:** It is now.

**HON. A. MACKLING:** No it's not up. No it is not. I didn't exceed my 20 minutes.

**MR. SPEAKER:** The Honourable Member for Lakeside has a point of order.

**MR. H. ENNS:** Mr. Speaker, it's my privilege to address this resolution.

**MR. SPEAKER:** Does the honourable member have a point of order?

**MR. H. ENNS:** No, I wish to address the resolution. I thought you were recognizing me, Mr. Speaker.

**MR. SPEAKER:** I understand from the Honourable Minister he has not finished his remarks and he had another 8 minutes to go.

**HON. A. MACKLING:** I had not concluded my remarks, Mr. Speaker.

**MR. SPEAKER:** The Honourable Minister of Natural Resources.

**HON. A. MACKLING:** You know, Mr. Speaker, under the onslaught of the heckling for a moment I felt the need to sit down . . .

**MR. SPEAKER:** Order please.  
The Honourable Member for Turtle Mountain on a point of order.

**MR. B. RANSOM:** Yes, Mr. Speaker. It's been traditional, for centuries I'm sure, in Parliament that when one speaks, they conclude their remarks by sitting down. That's an indication that they have finished their speech, Mr. Speaker.

The Minister sat down and a member on this side of the House rose. Now this is clearly a case where if the Minister wishes to move an amendment, then he should ask leave of the House to move that amendment.

**A MEMBER:** He doesn't want to move an amendment.

**MR. B. RANSOM:** Well what's the paper that he has, Mr. Speaker? It's to move an amendment.

**MR. SPEAKER:** The Honourable Minister to the same point of order.

**HON. A. MACKLING:** Mr. Speaker, if the honourable members are troubled

**HON. S. LYON:** They can't even recognize an amendment, let alone run a government.

**HON. A. MACKLING:** Mr. Speaker, I think the record will show that I had . . .

**HON. S. LYON:** Apologize and sit down.

**A MEMBER:** Sit down Lyon and use your manners.

**MR. SPEAKER:** The Honourable Minister.

**HON. A. MACKLING:** Mr. Speaker, I think the record will show that during the course of my remarks I was subjected to a considerable amount of interruption. I admit that for a moment I forgot and I did sit down briefly. I expect that honourable members realize that I haven't used my full 20 minutes.

I would like to be accorded the privilege of moving the amendment that I had prepared. If they refuse, of course, that is their prerogative.

**MR. SPEAKER:** Does the Honourable Minister have leave?

**HON. A. MACKLING:** All right, I ask leave then to move the amendment.  
Thank you.

**HON. S. LYON:** Go ahead then, there is a way to do things. You socialists take a long time to learn.

**HON. H. PAWLEY:** It is difficult to trust you fellows.

**HON. R. PENNER:** Thank God, it didn't take the electorate of Manitoba long to learn about you, Sterling.

**HON. A. MACKLING:** Mr. Speaker, in view of the remarks that I have made and my concerns that the resolution should be framed in a manner that reflects our positive desire for the best relations with our great neighbour, I move, seconded by the Honourable Minister of Cultural Affairs, that the proposed resolution of the Honourable Member for Charleswood, Resolution No. 8, be amended by deleting all of the words in the resolution preceding the words, "this Legislature reaffirms," in the final paragraph and substituting therefore the following words:

WHEREAS Manitobans and Canadians value the close and friendly relations which exist between our country and the United States of America; and

WHEREAS the citizens of Canada and the United States have advanced the cause of freedom and self-determination for all nations;

BE IT THEREFORE RESOLVED THAT . . .

**MOTION presented.**

**MR. SPEAKER:** Are you ready for the question?  
The Honourable Member for Lakeside.

**MR. H. ENNS:** Mr. Speaker, you'll appreciate that I'm somewhat at a disadvantage having done my usual amount of in-depth research on the resolution that I was going to address. I, also, in a more serious vein,

can't help but comment at the expeditiousness of the Minister of Natural Resources in having his amendment ready. It would just about lead one to suggest, Sir, that he knew in advance what your ruling would be and that in fact, the amendment that you had under consideration, namely, the amendment put in by the Honourable Minister of Economic Development, would, in fact, be ruled out of order and that although admittedly by leave of this House, nonetheless the Minister of Natural Resources had a typed-out amendment prepared and so I can say, while he's a little slow in this House in terms of speaking, but he's pretty fast on . . .

