

LEGISLATIVE ASSEMBLY OF MANITOBA

Friday, 14 May, 1982

Time — 10:00 a.m.

MR. CLERK, Jack Reeves: I must again inform the House of the unavoidable absence of our Speaker and ask the Deputy Speaker to take the Chair of the House in accordance with the Statutes.

OPENING PRAYER by Mr. Deputy Speaker.

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

MINISTERIAL STATEMENTS AND TABLING OF REPORTS

MR. DEPUTY SPEAKER: The Honourable Minister of Finance.

HON. VIC SCHROEDER (Rossmere): Thank you, Mr. Speaker, I have a statement to make.

Mr. Speaker, I'm rising to announce our government's decision to take immediate action to alleviate any hardship which might otherwise arise and persist for service station operators in direct competition with Saskatchewan service stations. Effective immediately, we are announcing a system of graduated gasoline and diesel fuel tax to assist such operators. Under the proposed system, we will provide 100 percent relief to service station operators in the same community as Saskatchewan retailers. In Flin Flon, Mr. Speaker, your home riding, the provincial assistance will be equal to 6.4 cents per litre for clear gasoline and 77.3 cents a litre on clear diesel fuel. That's in the city of Flin Flon.

In addition, we'll provide assistance for service station operators within certain distances of the nearest Saskatchewan competition. The assistance will be 4.8 cents a litre for clear gasoline and 5.5 cents a litre for clear diesel fuel for operators within 20 kilometres of the nearest Saskatchewan competition; 3.2 cents a litre for clear gasoline and 3.7 cents a litre for clear diesel fuel for operators within 40 kilometres of the nearest Saskatchewan competition; 1.6 cents a litre for clear gasoline and 1.8 cents a litre for clear diesel fuel for operators within 60 kilometres of the nearest Saskatchewan competition. There will be no assistance for service station operators further than 60 kilometres away from the nearest Saskatchewan competition.

Our government feels that this assistance is essential to preserve the competitive position of Manitoba service stations operating close to Saskatchewan service stations in light of Saskatchewan's recent decision to eliminate taxation on gasoline and diesel fuel. It is expected that operators will reduce their retail prices by the full amount of the assistance. For that reason as well, the assistance measures are effective immediately. Legislation authorizing the new assistance measures will be included with the amendments to The Gasoline and Motive Fuel Tax Acts arising from my May 11th Budget Address.

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

MR. A. BRIAN RANSOM (Turtle Mountain): Mr. Speaker, we in the Opposition thank the government for taking this action at the urging of the Member for Roblin-Russell. It is the sort of action that was required, Sir, in order to make the service stations along the borders, to put them into a competitive position once again and I commend the government for taking this action.

MR. DEPUTY SPEAKER: The Honourable Minister of Health.

HON. LAURENT DESJARDINS (St. Boniface): Mr. Speaker, in keeping with my customary practice of regularly informing the House of the status of negotiation with the Manitoba Medical Association, I would like to table the most recent report from the Chairman of the Commission's bargaining team which reads: and this is from Gordon Pollock, Q.C., Chief Negotiator, Manitoba Health Services Commission,

"At a meeting between the Manitoba Medical Association and the Manitoba Health Services Commission negotiating teams held in the MMA office on Thursday, May 13th, 1982, the MMA representatives refused to move from a 32.8 percent increase which equates to a \$31,160 average increase per full-time physician. They were asked to provide a more meaningful proposal but insisted that the MHSC should up its offer of a \$9,000 increase per average full-time physician. They walked out of the meeting despite the MHSC's plea to remain so that the Commission could place a revised position on the table. We are hopeful that the MMA will be in touch with us soon in order that negotiations can continue." Signed, Gordon McCaffrey for Gordon Pollock, Q.C.

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

HON. STERLING LYON (Charleswood): Mr. Speaker, we of course welcome the Minister's desire to keep the House apprised of progress in these matters. I wonder, and I'm sure that he will wonder having read the document, whether the kind of information that he presents this morning is helpful to the continuing negotiating process but we thank him for the general report on progress. He may wish to give some consideration as to the more generalized nature of reporting hereafter.

MR. DEPUTY SPEAKER: The Honourable Minister of Health.

MR. DESJARDINS: Mr. Speaker, I think that I owe an explanation to the Board. — (Interjection) — All right, I'll make that during the question period.

MR. DEPUTY SPEAKER: Ministerial Statements and Tabling of Reports . . . Notices of Motion . . .
The Honourable Attorney-General.

INTRODUCTION OF BILLS

HON. ROLAND PENNER (Fort Rouge) introduced Bill No. 28, An Act to amend Various Acts relating to the Courts of the Province.

HON. A.R. (Pete) ADAM (Ste. Rose) introduced Bill No. 32, An Act to amend The Municipal Act; and Bill No. 33 An Act to amend An Act respecting the Assessment of Property for Taxation in Municipalities in 1981 and 1982.

COMMITTEE MEETING AND CHANGE

MR. DEPUTY SPEAKER: The Honourable Attorney-General.

MR. PENNER: Just before Oral Questions, Mr. Speaker, I would like to announce a meeting of the Committee on Privileges and Elections for Thursday, May 27th at 10:00 a.m. to further consider the selection of an Ombudsman and I would like to announce a substitution on that committee. There had been a previous substitution for the Honourable Member for Springfield and I'm now substituting back the Honourable Member for Springfield to sit on the committee in place of the Honourable Member for Rupertsland.

INTRODUCTION OF GUESTS

MR. DEPUTY SPEAKER: Before we proceed to Oral Questions, there are a number of visitors and groups in the galleries.

I'd like to direct the members attention to the gallery on my left where we have 40 students of Grade XI Standing from the Lord Selkirk High School. These students are under the direction of Mr. D. Wvisnusi and are represented by the Honourable Member for Elmwood.

As well we have 26 students of Grade VII Standing from the Kleefeld School under the direction of Mrs. Webber and these students are represented by the Honourable Member for LaVerendrye.

In addition there are 70 students of Grade 3 Standing from the Westgrove School under the direction of Mrs. Philips. These students are represented by the Honourable Leader of the Opposition.

On behalf of all the members of the Legislative Assembly, I welcome you here this morning.

ORAL QUESTIONS

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

MR. G.W.J. (Gerry) MERCIER (St. Norbert): Mr. Speaker, my question is to the Honourable Minister of Municipal Affairs. In view of his assurances last week to the Committee of Supply considering his departmental Estimates, that he would have his Main Street program approved by Cabinet on Wednesday of this week and his advice to the House on Wednesday that he would have an announcement of the plan yesterday in the House, could the Minister indicate if he will have an announcement today

on the Main Street Program?

MR. DEPUTY SPEAKER: The Minister of Municipal Affairs.

MR. ADAM: Thank you very much, Mr. Speaker. I'd like to advise the honourable member that I did not indicate that I would be making a statement on Thursday. I said I had hoped to be able to make a statement on Thursday.

We have approved a model package for the Main Street Program but I'm still looking at further improvements and refinements. Mr. Speaker, this would be a first for Manitoba, the Main Street program. We do not have the benefit of experience of how this kind of a program will work so, Mr. Speaker, in coming up with a package for the Main Street program, we would like to come up with a program that will be gone over very thoroughly; that there will not be any problems in the program and I think we want to come up with a program that the province can be proud of and the people of Manitoba will be complimented for, and I don't intend to be stampeded.

It is not my intention, Mr. Speaker, to be stampeded into a program that is poorly thought out. Rather, Mr. Speaker, I want to come up with a program that we can be proud of when it is finally introduced.

MR. MERCIER: Mr. Speaker, in view of the fact that the Minister indicated to Committee of Supply last week that he'd had his program before Cabinet for weeks and he's been unsuccessful in getting a program through Cabinet, could he indicate whether it's members of the Executive Council who are doing the stampeding?

MR. ADAM: Mr. Speaker, I realize the honourable members opposite are impatient. I want to advise them that I am also impatient but, I will not be rushed into come up with a program that is not fine-tuned and perfect.

It is a first-time program for Manitoba. We have looked at other programs in other areas, Mr. Speaker, and we want to try and even improve on those programs that are in neighbouring provinces. I will be making an announcement very very soon. But, again, I will not be stampeded by members opposite.