**MR. SPEAKER:** Order please, order please. I believe that suggestion is unworthy of the honourable member. No other member of this House knew what the ruling of the Chair was to be.

**MR. H. ENNS:** Mr. Speaker, I hastily withdraw any possible insinuation that could reflect on the Chair. What I substitute for that and I make this withdrawal and apology unconditionally to you, Sir, Mr. Speaker, having every reason to believe the words of advice that you just gave me.

What it tells me is perhaps more to the point, that this Minister has so little confidence in the accuracy and in the correctness of an amendment that his colleague, the Minister of Economic Development, would put before this House, that he knew in advance, Sir, that any reasonable Speaker, any Speaker that was prepared to use some judgment would rule out of order. That is the only other conclusion that I can draw, Mr. Speaker, by having the Member for Natural Resources have a resolution at hand or an amendment at hand to present to this House. — (Interjection) — Well, Mr. Speaker, one can't help but note these developments as they arise.

Mr. Speaker, I'm going to try to speak to the amended resolution, although, I appreciate that you will allow me some latitude. It is after all before us because of the basic subject matter contained in the original resolution.

Mr. Speaker, I was hoping - and I will put this all in the past so that I will be in order. I was hoping to support the original resolution as put forward by my leader. I was hoping to be able to convince my fellow colleagues on this in this House. I didn't have to do that to any of my colleagues on this side of the House, but I was hoping in a true spirit of what Private Members' Hour is all about, that we act during that hour that is set aside for private members' debate in the traditional private members' role, we cast aside, at least briefly during that brief hour, the more partisan role that the structure, you know, enforces on us and that I could convince them by the sheer eloquence of my few words to consider the need for an apology as a result of certain action taken by honourable members opposite.

Mr. Speaker, I do believe if one were to follow in the spirit of the Minister of Natural Resources' flowery words - indeed, some of those words were just about unbelievable when you consider some of the other comments that he has made in this Chamber and elsewhere from time to time with respect to the Americans and to the United States in particular, but

nonetheless, I accept them in the manner and spirit in which they were presented, Mr. Speaker. The flowery words of friendship, the flowery words of co-operation, that great loyal bond that links the great freedom fighters of the United States, Abraham Lincoln, Jefferson, with the traditions that are important to Canadians, and indeed to Manitobans.

Then I can only ask him, Mr. Speaker, and I have no doubt to question that friendship, that sincere desire to be at peace and to work in co-operation with our great neighbours to the south, if our neighbours to the south feel aggrieved and feel an apology is required and if they so transmit it in a highly unusual way, in a firm letter of transmittal to, via the Canadian Foreign office, via Ottawa to us, that says, they are aggrieved and uses very strong diplomatic language in underlining the fact that they are agreed, would he not then, Mr. Speaker, would this government then not be among the first, if you believe the first five minutes of his speech, be the first to want to make sure that there is nothing between us that could hinder us from the kind of co-operation that is necessary between our two jurisdictions?

You see, Mr. Speaker, of course that is why this resolution is before the House. This resolution need not be before the House, or the resolution, Sir, that has now been amended. There was no call for this resolution to be before the House. My Leader would have been the first one. He reluctantly brought this resolution, his original resolution, before the House. All that it required was the First Minister to acknowledge that a hurt had been done to American friends and neighbours, and to simply apologize on behalf of the government and the people of Manitoba. Had that been done, Sir, there would be no need for amendments, no need for this resolution, Mr. Speaker.

Mr. Speaker, I appreciate there are different reasons and there are different outlooks that all members have on the issue, and I would like to divide my comments on this issue in two very specific areas. There is, first of all, the very practical reason why we should want to have a good co-operative working arrangement with our jurisdictions immediately to the south of us, whether they be Minnesota, Minneapolis, or North Dakota, and indeed the American Governments and people as a whole, and Manitoba and Canada. And then, of course, there's the other side.

There's the moral issue that one can question and one can debate as to what the Ministers were doing in that particular demonstration. What were they demonstrating for? Mr. Speaker, I want to comment on that. I don't want to talk about what they were demonstrating against - not at all. I want to talk briefly about what they were demonstrating for; but first, Mr. Speaker, on the practical side.