MR. MERCIER: Mr. Speaker, I have a supplementary question to the Minister of Finance. In view, Mr. Speaker, of the fact that in 1977 gross realty taxes on a house in the City of Winnipeg, School Division No. 1 were \$911.01, and in 1981 they were \$1,039.34, an increase of \$178.03; in 1982 the increase alone on that average home assessed at \$7,000 is \$180.14 more than the accumulated increases over four years under Progressive Conservative Government, would the Minister of Finance who distributed to City of Winnipeg taxpayers a pamphlet indicating that the Provincial Government is providing improved assistance to municipalities, would he issue an addendum to every taxpayer in the City of Winnipeg explaining how in one year under this government the tax increase on an average home is greater than the tax increase on that home over a four-year period under Conservative Government?

MR. SCHROEDER: I'm wondering whether the member is asking, what? The member is a former City Councillor. I believe he understands how Budgets are set by the City Council. The City Council makes spending decisions and it also makes revenue decisions. I want to tell the Member for St. Norbert that when the —(Interjection)— I'm trying to and I'm trying to explain it very carefully so I don't have to answer it three times.

When the city sets up its revenue projections, it projected a specific number of dollars that it expected or hoped to get from the province; that was before we had discussed it with the city. We in fact, delivered what they expected, what they asked us for and we delivered a lot more than an inflation raise to the City of Winnipeg because we had criticized that previous government for year in and year out refusing to provide full inflation increases from 1977 and during that time services by the City of Winnipeg declined substantially. From 1977 to 1981 services declined and you can ask any taxpayer in the City of Winnipeg. They would agree with that.

In '82, if the City of Winnipeg decides not to reduce its services or to improve them, that is up to the City of Winnipeg Council. We will not tell the Council of the City of Winnipeg what kind of services they should provide. We didn't tell them anything about transit other than if they wanted increased funding from us with respect to transit, then there would be a string attached and the string would be that there would be no increase in transit fees.

MR. MERCIER: Mr. Speaker, due to the fact that water rates in the City have risen 25 percent, the ambulance fee increases have risen by \$15 to \$75, the Minister of Finance and the Urban Affairs Minister have caused a reduction in the Capital Budget of the city through their financing program, Mr. Speaker, and in view of the fact that net realty taxes in 1971, assuming a minimum property tax credit on an average home assessed at \$7,000 were \$686.01, and in 1981 they were \$764.34, meaning an increase of \$78.03 over a four-year period under a Conservative Government, and in 1982 those taxes have increased by \$180.14; in one year almost doubled the increase over a four-year period under a Conservative Government, Mr. Speaker, would the First Minister, who signed an election promise guaranteed by him to ease the property tax burden for municipal taxpayers in the Province of Manitoba, would he now admit, Mr. Speaker, that he misled the people of Manitoba with that promise?

MR. DEPUTY SPEAKER: The Honourable Minister of Consumer and Corporate Affairs.

HON. EUGENE KOSTYRA (Seven Oaks): Thank you, Mr. Deputy Speaker, the facts of the matter are that the City of Winnipeg is receiving more assistance both in dollar terms this year than it has ever received from the Provincial Government in the past; it's receiving a greater increase than it's ever received in the past from the Provincial Government, both in actual dollar terms and percentage terms. The member seems to forget what happened during his four years in government. In 1977, Mr. Speaker, the total amount of

provincial assistance to the City of Winnipeg was in the neighbourhood of \$52 million; the following year that assistance decreased to the City of Winnipeg to the tune of \$50 million. There was a decrease in total assistance to the City of Winnipeg in the first year of the previous government. We took a different approach with respect to financial assistance to the City of Winnipeg, not waiting just before an election year, Mr. Speaker, to provide substantial increased funding to the City of Winnipeg. We met with the City of Winnipeg, reviewed their needs and, in fact, as the Minister of Finance outlined we gave them grant assistance, exactly what they had budgeted for in their budget, Mr. Speaker. In fact, the total assistance to the City of Winnipeg by the province this year is in excess of \$78 million and in percentage terms Mr. Speaker, that's an increase in excess of 17 percent, just about 18 percent, 17.9 percent to be exact, Mr. Speaker.

MR. MERCIER: Mr. Speaker, what we were concerned with in government is the net tax bill to the property taxpayer in the City of Winnipeg and through a combination of education financing, City of Winnipeg financing and special grants, we were concerned with that net tax bill, Mr. Speaker. My question, Mr. Speaker, is to the First Minister. In view of the fact that the net realty tax bill to the owner of an average home in the City of Winnipeg assessed at \$7,000 has more than doubled in one year compared to four years under our government, would he instruct his Minister of Finance to issue an addendum to the City of Winnipeg taxpayers to withdraw the statement that his government is providing improved assistance to municipalites?

MR. DEPUTY SPEAKER: The Honourable First Minister.

HON. HOWARD PAWLEY (Selkirk): Mr. Deputy Speaker, I note what we refer to here frequently, the selective amnesia on the other side of the Chamber. It was the Leader of the Opposition, only the other day, that was accusing government of spending money like drunken sailors, again and again was the repeated comment by the Leader of the Opposition, insofar as this government's spending. The Minister responsible for Urban Affairs has just noted that last year we did pay the City of Winnipeg more dollar-wise, more by way of percentage increase than at any other time previous in the history of the province insofar as the Provincial Government and the City of Winnipeg.

Now, Mr. Speaker, you can't have it both ways. Either we are, as the Leader of the Opposition suggested, spending money like drunken sailors or we are doing as the Minister of Urban Affairs is now saying, we're being penny-pinching with the ratepayers of the Province of Manitoba. Mr. Speaker, I suggest that both, indeed, are gross exaggerations and this government is handling the financial affairs of this province in a manner that is not a repeat of the acute protracted restraint process that took place during the years of their administration when, indeed, their government transferred massively onto the backs of local taxpayers and local ratepayers a tremendous burden, Mr. Speaker. What, indeed, this government is doing is acting in a fiscally responsible manner, prudently,

insofar as this programming is concerned.

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

MR. RANSOM: Mr. Speaker, my question is to the Minister of Finance. Can the Minister of Finance advise the House how much it will cost the taxpayers of Manitoba to collect the payroll tax which he announced in the Budget?

MR. SCHROEDER: Mr. Speaker, as indicated in the Supplementary Estimates, the levy for health and post-secondary education will cost approximately \$1 million to collect and in a full year that would work out to just under 1 percent of the payment.

MR. RANSOM: Mr. Speaker, in view of the fact that it will cost at least \$1 million to collect this tax, can the Minister advise how many new Civil Service positions will be created to collect this tax?

MR. SCHROEDER: Mr. Speaker, certainly a lot less than are required in Ontario where the —(Interjection)— they've also got some difficulty, Mr. Speaker, with respect to the cutback in revenues from the Federal Government but in Ontario, of course, it's only the EPF; in Manitoba it's equalization as well. We are all in Canada, whether the Member for Tuxedo realizes it or not —(Interjection)— maybe not in Tuxedo, but in other parts we are having some financial difficulties.

In order to collect revenue you have to have staff. Ontario happens to collect it from individuals. They collect \$648.00 from every family in Ontario for the medical premium; \$648.00. It doesn't matter whether you're rich or poor, but they have a staff and I can assure the member that takes a lot more staff per capita than the staff that we will be providing, considerably. And again, what we are doing is collecting from fewer groups, from workplaces rather than from individuals. We are collecting pre-tax rather than post-tax and we will see exactly the number. I don't have the exact number.

MR. RANSOM: Mr. Speaker, we're getting a little fed up with these kinds of answers, or non-answers, from the Minister of Finance when he has a direct question placed to him and he refuses to answer it. The question was simply, how many new staff will be required? If he doesn't know then all he need do is say so. And as a supplementary to the Minister of Finance, Mr. Speaker, can he now answer the question as to what percentage of the payroll from which this tax is going to be collected, what percentage of that payroll is already paid by tax dollars?

MR. SCHROEDER: Mr. Speaker, I answered that question yesterday.

MR. DEPUTY SPEAKER: The Honourable Member for Thompson.

MR. STEVE ASHTON (Thompson): Thank you, Mr. Deputy Speaker. I have a question for the Minister of Health. I was wondering if the Minister of Health could indicate why he chose today to make the Ministerial

Statement he made earlier.

MR. DEPUTY SPEAKER: The Honourable Minister of Health.