Mr. Speaker, with this Minister, and this is the Minister that should be particularly aware of the need for some kind of action on the part of this government, on the part of this Minister, other than the wishy-washy resolution or amended resolution that he has now put before us in haste. It is that we have a number of serious and major outstanding problems that we can only resolve with the closest of co-operation, with genuine friendship, and without unnecessarily rubbing each other's wounds raw simply for third party reasons; and, of course, the most important one is the Garrison

issue. That's before us, and the interests of Manitoba are at stake here. It is not a question, and if I'm being asked - and I don't want to get into debate on this issue - if I have to make a decision, Mr. Speaker, whether I should represent the interests and the suffering, or whatever you want call it, the freedom or the lack of freedom for the people of Nicaragua, that is not my job. My job in this Chamber is to represent Manitobans first, and doubly so if I swear allegiance to Her Majesty the Queen and act as an Executive Council member. That's the first responsibility; and, Mr. Speaker, that isn't only the issue.

I know that Garrison of late has had the maximum amount of focus and attention on it but, Mr. Speaker, there are a host of other issues. We dealt with some just the other evening in the course of the debates on the Estimates of the Minister of Natural Resources. We have problems of mutual concern. Most of them have to do with the handling of water in one way or another. We have problems, long problems, that seek resolution with respect to construction of dams in the Pembilier River. We have problems around the Aux Marais, on the Buffalo Creek, and others, Mr. Speaker.

These are in our interests to be at peace with the Governor of North Dakota, to have a harmonious relationship with him - not to encourage the kind of confrontation that a certain spokesman for the citizens of anti-Garrison movement, a Mr. McKinney, I believe, that took umbrage because the Governor of North Dakota was invited to speak to the Saskatchewan Legislature. What kind of nonsense is that? I'm at least pleased, Mr. Speaker, when I stood in this House and asked Premier Howard Pawley, this Premier, to ask whether or not . . .

**MR. D. SCOTT:** A point of order, Mr. Speaker.

**MR. SPEAKER:** Order please.

**MR. H. ENNS:** . . . to assure the people of Manitoba that Governor Olson would be welcome in Manitoba.

**MR. SPEAKER:** Order please. The Honourable Member for Inkster on a point of order.

**MR. D. SCOTT:** On a point of order, Mr. Speaker, the member has just insulted one Gerry McKinney from Brandon, based on false accusations that have been reported in the media. If he would have the courtesy to call Mr. McKinney and to speak with him, he would find what Mr. McKinney had done; and what he had done, Mr. Speaker, was that he had protested the Premier of Saskatchewan, Premier Devine, for trying to use . . .

**MR. SPEAKER:** Order please, order please. The honourable member did not have a point of order.

The Honourable Member for Lakeside.

**MR. H. ENNS:** Mr. Speaker, all I know and I read from the reports is that there was an objection being made about Premier Devine inviting the Governor of North Dakota to address the Saskatchewan Legislature. Mr. Speaker, I have to acknowledge what's going on.

Allow me to go on, Mr. Speaker. I say these are the reasons from the very practical point of view. There

are, of course, many others; the other Minister that was present, representing in her capacity as Minister of Tourism. We have thousands, and we want to encourage many thousands of American tourists to make use of our facilities and leave some dollars behind in Manitoba and help out our revenue source from that particular point. There are all these practical reasons - even if honourable members want to take the position, okay, they've done no wrong; they have no need to apologize - okay, I won't even argue with that, Mr. Speaker, but the truth of the matter is our American friends believe they have. They have transmitted that to us, and not just in telephone calls or casual conversation. They've transmitted that to us in diplomatic language through Ottawa to this government, and it's for that reason that this resolution should be resurrected to its original form, Mr. Speaker, and passed speedily in this House.

I simply question, Mr. Speaker, why Ministers of this government have difficulty in putting their priorities first in recognizing that as how their heart may bleed for certain causes, their first responsibility is to the people of Manitoba; and if it's been indicated by a partner with whom we have to have and arrive at mutually agreed resolutions to certain problems such as Garrison, that he is aggrieved that they are aggrieved with us, that they view this as an unfriendly act and so transmit that by the diplomatic channels, why is there any hesitation on the part of the members opposite to apologize? Even if they do it with tongue in cheek and say, look it, we didn't really do anything wrong, but we'll apologize anyway because resolution of the Garrison problem is more important. The resolution of the Garrison problem is more important in the interests of Manitoba than whether or not a wrong was done or not. That's No. 1, Mr. Speaker; that's the practical reason of why this whole issue should be put behind us and put to rest.

Mr. Speaker, and let me tell honourable members opposite, this issue will not be put to rest with this kind of an amended resolution. This issue will not go to rest with this kind of resolution. It could have been. An adoption of my leader's resolution would have laid this issue to rest, would have put this issue behind us, but this kind of nonsense will not put the issue to rest.

Now, Mr. Speaker, let me speak of course a little bit about the other matter that I would like to address. Honourable members, the Honourable Minister, and others, spoke with some obvious sincerity about their reasons for being at that demonstration at which an American flag was burned. They suggest, Mr. Speaker, that of course they were doing it for the noblest and loftiest reasons. Let me ask you, what were they really demonstrating for, Mr. Speaker? That military dictatorship that they keep referring to is not in Nicaragua any longer. It has been thrown out some time ago.

As my leader says - they have another one, Mr. Speaker. What does that new government in Nicaragua stand for, Mr. Speaker? It, first of all, and most clearly stands for one thing, any semblance or lack of democratic concepts, as we know them, in North America in this Chamber in Manitoba. They've put aside all thoughts of elections, and it is not the same as had been suggested that when a fledgling nation like the 13 colonies that broke away from colonial rule in 1776

and took 7 years or 8 years to come to national elections.

That's not the same situation at all, Mr. Speaker, because you have a situation here that you have instant and close corroboration with. I ask honourable members, when was the last election held in Cuba? When did Fidel Castro last run in a primary, Mr. Speaker? One doesn't have to look about to far off worlds, something like that. That is the form of government, Mr. Speaker, that these Ministers were demonstrating for, Mr. Speaker. That is what they were demonstrating for - anti-elections, they don't believe, they believe a government that does not allow the people to democratically elect them is the kind of government that is worth demonstrating for.

Secondly, Mr. Speaker, the other kind of issue that they were demonstrating for - and I want the Honourable Member for St. John to hear this because this was brought about by the Pope's visit to that country a little while ago when the government, the Nicaraguan Government ordered all churches to provide the government their Easter morning sermons before they could be read from the pulpits of the church in Nicaragua. That's the kind of freedom. They will demonstrate for a government that demands the right to censor religious freedom in that country. They want that kind of . . . That's what they were demonstrating for, Mr. Speaker.

Finally then, of course Mr. Speaker, at what horrendous price is this government being sustained? If it was wrong for American boys to die in far-off Vietnam what makes it right for Cuban boys now to be dying in far-off Africa? I will tell you the price that Nicaragua will pay. They were demonstrating so that 10,000 to 12,000 to 15,000 young Nicaraguans can be fighting as surrogate soldiers for the USSR, their sponsors, in far-off Afghanistan, in Ethiopia, and wherever else USSR Imperialism wants to expand. That is what they were demonstrating for, so that youngsters will not be under - true, they will not be under Somoza's heavy-handed military dictatorship. They will fall under another heavy-handed dictatorship.

Mr. Speaker, as bad as the conditions were in Somoza's time - and I'm prepared to attest that they were awful, and they needed a revolution. But, Mr. Speaker, in Somoza's time there weren't too many . . . as in Batista's time there weren't too many Cubans dying in Africa. They are now dying in Africa every day.

That is what my honourable members were demonstrating for, Mr. Speaker. If they're happy with that, Mr. Speaker, if that charges up their turbines to get out there and wave placards, that's fine. Anti-democratic institutions, no elections, anti-religion, censorship of all church and state operations, and the future expansion of USSR Imperialism. That is what you were demonstrating for and I want honourable members to know that. That is what they were demonstrating for. Thank you.

**MR. SPEAKER:** The Honourable Member for Elmwood.

**MR. R. DOERN:** Thank you, Mr. Speaker. You know, Mr. Speaker, there are two great flag debates in Canadian history. One was, I think, in 1964 when Lester Pearson was Prime Minister and this is the second one.