MR. DESJARDINS: Mr. Speaker, I must admit that I'm taken by complete surprise by this. Nevertheless, in view of the statement that was made that could be misleading or impute motive, I'd like to answer that question. I think that the suggestion of the Honourable Leader of the Opposition is very valid. I think that under ordinary circumstance this is not the way to negotiate. The Chairman of the Manitoba Health Services Commission though, requested that I make the announcement because at many times, he has suggested, or the negotiator of the Manitoba Health Services Commission has suggested, that no announcement be made and the MMA have refused to do that and after every meeting they make a release to their members and to the press and it is for that reason, at the request of the Chairman of the MMA, that I read, without any comments, his statement as to the meeting that was held yesterday.

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

MR. LYON: Mr. Speaker, we wish to thank the Minister of Health for his spontaneous addition and addendum to his statement. Would he not agree however, Mr. Speaker, that in the ordinary circumstance with respect to negotiations with the medical profession, the negotiations the Minister of Labour presumably is carrying with the MGEA, that it's best, in the public interest, that the negotiating techniques be left to the negotiating table and that was merely the purport of my suggestion? Would he not agree that is usually the better practice?

MR. DESJARDINS: Mr. Speaker, without any hesitation at all I would agree to that and, I repeat, this is the reason why the Manitoba Health Services Commission, the chief negotiator, had suggested to the MMA at the first meeting they held since resuming negotiations, that be handled in this way and the MMA have refused to do it and the Commission felt that if that was the case they had no alternative but also to present their position to the public.

MR. DEPUTY SPEAKER: The Honourable Member for Kirkfield Park.

MRS. GERRIE HAMMOND (Kirkfield Park): Mr. Speaker, to the Minister of Finance. Does the increased tax on insurance premiums apply to pensioners' life annuities?

MR. SCHROEDER: Mr. Speaker, I don't believe it does, but I will take that question as notice.

MR. DEPUTY SPEAKER: The Honourable Member for Niakwa.

MR. ABE KOVNATS (Niakwa): Thank you, Mr. Speaker. My question is to the Honourable Minister of Finance. Does the Honourable Minister intend to

evaluate, for payroll tax, the benefits of a clergy receiving a rental house or a rental car as part of his or her salary?

MR. DEPUTY SPEAKER: The Honourable Minister of Finance.

MR. SCHROEDER: Mr. Speaker, what we are dealing with is a total compensation package for tax purposes and that particular component is not taxable for tax purposes as the member should well know, and therefore wouldn't be included in the compensation package.

MR. KOVNATS: To the Honourable Minister of Finance. These questions are really coming about from a discussion that I've had with some of the clergy. Does the Honourable Minister intend to bring in any type of measures to compensate the clergy for duties they perform at no charge on behalf of the Provincial Government?

MR. SCHROEDER: Maybe the member could give me a list of the examples and we can take a look at that.

MR. DEPUTY SPEAKER: The Honourable Member for Pembina.

MR. DONALD ORCHARD (Pembina): Thank you, Mr. Deputy Speaker. My question is for the Minister of Finance. Will companies with head offices in Manitoba be required to pay the payroll tax on wages paid to employees in Saskatchewan, Alberta or Ontario?

MR. SCHROEDER: Mr. Speaker, I suppose one can only sympathize with a member who would ask that kind of a question but maybe I should explain to him that tax is currently in existence and as he well knows, has been in existence for many years in Quebec and that type of activity hasn't occurred there.

I can assure the member that what we are looking at is people who are using the health and post-secondary education system in the Province of Manitoba and that includes all employers in the Province of Manitoba who have employees in the Province of Manitoba; not employees in Saskatchewan; not employees in Ontario, but employees in Manitoba. I would have thought that the members today would have been asking something about the sales tax on restaurant meals, how that affects restaurants and what will happen, because in Dryden if a high-school child buys a 25-cent coke tomorrow, he's going to have to pay sales tax on that today. —(Interjection)—

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

MR. RANSOM: Mr. Speaker, the question period is the time for the Opposition to ask questions; for the government to provide answers or to fail to provide answers. It is not a time to be lectured by the Minister of Finance about events that are taking place in Ontario.

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

Honourable Minister of Finance.

MR. SCHROEDER: Mr. Speaker, on that point of order, the Member for Turtle Mountain just a few minutes ago stood up and lectured me about an answer I had given because I told him that I had answered him the day before. If he doesn't want any comments on his questions then I would prefer him not to give any comments on my answers.

MR. DEPUTY SPEAKER: The Honourable Member for Pembina on the same point of order.

MR. ORCHARD: Thank you. No, not on the point of order. I have a supplementary, Mr. Speaker, to the Minister of Finance. Now I can understand why the bureaucracy will increase and it'll cost more than a million dollars to collect this payroll tax.

In the instance, Mr. Speaker, of a long-haul trucker who travels from province to province and approximately 25 percent of his wages are paid for mileage and work done in Manitoba, will his entire wage be subject to the payroll taxation when only a portion of it is generated from employment in Manitoba?

MR. SCHROEDER: Well, Mr. Speaker, maybe the member could list up all of those types of questions that he has and provide them to me and I will give him an answer to all of them at once.

MR. ORCHARD: Mr. Speaker, I would appreciate, as would many of the employers and employees in the Province of Manitoba having the Minister of Finance provide that information as quickly as possible so that all Manitobans might know of the impact of his payroll tax on their personal fortunes.

MR. DEPUTY SPEAKER: The Honourable Minister of Finance.

MR. SCHROEDER: Well, Mr. Speaker, the member would obviously know that this particular levy would apply in the same fashion as the Workers' Compensation or other levies.

We have worked out these kinds of problems with every other levy that we do levy on employers and I can assure the member that we will work it out with respect to this particular levy.

Just while I'm up, the member for one of the west Winnipeg ridings — I don't remember the name of it — asked about the levy applying to life insurance. I can tell her that it does not apply to life insurance.

MR. DEPUTY SPEAKER: The Honourable Member for Assiniboia.

MR. RURIK (Ric) NORDMAN (Assiniboia): To the Minister of Finance. How will the payroll tax relate to commissioned sales people? These are people that make their living exclusively by commission; no wages, just commission.

MR. SCHROEDER: Mr. Speaker, it doesn't come off commissions but employers pay the levy on the basis of 1.5 percent of the compensation package.

MR. DEPUTY SPEAKER: The Honourable Member for Kirkfield Park.

MRS. GERRIE HAMMOND (Kirkfield Park): To the Minister of Finance. He indicated that the premium wasn't on life insurance. There's a difference between life insurance and life annuities which affect pensioners' incomes. That's what I was asking about and I'm still asking that same question.

MR. SCHROEDER: Well, Mr. Speaker, the 3 percent insurance levy is on insurance other than life, accident, sickness and is not on annuities.

I should say as well, Mr. Speaker, that it is a premium tax. It is not a benefits tax, number one. Number two, there are four or five other provinces levying the tax at 3 percent right now and if we don't levy it, what it means —(Interjection)— Well, the Leader of the Opposition obviously doesn't understand the question that his backbencher is asking. We're talking about insurance premiums. He's as confused as he usually is and just as confused as he was yesterday in the question period.

If we don't levy this tax on insurance premiums then what happens with respect to the tax agreement that we have throughout Canada is that an insurance company that sells these premiums throughout the country deduct it from income in those other provinces, the other provinces get the money and Manitoba winds up actually collecting less income tax because of the fact that we haven't levied up to the same rates as the other provinces. We just can't afford to do that.

MR. DEPUTY SPEAKER: The Honourable Member for Lakeside.

MR. HARRY ENNS (Lakeside): Mr. Speaker, I direct this question to the First Minister in the absence of the Minister of Government Services.

Mr. Deputy Speaker, I've desisted from asking this question up to now. It has to do with the continued reports to the media for the last several weeks now about a senior civil servant in the Department of Government Services, that it is being suggested may be charged with some wrongdoing.

I do not ask the question about the civil servant in question, but I ask the First Minister if he will not agree with me, that it's incumbent that the government move on this matter as quickly as possible. Inasmuch as the charges or allegations as they are currently being reported in the paper, all senior servants in the Department of Government Services are under some cloud of suspicion and I happen to have some concern about them, having had the privilege of working with many of them.

MR. DEPUTY SPEAKER: The Honourable the First Minister.

MR. PAWLEY: Mr. Speaker, as this is a matter before the courts I would refer the question to the Attorney-General.

MR. DEPUTY SPEAKER: The Honourable Attorney-General.