Mr. Speaker, the thing that concerns me the most about this debate is the general position, and the general attitude of the members of the Progressive Conservative Party, in particular their leader, because they have clearly created the impression, Mr. Speaker, that they are slavishly following the American line on foreign policy. That is the kind of impression that they are giving, that they want to follow the American position on South America and Central America, and as one of the backbenchers said, Mr. Speaker, if it's good enough for President Reagan then it's good enough for him.

Mr. Speaker, the problem is that they have forgotten that they are Canadians and Conservatives. What they are acting like, Mr. Speaker, is U.S. Reaganite Republicans.

Mr. Speaker, I reserve the right to disagree with American foreign policy. I reserve the right to disagree with Canadian foreign policy. Mr. Speaker, I reserve the right to discuss and debate U.S. foreign policy with Canadians whether it's over NATO or NORAD or the OAS, or whether it is with Americans in regard to their policies in regard to international affairs anywhere in the world. I reserve that right. I reserve that right to debate with anybody else from any other nation. I think it's a fundamental matter of speech. It's a fundamental right that Canadians have.

I want to remind the members opposite, who seem to think that anything, any policy or posture adopted by the present administration in Washington is good enough for them, that there have been some differences over the years, and that some of their greatest leaders, namely Macdonald felt, on occasion, that the Canadian Government should not follow either the lead, if you like, or the position of Great Britain, or of the United States.

Mr. Speaker, John A. Macdonald wrote a letter to Tupper when he was Prime Minister concerning a British proposal to send Canadian troops to the Sudan and this is what he said. He said "Why should we waste money and men in this wretched business. Our men and money would be sacrificed to get Gladstone and Company out of the hole they have plunged themselves into by their own imbecility." Well that's Macdonald on whether or not Canada should join Great Britain in the Sudan. And what it . . .

Well, you know, the Leader of the Opposition says - that's not at issue. He says it's not at issue, yet he and his colleagues clearly have been arguing for days and weeks and months that we should be in line with the United States in regard to their policy on Central and South America. They want us to have the same position as the Americans on Nicaragua, on El Salvador, on any other nation in the Western Hemisphere. They want us to have the identical policy.

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

**MR. SPEAKER:** Order please, order please. I'm having some difficulty in hearing the Honourable Member for Elmwood. I hope that members would give him the same courtesy of a hearing that they would expect for themselves.

The Honourable Member for Elmwood.

**MR. R. DOERN:** Mr. Speaker, John Diefenbaker, who is dear to the hearts of all Conservatives, or nearly all

Conservatives, when he was Prime Minister said this on foreign policy, "We shall be Canadians first, foremost and always and our policies will be decided in Canada and will not be dictated by any other country."

Mr. Speaker, I am a Canadian and I support an independent foreign policy for Canadians and I find it embarrassing indeed that the members of the Progressive Conservative Party appear to be slavishly following the American line on foreign policy.

Mr. Speaker, I would like to remind you of some differences that we have had in the 20th Century, let alone the 19th. Let's leave the 19th Century aside. I remind members opposite that when it came to the Boer War, Canada was involved along with Britain. The United States did not get involved in that particular affair which went from 1899-1902. In World War I, Canada declared war in 1914 and the United States went into that war in 1917. In 1939, we went into the Second World War and the United States went in after Pearl Harbour in 1941. In the Korean War we both went in, in 1950 and in Vietnam the Americans were in, the Australians were in and the Canadians were out.

The point I'm trying to make, Mr. Speaker, is that members opposite give the impression that it is somehow or other wrong in principle for Canadians to take a position on Central American and South American issues that differs from the United States.

**HON. S. LYON:** Cabinet Ministers shouldn't march in front of Consulates. It's not done. The Americans asked for assurance it wouldn't happen again. What do you say about that? Get to the point, if you can.

**MR. R. DOERN:** Mr. Speaker, I think that all of us want a foreign policy that is made in Ottawa by Canadians, not made in Washington by Americans. That is the point. And we have the right as free Canadians to convey to any of our allies at any time our disagreement with their particular stand. They are friends of ours. They are allies of ours. Who are they going to listen to if they don't listen to us? Are they going to listen to the other side, or are we going to tell the other side what to do, namely the Warsaw Pact? - no. We're going to talk to our own colleagues and to our own neighbours and tell them what we think about a policy which vitally affects us.