MR. PENNER: Yes. The Honourable Member for Lakeside is usually reasonably responsible — unlike some others on that side — and I would caution against dealing with a matter that is under police investigation. My staff are monitoring the course of that investigation virtually on a day-by-day basis and I am apprised of the progress of the investigation.

I would like to assure the honourable member and members of this House that great care is being taken to make sure that no one's rights, especially the rights of any potential accused are being prejudiced, and it would be greatly prejudicial at a premature stage of investigation to say more than the investigation is continuing and a report in fact is now being looked at by senior Crown attorneys.

MR. ENNS: Mr. Deputy Speaker, I'm prepared to leave it at that. But I'm sure the Attorney-General who is also in charge of the Human Rights Commission must have some concern about —(Interjection)— the Human Rights Commission, must have some concern about these kind of stories that are circulating in the public domain, in the media now for several weeks and always referring to a senior civil servant in the Department of Government Services. There are many senior servants in the Department of Government Services and there is a problem. I do not press the particular issue and I accept the answer the Attorney-General has given me with respect to the matter that is under consideration but I am concerned about the integrity and the reputation of the Deputy Minister of Government Services and a host of other senior members of the department that I think stand in some jeopardy, or at least cannot be feeling all that comfortable, as long as this is not being cleared up.

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

MR. RANSOM: Mr. Speaker, I rise on a point of order. In his answer to the Member for Lakeside, the Government House Leader said that some of the members on this side of the House were irresponsible. I would draw to your attention, Sir, the Citation in Beauchesne, the Fifth Edition, on Page 107, where that charge of irresponsibility is one that is unparliamentary and I would ask that the Government House Leader withdraw it.

MR. DEPUTY SPEAKER: The Honourable Attorney-General.

MR. PENNER: Mr. Speaker, I gladly withdraw it and I would substitute the phrase "that there seems to be evidence of diminished responsibility on the part of certain members of the Opposition."

MR. MERCIER: Mr. Speaker, I have a question for the Minister responsible for the Workers Compensation Board.

It was on or about March 25th of this year that the Minister indicated that within a few weeks he would be in a position to file in this House his own summary of the private investigation into the allegations against the operation of the Workers Compensation Board. It being some seven weeks later, could the Minister

indicate, Mr. Speaker, in two or three words, the date that he will be filing his summary in the House?

MR. DEPUTY SPEAKER: The Honourable Minister of Northern Affairs.

HON. JAY COWAN (Churchill): I certainly cannot indicate in two or three words the answer to that question, but I do want to provide some information to the member who has requested that information, not only on this occasion but on numerous other occasions.

I apologize to him for having provided an answer previously that would indicate, and it clearly did indicate, that we would have that report ready much sooner than we have had that report ready. I assume full responsibility for that, having received the report and knowing full well that there were problems which had to be confronted in a very serious and comprehensive way with the Workers' Compensation Board, I had anticipated that we would be able to go through that report, to edit that report in such a way as to ensure the confidentiality of those individuals who, in fact, were given those assurances of the confidentiality when they made testimony to the person undertaking that review and at the same time, to try to deal with some of the serious concerns which were outlined in that report.

I was unable to do that and I apologize to the member for having created expectations which I could not fulfill and, at the same time, I apologize to those members of the general public who have come forward as a result of those expectations anticipating that report to be tabled at this time.

Having said that, I can offer my assurance that the delay is not in any way intended to diminish the impact of the effect of that report but has, in fact, been undertaken so we can assure ourselves that we have put in place proper mechanisms to deal with some of the concerns which are expressed in that report at the time of the tabling of that report so for that reason, while it is unfortunate and regrettable that it has taken so long, I think it is in fact beneficial to the long-term objectives of this government to better the workers compensation system so that it provides the type of assistance and assurances which it should to injured workers.

I will be tabling that report in the near future; I will do so as soon as it is possible and I will do so in such a way so as to ensure that the objectives of the government are being met when that report is being tabled and so that injured workers are getting the best benefit from that report that is possible.

MR. MERCIER: Mr. Speaker, the Minister seems to take some enjoyment out of the game he plays in taking as long as he can to answer a very simple question.

Mr. Speaker, would the Minister now agree with the Ombudsman that the government proceeded in the wrong manner, that they should have proceeded with a public inquiry rather than a private inquiry, as a result of which the only information that the House is going to get is his edited version of what was contained in the report?

MR. COWAN: No, I can't agree with the criticism that

the Ombudsman levied against the procedures which we followed, although I accept those criticisms in the way in which they were given, and that was in a public way without the appropriate, what I would believe, the appropriate discussion with members who were responsible for that decision previous to making that criticism; but that having been accomplished, we accept it in that way.

We do believe and we have stated, not only when we rescinded the Nitikman Inquiry and put in place this review, but throughout the course of this Review and throughout the course of our answers which, by the way, are detailed not because I enjoy some vicarious pleasure from giving such detailed answers, but because I believe that the members opposite want that type of detail so that they can judge the answers which I give them in an effective way, and that the public and the people of this province who are listening to those answers, through the mechanism of this Legislature, also have that detail available to them. If they're asking me to give them incomplete answers, then I would have to reject that advice although I will accept it in the way in which it was intended to be given to me.

However, in respect to the inquiry and the subsequent review, I believe that we have acted in an efficient and an appropriate way to deal with some very serious problems which have existed with the workers compensation system over a long number of years and I hope that when we have the opportunity to table that report and to discuss in detail, and in great detail at that, those measures which we intend to bring forward to deal with those problems, that we will be able to convince the members opposite that we have, in fact, acted in the proper way. If we fail that I know that we'll be able to convince injured workers and their families and the other citizens of this province who take an interest in this that we have operated with their best interests in mind.

MR. DEPUTY SPEAKER: The time for Oral Questions having expired, the Honourable Minister of Municipal Affairs.

MATTER OF PRIVILEGE

MR. ADAM: Mr. Speaker, I would like to rise on a Matter of Privilege. Being that Thursday was the first opportunity that I had to review some of the transcripts of Hansard on the Estimates of Co-operative Development, on Page 1402 I responded to a question "the report is a confidential document that directors of the Stat Fund and Central have and the Negotiating Committee; they have seen it, but no one else."

I would like to correct that statement, Mr. Speaker, to read, "The Report is a very confidential document and that the Directors of the Stat Fund and the Central, to the best of my knowledge, have not seen the Report, but they are aware that a Report was being prepared."

ORDERS OF THE DAY

BUDGET DEBATE (Cont'd)

MR. DEPUTY SPEAKER: On the amended motion of the Honourable Minister of Finance, the Honourable

Member for Morris has 15 minutes remaining.

The Honourable Member for Morris.

MR. CLAYTON MANNES (Morris): Thank you, Mr. Speaker. Last night I had spent considerable time discussing the payroll tax and some of the areas that we thought, on this side, were very weak then moved into the area of deficit financing and the public debt and, having reviewed by support of the 1982 Budget article, and using some of the charts directly devoted to financing I think I made the comment that the years 1990 to 1994 were going to bring about tremendous demands on the people of this province for paybacks of money, some \$800 million alone required to pay back our debt, and that's not including servicing.

I think I was finishing up at that point saying I find the situation whereby an additional \$350 million deficit applied to that with no end in sight, with no understanding of the whole economic situation, is one that was utterly incredible. It goes on to point out another thing, that this province and, indeed, people that have an economic understanding like the members opposite, desperately require inflation, we must be able to pay back our debt in deflated dollars; and that tells me why this government never, never wants to talk about inflation, always interest rate. Who gives a darn about inflation and that's their attitude, and I think you have to understand why, in light of the Budget as it has been given to us. Borrow for today's needs, keep people working at all costs, hope for a low interest rate, and pass on that cost of paying it back to tomorrow's generation; that's the motto, and you see it coming forward in all sense and if you can pay back in 25-cent dollars ten years from now so much the better.

The Minister says casually and to me this is the most upsetting part of the Budget Address the other evening, he says so casually that we, as a province, will have to go to the market for some \$900 million less \$150 million - \$750 million to \$900 million. What does that mean, let's put that into perspective? If we go to the prospectus file by our province and we look at the sectors in our province and who contributes to the gross value of production we see that Agriculture 1980, the total value of production \$1.6 billion. Minerals \$800 million, and yet the Minister says, very casually, we are going to the market to solicit \$900 million, almost equivalent to two-thirds of our agriculture output; totally surpassing our mineral output and yet we accept it. Is that what people in this House and, I say, in this province have become so conditioned to that, in fact, a staggering figure like \$900 million has virtually no meaning.