Mr. Speaker, if I had the time I would read this editorial. I might be able to read an excerpt from this, of the Edmonton Journal which did not care for the posture of the Leader of the Opposition. Edmonton Journal, Wednesday, April 6th - I don't know if the Edmonton Journal is a New Democratic Paper, it's got to be a Conservative paper; it has to be a Conservative paper. Mr. Speaker, they said as follows, they titled the editorial "The Flag of Hypocrisy" and they said, and I'll read just a couple of paragraphs, "Manitoba Opposition Leader, Sterling Lyon, is making a spectacle of himself by injecting silliness and hypocrisy into his province's burning flag debate. Perhaps he cries out because he has wrapped himself too tightly in the Stars and Stripes while trying to defend Uncle Sam's pride . . ."

**HON. S. LYON:** The State Department didn't complain about me, they complained about Mackling.

**MR. R. DOERN:** ". . . a protest which even outdoes Washington's protest about the burning of a U.S. flag during a demonstration in front of the American Consulate in Winnipeg two weeks ago."

Mr. Speaker, they said that the Leader of the Opposition demanded an apology and so on. Then they said that at this point or at this stage that the great flag debate swerved into the gutter and, Mr. Speaker, I think this is a fairly scathing editorial. I'll read the conclusion. "Unlike the NDP Ministers at the U.S. flag incident, Lyon did not disassociate himself from the burning of the Soviet hammer and sickle, instead," — (Interjection) — well, look, don't argue with me, argue with the Edmonton Journal.

**MR. SPEAKER:** Order please, order please.

**MR. R. DOERN:** Instead, Lyon went in the opposite direction and he said, "I think that was the proper thing to do." In other words, it's okay to burn a Commie flag but not the Stars and Stripes. And here's what Mark Andrews said, Mr. Speaker. — (Interjection) — Well, you know, Mark Andrews, the Senator from North Dakota. He said, "Nobody is paying much attention in the U.S. to the Minister's participation in the demonstration."

"Hopefully," says the Edmonton Journal, "no one's paying much attention to Lyon, either. After all, it's easy to use his hypocrisy to strip off that false Uncle Sam suit, exposure of his naked demagoguery, his partisanship pumped up by self-righteousness would be too embarrassing to behold."

Well, Mr. Speaker, that isn't what I said. That is pretty strong talk coming from a so-called independent observer, a newspaper in Alberta, in the heartland of the Conservative Party in Western Canada, probably the home of Peter Pocklington and Peter Lougheed and all those other Peters that represent the Conservative Party in our country.

Mr. Speaker, friends of mine who have just come back from the United States who took holidays in Arizona, people who were wintering there, people who are retired and spent time in Arizona and Miami tell me that the papers are full of criticisms of the Reagan Government and its foreign policy. They are opposed to the involvement . . .

**MR. H. ENNS:** How about the papers in Nicaragua . . . they've just stopped the presses . . . that's what you were demonstrating . . .

**MR. SPEAKER:** Order please.

**MR. R. DOERN:** Mr. Speaker, I'm trying to tell the Member for Lakeside that Americans, too, in great numbers, newspapers, political leaders and millions of Americans do not agree with the involvement of the United States because they're trying to avoid another El Salvador, they're trying to avoid another Vietnam.

Mr. Speaker, I think I have another five minutes. I simply conclude by saying, well, I won't conclude, I simply continue, Mr. Speaker, so as not to conclude. I don't want to repeat what happened to my colleagues.

Mr. Speaker, I want to say, in stopping my speech for the night, with five minutes to go, that we should

be following a Canadian policy developed in Ottawa. We shouldn't be following a policy that is made in Washington for Americans, and we have every right to disagree with our friends and our neighbours and our allies on any question of foreign policy.

**MR. SPEAKER:** Order please. When this resolution is next before the House, the honourable member will have eight minutes remaining.

The time being 5:30 p.m., I'm leaving the Chair to return at 8:00 p.m. this evening.