I'd like to put that into another sense and say that I'm terribly worried about our children's future, the people that are going to have to pay for it. I'd like to quote from an article that may say it better than I do, it's a press report on the meeting of industrial nations out of Helsinki: "Leaders of 10 industrial nations agreed yesterday that recovery from the global recession is in sight and called for lower budget deficits to spur an upturn." This was the essence of a statement issued by the United States in nine other countries meeting as a group of ten. The statement did not pinpoint any date for the expected turnabout in the world economy and it said that, despite widespread weakness in

growth and an increasing disturbing unemployment problem, government stimulation measures should be shunned. And who said that? The 10 leading industrial nations of this world.

Yet, what do we hear, we hear chastization of Reaganomics, the people opposite know nothing whatsoever about reality in economic terms. They are right, they understand economics and everybody else is wrong and that's what I find so disturbing. Another quote from that same article, it says: "There was pointed criticism of high U.S. interest rates" - and we hear that in this House daily - "blamed by some Europeans for prolonging the recession. But the President of West Germany's Bundesbank Karl Otto Poehl, a respected central banker said" - and this is a German banker - "I think there are more and more indications that we are making substantial progress in the fight against inflation and that this will lead to a change in inflationary expectations allowing interest rates to decline. I believe we can all agree" - this is the main point - "I believe we can all agree that this is a major precondition for a lasting and sound recovery of the world economy." And yet these authorities are wrong and the members are right across the way with all their economic understanding and I think that's a terrible situation to have.

What kind of a future do we and our children have, what can they expect, when all this debt comes due? I ask will they want to work at all? Why should they, knowing that in fact the government will probably end up owning virtually everything anyway, why should our young people feel at all interested or spurred on to wanting to work?

Mr. Speaker, the third area that I would like to cover was the lack of economic understanding by the members opposite and I'd like to make just a short point. I made a speech the other day that governments are massive borrowers and that, in fact, if any one sector, if any one group is responsible in that free market world for going out and keeping interests high, maintaining the pressure on them, in fact, it is government themselves. What does an official in the Minister of Finance's Department, an unnamed one say, again a quote from a press article, he says, "A finance department official" - it would be a Manitoba one at that - "said the biggest worry is that there will be a fair amount of competition in the capital market as the Federal and other Provincial Governments also go to the market." That says it all and yet we have the members opposite wondering why, in fact, interest rates will not fall and yet casually the Minister of Finance says that he, on behalf of the people of this province, will be in the market for \$900 million. You wonder why they can't fall.

So, in other words, upwards pressure on interest rates because of government spending, refusing to look the situation over and attempt to grapple with it and cutback on spending, and it's this lack of economic understanding by the vast majority of people on the other side that really concerns me because I honestly feel they don't really understand what impact this whole economic area has on democracy today, as we know it, and in the future. I don't think they understand that, in fact, the government takes a larger and larger share and intrudes more and more into all the economic events that take place that, in fact, your

democracy is fleeing.

A Scottish economist by the name of Alexander Fraser Tyler says it best, and I quote: "A democracy cannot exist as a permanent form of government. I can only exist until the voters discover that they can vote themselves generous benefits from the public treasury. From that moment on, the majority always votes for the candidates promising them the most benefits from the public treasury, with the result that the democracy always collapses over loose fiscal policy, always followed by a dictatorship."

And that's what I find to be ironic in this whole situation. We have members opposite claiming that every individual has to be guaranteed their rights, and so they should, always looking on the constitutional and the political sense, guaranteeing rights, but yet not realizing over on the economic spectrum that, in fact, as you impinge his government more and more on those rights, that, in fact, you destroy everything you're trying to protect.

The final area, Mr. Speaker, that I'd just like to close up on is local authority or autonomy and what is left of it and I'd like to quote a few examples that I find contradictory. I think the Member for Tuxedo mentioned this yesterday when he gave us the examples of a university given a grant in lieu of tuition increases on one hand and then, next month a payroll tax; the City of Winnipeg, a grant in lieu of transit fare increases, next month a payroll tax; school boards, locked into increasing costs but having no opportunity whatsoever to practise cost efficiency, none whatsoever. Now a new tax on recreation clubs and charitable organizations and community clubs and I wonder if you can blame the people, most of them underpaid public servants, for throwing their hands up in disgust.

I'm wondering if the time is coming when, in fact, all institutions and those people that are sitting on these boards are going to say: "It's impossible. The Provincial Government, you, in fact, can look after the whole situation." I fear that the local people will say that they have no spending authority left anyway and they're not going to act as tax collectors and therefore they're saying to the Provincial and Federal Governments: "Take it over." If it dies, and I think chances are good under a socialist government trying to impose the great but totally undefinable equity concept, I think that chances are good that local authority and autonomy will be lost, that all decisions in the future will then be made by the planners, knowing that their concept of equity will prevail.

Mr. Speaker, I'd like to sum up by stating my tremendous concern for the huge deficit, for the disastrous lack of recognition of what a large deficit can do to generations to come and indicate that I support my Leader's amendment. Thank you.

MR. DEPUTY SPEAKER, Harry M. Harapiak (The Pas): The Leader of the Opposition on a point of order.

MR. LYON: I would like to draw your attention, Sir, to the fact, it's a new fact to me, the first time I've ever noticed in a Budget Debate that there is no member of the Treasury Bench of the government present in the House while one of the most important debates is going on.

MR. DEPUTY SPEAKER: The Honourable Minister of Municipal Affairs on the same point of order.

MR. ADAM: I would answer the honourable member, the Leader of the Opposition, that there is a member of the Treasury here and he should put on his glasses.

MR. LYON: Sorry, Mr. Speaker, I overlooked my honourable friend. That is easy to do.

MR. DEPUTY SPEAKER: The Member for Inkster.

MR. SCOTT: Thank you, Mr. Speaker. First off, I'd like to start off my comments this morning in offering congratulations to the Minister of Finance in preparing a very good Budget in very difficult times. No one is under any kind of illusion, the members opposite, our members, or the people of the Province of Manitoba who recognize full well that the province's economic condition is not in the greatest of condition or greatest of shape. Part of that is a legacy of four years of a government which was really, in many instances, and it's been called often a 'do-nothing government' in the past and it's record certainly was one of doing just that - nothing.

We have before us an amendment to the resolution or an amendment to the Budget prepared by the Honourable Leader of the Opposition which, if anything, is a disgrace. He has illustrated throughout all four items, all four items in his amendment things that government failed to accomplish. It failed to accomplish and abandoned its responsibility to manage carefully the financial affairs of the province; one way by giving tax cuts when they could least afford it; another way by shying away from and being afraid to move in with any kind of tax increases when the provincial budget needed it the most.

It had absolutely no economic development plans. It went along accomplishing nothing for some three-and-a-half years and then all of a sudden running to a bunch of large corporations hoping and praying that they would come, under any terms whatsoever, Mr. Speaker, that they would come and rescue this province which they had spent the previous three-and-a-half years driving down into the depths of recession. They failed any kind of economic direction, any kind of economic leadership, for his third point - and talk about cynicism, about government and the political process and failing to keep the faith of the people of Manitoba. What is a clearer demonstration than the public's reaction on November 17th last to the former administration of this province, the PC administration of this province?

I find it somewhat disturbing, I guess, as a new member of this House, that you can have a former Premier of a province stand up and make such a weak, an amendment filled with innuendo. It shows a lack, I guess, of creativity, the lack of basic ability on their behalf when they were in government in the past four years, to address the problems and now they turn around and accuse this administration of not addressing the problems.

We just had the Member for Morris get up and give a quote from a Scottish economist talking about the reality of the public purse, talking about the willingness of some governments to run to the public and

offer no kinds of tax increases, to continually be offering tax cuts as is being done to the great detriment of the financial position of the government of the United States today and I would say, as well, the Province of Ontario and several other provinces in this country and perhaps our own, and I would say, certainly, our own Federal Government as well.

It is true that governments do not like to tax. It is true in many instances, and I would suggest that this is certainly an indication of what happened to our neighbour just to the west of us in Saskatchewan a couple of weeks back, that people are looking for something for nothing. They're looking for giveaways; they're looking to be able to stuff some more jingles in their own pocket; put a few more bills in their own back pocket at the consequence of the province in which they live.

We had in the past four years an administration here who did exactly the same thing and failed to face up to the realities of the times. I would suggest that the Member for Morris go back and look a little closer at the record of the previous government in these instances that he's trying to quote from the Scottish economist at this point in time.

Mr. Speaker, I would like to address for a couple of minutes what Progressive Conservative Governments have done across this country in different administrations in the last couple of years and what was partially behind the reason for the election that we had here last fall.

Ontario in 1980, after three years in office of a five-year term, runs to the polls, a year to a year-and-a-quarter before the normal cycle of running to the polls. Why did they go to the polls? They went to the polls with dreams for tomorrow; they went to the polls with promises and with an election strategy and an election logo and motto of, is there any place you would rather be? They got re-elected because they followed as the Member for Morris indicated in the Scottish philosopher's critique of the weakness of democracy; of people running after something for nothing. Well, unfortunately, they did not get that.

In the first Ontario Budget after they were recently elected — last year what they did — (Interjection) — One second, the Member for Morris says exactly what he said. He is criticizing the Progressive Conservative administration in Ontario, as I am, for running to the public and promising giveaways; promising no tax cuts; promising a great tomorrow and then coming in right afterwards and hitting the people with a heavy tax load, this is what they did last year in 1981 — last year's Budget — OHIP premiums up \$72 for a family, \$36 for an individual. The personal income tax, they increased the taxation rate from 44 percent to 48 percent; a 4 percent increase. One of the largest if not the largest in the history of Ontario. Manitoba did nothing during this time. Did nothing. — (Interjection) — Our personal tax rate is 54 percent. Okay.

Now the Member for Morris wants to get into a debate on comparison between tax rates. When you compare the Province of Manitoba's taxation with other jurisdictions and with Ontario you also have to take into consideration other factors such as tax credits. That's something that they love to play with just the percentage figures and other administrations that have a lower-tax rate than ours is but when they come

to face the reality and the end dollar is paid, they find that Manitoba has one of the lowest actual dollars paid for each income category in the whole country.

What else did Ontario do? They put on an ad valorem tax of 27 percent on motive fuel to bring up the retail price to 7 cents a litre of taxation and that's adjusted automatically, quarterly. Gasoline tax, they put on 20 percent ad valorem tax. Tobacco tax, a 36 percent ad valorem tax on cigarettes and 30 percent on tobacco. Racetrack triactor betting was up 2 percent. Beer was up but with an ad valorem tax, to 20 percent. Spirits were up at the markup rate of 5 percent. Corporation Capital Tax was expanded to include associated companies and partnerships so that an individual or a couple of businessmen had a couple of different businesses going; if individually the business did not qualify, they moved in to take those other small businesses into account as well so they could nail them with the Corporation Capital Tax. The drivers licenses went up as well.

Now we had another example of another Tory Government running to the election after three years; that of Nova Scotia. Running with Nova Scotia with dreams of offshore developments and what did they do? They knew darn well why they called their election because they were running into huge deficits — and that's been given again as an indication even with the highest tax rate increases in their history — they're in the same boat. They still got high deficits, higher than ever on record and yet look what they've done in this just fresh after an election year. Personal income tax up from 52.5 percent, up 4 percent to 56.5 percent. Corporation taxes increased 2 percent. Gasoline they moved to an ad valorem tax. Diesel fuel they moved to an ad valorem tax of 21 percent. Tobacco and liquor were also hit.

So here we have examples of Tory Governments running to the people; of Progressive Conservative Governments running to the people one day promising the sky and then the next day coming down and whacking them with taxes. Let me tell you, Mr. Speaker, that this government that we just kicked out of office here did exactly the same thing.

They could have held on easily. They wanted to hang on till the spring of this year but they knew damn well that if they hung on till the spring of '82 and called their election after their record deficit in this province, after their tax increases which they knew had to come, that they likely would not even end up with 10 seats in here. So they said, let's get out, lick our wounds, Mr. Speaker, and then come back in again and hit the NDP for raising taxes. Let us be on the record as a Progressive Conservative Party, as a party that cuts taxes when it's in administration — irresponsibly maybe — but cuts taxes and let the NDP be the government that has to come in and clean up the mess and put the Province of Manitoba back on its fiscal feet.

Well, Mr. Speaker, Ontario didn't only pay once, they paid twice. We just had another rate of tax increases last night. We had a deficit that's up 43.1 percent to \$2,232,000,000.00 That is one heck of a large large deficit for the Province of Ontario. What else did they do? They go after OHIP premiums again, the Tory's sacred cow.

A couple of days ago one of the Conservative members who I unfortunately cannot mention — it

was last evening when I came over and told him of these increases — unfortunately he's not in the House so I cannot refer to him by name. He says, and if you had the guts you would do the same thing, too because you know there should be OHIP premiums. You know there should be hospital premiums. Well, Mr. Speaker, we of the New Democratic Party believe that there should never be premiums assessed on individuals for basic health care. They take it up —(Interjection)—

MR. DEPUTY SPEAKER: Point of order.

MR. MANNES: On a point of order, Mr. Speaker, I don't know my ground in here but, can that member make that type of an assertion that, in fact, somebody from our side made that comment?

MR. DEPUTY SPEAKER: Yes, I believe he can. He just referred to a member that was not in the House, he did not name him. So that is in order.

The Member for Inkster.

MR. SCOTT: Bring them all back. —(Interjection)— You bet, they're embarrassed. Okay, so what did they do? This is what they've done with health premiums.

A family of four in Ontario, they're now paying \$648.00 a year to be able to go and see a doctor. That is their health care premiums. He wanted to talk about what their tax rate was compared to our tax rate. You add that onto a family income of the average working wage in this province; add \$648.00 onto their tax bill and my dear friend I can assure you that their tax rate will be one heck of a lot higher than 54 percent of what ours is right now.

Mr. Speaker, in two years time, in two Tory Budgets, after going to the people and promising the world and the Billy Davis' magical mystery tour that he had two years ago. He came back in, they've increased health premiums to a family by \$158.00 in two years; that's about a 40 percent increase I believe over what it was, one heck of an increase.

Unfortunately, in our democratic system, governments are elected, and fortunately I must say, as well for stability reasons, our governments are elected for five-year terms of office. That, Mr. Speaker, and in reference to the Member for Morris, is why the people haven't gotten rid of him yet; wait 'til the next election, wait for another two years. When you guys go down to Toronto this weekend for your talk-in with no policy votes, a love-in . . .

A MEMBER: They're not going, they don't have any friends.

MR. SCOTT: . . . they may not have any friends, I think they specifically ask the Manitoba delegation to stay home. But, in any case, go down there, as well watch out for your restaurant meals because you're paying more there as well. They introduced sales taxes, Mr. Speaker, sales taxes on all meals over 20 cents. Tories in Ontario and the P. C. mentality think you can still get a meal for 20 cents. You haven't been able to get anything for 20 cents in this country since the depression and maybe that's what they're wishing, maybe that's what Davis is hoping for here, is that with

enough of a depression people'll be able to buy a meal for under 20 cents again. According to the Ontario Progressive Conservatives, and I would say that same disease permeates the members on this side as well, a glass of milk is a meal, a glass of milk is taxable. A package of Chiclets, a glass of milk, a chocolate bar is a Conservative meal; they're all taxed. When a working man wants to take his family out or stop in on the way home from his kid's hockey game or one thing or another, stop into some little local corner restaurant, they're going to have to pay tax on a burger now, even a burger deluxe. A burger deluxe is going to have a higher tax.

Look at some of these other things that they have done and given a better indication of the true Tory philosophy. The Progressive Conservatives, they brought in taxes on students' supplies; we have taxes on scribbblers, taxes on paper, taxes on workbooks. Well, how cynical can you get? I guess they're trying to teach the kids that when they grow up they're going to be paying taxes so they might as well start in kindergarten, start them in kindergarten and when they go to buy what used to be a 15 cent scribbler, now is a 50 cent scribbler, they're going to have to nick in another three cents towards the provincial coffers.

Personal hygiene items are now taxed to a much greater extent than they ever were before. Toothpaste, toothpaste is going to be taxed; mouthwash is taxed. If the Honourable Member for Lakeside is sitting or has wafting towards him some bad breath from one of the members surrounding, he's going to have to give that guy a nickel or a dime or 15 cents to send him to the store to buy some mouthwash because that guy is going to have to pay the additional tax now, on mouthwash; on personal hygiene items; really pretty sad.

Magazines. Here's another idea of equitability in the so-called Progressive Conservative mind, the forward/backward party. If you subscribe, no tax; if you go down to the shelf and buy it off the shelf, it's taxed. What kind of equitability is there in that kind of a tax system?

Energy conservation items; we're not taxing either one of them. Energy conservation items; insulation, items that we took off the tax list this year, triple-pane windows, thermal doors, trying to seal up and assist people sealing up their homes to reduce their energy cost. The Progressive Conservatives they are now taxing insulation which had no tax before, thermal-pane windows. There's a few more items here, I'll just read these they are real great ones. Storm windows and storm doors; heat pumps; solar cells and solar furnaces, things exempt here; timer-controlled thermostats; wood stoves; furnaces and household smoke alarms, for heaven's sake, let alone solar equipment and wind equipment, things that are exempt in this province. They're even going to tax someone putting seeds in their garden. You know, if you go to the Safeway or if you go to Dominion you're not taxed, but if you grow your own you're going to be taxed.

Now, some other things that a Tory philosophy has that they brought in after promising two years ago that they were not going to be having any of this sort of stuff in their budget; that Ontario was going to be a no greater place I would rather be. They're now, as well, limiting increases in a time when the economy is

tough, in a time when a lot of people are being laid off across the country, and in Ontario in particular, in a province where 40,000 people left in one ruddy year. It's bad enough 40,000 people leaving Manitoba in the past four years, they lost that many in one year. Sure they have a bigger population, but certainly there's enough people that feel that there is some other place that they would rather be than Ontario right now. Well, they're going to be driving more of them out.

The former First Minister, if you can imagine this coming from a former First Minister of this province, the present Leader of the Opposition, talking about the people who left Manitoba, and he says, some people who left Manitoba in the last four years and while they were leaving Manitoba the welfare roles went down. I think his brethren to the east have learned the very same thing because they are not going to raise any kind of social assistance over the rate of inflation. Government social assistance programs are going to be held to the rate of inflation in a time when there is actually increasing need for those sorts of programs, the Conservative philosophy, the forward/backward philosophy of the Progressive Conservative Party, says, no more increases, we're going to keep a constant dollar towards those groups. That's a pretty pretty sad sad reflection of a government that came in telling people that there was no place that you would rather be.

And let's look at our own Budget, Mr. Speaker. We have a New Democratic administration in this province. Thank goodness for the people of Manitoba. We have had tax cuts in the past couple of years by the members, when they were in Opposition, when the province could least afford them. The tax cuts went to those people who least needed them. I gave you that information in my Throne Speech and I'll give you some more again now. We have a Federal Government which the Province of Ontario used yesterday as an excuse to raise OHIP premiums, the cutbacks that they're getting; and they're getting less cutbacks, less I believe, even after with all their cutbacks in Ontario, than we're getting here in Manitoba.

Now, the Province of Manitoba in EPF cutbacks itself will be losing some \$246 million, Established Programs Financing, principally towards post-secondary education, assistance of post-secondary education and some health insitutions are included in that as well, I believe. Equalization payments, the payments that rescued the last Tory government in this province from massive deficits in a couple of their years are now going to be reduced \$21 million in '82-83; \$78 million over what we would have received under the present formula in '83-84; \$124 million in '84-85; in '85-86 \$169 million; in '86-87 \$190 million. This province cannot afford to absorb those kinds of losses and we have to make up some of those losses; we're responsible enough to recognize that.

I think the people of the Province of Manitoba appreciate fully that we're trying to make those up in a most equitable fashion possible. The people of Manitoba brought forward a government that they believed, that they trusted in in hard times that they were decent and humane government, a government that wouldn't go in with a broad brush and a broad sweep and a ruddy machete when it's dealing with public programs or when its dealing with the public purse.

We brought in a stimulative Budget, Mr. Speaker. We brought in venture capital initiatives, incentives for business geared primarily towards smaller business to be able to encourage investors in Manitoba to put their money into new ventures, into new areas of economy that will be growing where there is a potential for growth and to start something that had a very rough history throughout the history of Manitoba irrespective of what government, and that is towards research and development. We need research and development in this province, we need research and development in this country if our economy is to pick up at any stage whatsoever, and carry forward so that we can move into the 1980s and into the 1990s and into the 21st century.

There's no way we can sit back and just let the economy filter away, which is what has been happening right across the country for the past several years and essentially in the past four years of the Progressive Conservative administration. We want to bring in and assist people who are being laid off; assist people who are coming into the work force now and not finding as many jobs as was there was previously. We are assisting them with a \$10 million Employment Creation Program and it's not just going to be a make-work program like they have in Ontario; we're trying to be able to develop work skills for people; we're trying to be able to create meaningful employment where a person comes out of a job having learned something, and additional skills to be able to perhaps go into something on his own, or to perhaps go and be a meaningful and a very productive employee of going to some other sector of the economy.

We see a future for Manitobans here and through our humane programs, we're trying to be able to maintain that future and to try and assist Manitobans who want to stay here and who want to come home who were driven out in the last four years. We want to be able to provide a climate in this province so that they can come home, so that we can grow, so that we can have the great future that Manitoba is capable of.

Manitoba Housing and Renewal Corporation, a corporation starved for funds in the last four years. We recognize that the vacancy rate has dropped somewhat in the Province of Manitoba in the past couple of years; we recognize that the only way that rental housing units in this whole country have been built in the past number of years - over a decade - has been through tax incentives. So if people didn't have to pay taxes and they had the public buildings built, not with new monies, but with taxpayers' monies to tax expenditures and to tax gifts so people could write them off. So the housing hasn't really been built in this country in the past number of years not for the purpose of building a supply in housing but for the purpose of getting tax exemptions.

What we're doing with the \$50-million program under the Manitoba Housing and Renewal Corporation is to both create employment, to create sufficient and decent housing for the people of Manitoba through the province. Some will be rental housing; some will be owner occupied; some will hopefully buy it and move it out as quickly as possible, keeping the money recirculating so that then we can continue a strong initiative in the housing programs. We're looking at \$12 million for ManFor. That company is in

need of some stabilization; it's running rough — (Interjection)— at least he's bringing me back water. That company is having one heck of a tough time and money has to be put into it to be able to alter some of the production of that firm, some of the products that they are producing, so that they will be better able to move into the market and exploit particular parts of the market and provide and maintain employment in The Pas area.

A Forest Renewal Program, something that has been so devastatingly ignored in the past and we're starting off with \$1-million program there which will create jobs; which will assist in providing a future for our forestry industry in this province.

We have expanded the Critical Home Repair Program and that is a program, Mr. Speaker, that the last government let virtually fall. There was, I believe, less than 5,000 home improvements under the Critical Home Repair Program in the Tory administration of this province in the last four years. Previous to that in two years, I believe, it was 11,000 homes that had emergency repairs done to it, and these are mostly pensioners; these are people who don't have a lot of money. We've raised the limits to be able to get a few more people on, to be able to compensate for the level of inflation so that the working poor can still get a bit of a chance at least, to get some assistance to improve their homes and keep their homes, not only a more solid place to stay but a place that's going to be there in a few years' time; a place that's going to be there in a few years' time, that's going to be guaranteeing guaranteeing the future viability of homes.

We have a Core Area Initiatives Program that albeit was started under the former administration, but that former administrator, Mr. Speaker, dragged their feet on that program. They sold out to the city's wants of wiping out neighbourhoods - that wasn't urban renewal it was urban destruction, a good chunk of it. Here we come in and we're trying to humanize the program. It's taken us a few months for the Member for Tuxedo to try and get the direction of the program going in a different direction so that there's going to be something creative come out of the Core Area Initiatives, and not just another demolition project; not a big area, not another plain north of Logan Avenue, which is what would have happened before.

To assist small business as well, we've reduced the small business tax - something that hasn't been done for several years and something that should certainly help those small businesses that are moving along and are adjusting to the tough times and being able to find markets and exploit markets and grow within the provincial economy.

We recognize there's tough times, Mr. Speaker, and in that tough times where this province is going to be assisted by the Province of Manitoba, we're not going to sit by and let people go asunder; we're not going to sit by and let people go under and just ignore them and say, "Tough biscuits, buddy. You've got to bite the bullet sometimes and out you go." Well, sometimes you do have to bite the bullet once in a while, sometimes there are cases, but we say it's got to be selective.

We're assisting in school grant assistance with special needs programs to assist in keeping the mill rates down somewhat from the disastrous program of

school financing the last Progressive Conservative administration in this province brought in.

We're looking at interest forgiveness to save a couple of large employers and to build stability into an institution that has billions of dollars in it, and that's the Credit Union Central and all the Credit Unions with so many hundreds of thousands of Manitobans belong to, and they are at some risk. The Province of Manitoba, this province, this New Democratic Government, is not going to sit back and let them roll asunder.

The sales tax commissions recognized small retailers are having a tough time, increased the commission that they get for collecting the taxes, something that has not been done, I don't think, since '65 when it was introduced, I don't think they've increased any kind of a rate.

We brought in an Interest Rate Relief Program to assist people who are in danger of losing their homes. We brought in Pensioner's School Tax Assistance on a program that was much more equitable than the members opposite brought in with theirs. Theirs assisted more the upper income groups than they did the middle and the lower income pensioners.

Something else that shows the care, the care for the stability of the farming community, something that's done, I guess, in a bit of a hope that the price of farms will not continue to escalate and that is the elimination of the capital gains tax, a rebate for farmers on the assets of under \$200,000.00. The Members of the Opposition always ignored that. It was a nice bit of gravy they could suck out of some of the old developments of the farm community, of people moving out of the community itself.

We moved sales tax exemption for restaurant meals, not like Ontario wiping them out and calling a chocolate bar a meal; we in Manitoba have raised it to \$6.00 exemption and that, Mr. Speaker, is going to have a substantial affect on a lot of the small restaurants in this province. It's going to help them quite a bit; it's going to encourage people to patronize their local restaurants instead of chasing them away which is what has happened in the past.

Today, Mr. Speaker, in order to help assist border communities and gas stations in border communities, the Minister of Finance has had the grace and the comment sense, I might add, to be able to move in to assist border communities and the Members of the Opposition had absolutely nothing to do with that. It is something that we had discussed for quite some time in caucus, ever since the Government of Saskatchewan was elected with the ridiculous promise to wipe out a prime source of revenue and something that they'll pay for in the future; the Heritage Fund isn't going to last forever. The Heritage Fund that built up by New Democratic Party administration will be gone in a year or two and then they're going to have to come back in and bring these taxes back. They're not living in some never-never land. They have a big sock, a big NDP sock to pull a lot of bucks out of now but that sock, unfortunately, is going to shrink to nothing. They're going to end up with an infant's sock instead of a hockey sock and that's what they've got right now.

We have, in trying to be as equitable as we possibly can in this Budget, increased some taxes to the highest income groups in the province. In the previous

administration they cut taxes, sure they cut taxes but who did they cut taxes for, for someone under \$7,500, for someone on the minimum wage? No, they didn't do a thing. For someone getting between \$7,500 and \$15,000, they got \$10, a \$10 savings. Some assistance, some kind of assistance; ten bucks a year. \$15,000 and \$25,000, what did they get? \$44.00, and it gets better. \$25,000 to \$50,000 averages \$93.00. Yes, that's where the Member for Pembina must be; he's happy. He saved \$93.00. At a time when they should have been raising some taxes they cut the taxes for the upper income groups. At over fifty grand, an average of \$684 tax cut. Then what do they do for the smaller guys? They wipe out the old basis of the Tax Credit Program, the cost-of-living tax credit. Now, they wipe the thing down, they took a \$21-million program and they turned it into a \$7-million program. They cut for the lowest income groups, the people who benefit from the cost-of-living tax credit, and you don't have to make very much money to not be able to qualify for it because the ceiling is pretty low. They cut them, they cut the poorest group by some \$14 million and then they turn around and they give \$13 million of assistance to the upper income groups. That's probably worth about \$25 million today, Mr. Speaker.

Our surtaxes are equitable; our surtaxes are recognizing that in a society, those that have the most should be those who benefit the most in government programs, in many instances, and an awful lot of our programs are arts assistance and one thing and another, they turn around and with us, with the New Democratic Party, we imposed our tax surtaxes and our surtaxes for some on \$35,000 incomes is only going to be \$100, so that's not going to affect a heck of a lot of Manitobans. \$50,000 are going to be paying a \$500 surtax; that's all; \$7,500 income, a \$1,300 surtax; \$100,000 income, a \$2,200 surtax. That is not going to hurt those people, Mr. Speaker, that is not going to drive those people out of this province. It's not going to drive them out at all. If anything, it's going to show them that they have a government in this province that does care, a government that is interested in equity in the tax system.

When you take comparisons of what Manitoba's cost of living is, compared to other provinces and I have something here from the Conference Board which I will table if members wish. It shows you Winnipeg to Vancouver, in the fall of '81, a person would have found his or her expenditures increasing from slightly under \$35,000, and this is a \$40,000 income and the Conference Board isn't worried too much about the guys on the lower scales, they picked some on the 40-grand income, it cost them, living a good life, living a pretty damn good life and spending \$35,000 a year, in Vancouver they'd have to spend \$53,000 a year in order to keep up with the discretionary income a person earning \$40,000 per annum or equal, to keep equal in the move from Winnipeg to Vancouver would have to have his after tax income increased by approximately \$18,000.00. Some of the members opposite and below me and to the right turn around and they talk about Manitoba's tax rate, the simple percentage rate as being higher than some of the other provinces. That is a bunch of bunk when you consider that, to the cost of taxation in other provinces, ours is one of the lowest, and for the cost of living,

this is certainly one of the provinces that people not only can maintain a decent standard of living in but in which more people are starting to turn around and want to move back because they know this is a good place to live. They know that Manitoba has a future; they have some confidence in the province and they're coming back. Not in droves yet; we wish they will and we hope they will be attracted back to a province that is not only less expensive to live in but perhaps, has a better future than this province has seen for the past four years. That is one thing that is certain.

Thank you very much, Mr. Speaker. It's been a pleasure to address this fine Budget.

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

MR. J. WALLY MCKENZIE (Roblin-Russell): Thank you, Mr. Speaker. What a difference a day makes. After having sat in this Legislature for many years and listened to the former Member for Inkster, Sidney Green, one of the greatest orators, I daresay, that this House has ever heard and one that understood the democratic system and the way it worked and then, Mr. Speaker, within a matter of a few months to come to have to listen to the honourable gentleman that just spoke, from Inkster, what a difference a few days makes.

It's extremely interesting, Mr. Speaker, the former Member for Inkster, if I heard him correctly on the radio said the other night what he thought about this Budget, he wonders why they didn't tax bankruptcies. This Member for Inkster, from the same constituency, has a different philosophy altogether. He figures in this province we should follow the example of Ontario; he mentioned Prince Edward Island, Nova Scotia; he went on and mentioned all provinces. But, Mr. Speaker, he dwelt very little about the problems in this province and he never spelled out any of the solutions, as I understand it, or how we're going to resolve this problem. —(Interjection)— I'll deal with that later.

I'd, first of all, Mr. Speaker, like to congratulate the Finance Minister and his staff for bringing their first Budget. It's a tireless, long-standing problem to bring a Budget into the Chamber and there's a tremendous amount of work that goes with, Mr. Speaker, and I do congratulate the Minister and his staff for the work that they have put into it and for presenting it in the form that it is.

I would also like to thank the government for that announcement that they made today about the energy costs along the Manitoba-Saskatchewan border. That was an extremely critical problem and my friend in Russell, this chap, Jim Burgess has been phoning me for days, he was extremely happy when I phoned him and told him the government had reacted. He said, I'll be able to take some of my staff on again because he's a little guy in a small gas station trying to keep a service going 24 hours a day there. Now he's back in business and he asked me if I'd be kind enough to thank the government. I will, I'm most grateful that the government reacted. I'm sure that the Minister will go out and take a look at some of those communities along the border. The way I read the change this morning, it's to the nearest gas station in Saskatche-

wan. There may need to be some changes but I do thank the government very sincerely.

I also, Mr. Speaker, while the First Minister is in a Chair, congratulate him and thank him yesterday for the few moments I was able to speak with him about the problems the little Hamlet of Shellmouth is having in trying to have their Centennial function this year. It's an unfortunate set of circumstances whereby that little hamlet, when it was brought into existence 100 years ago was part of the rural municipality of Shell River; then, in the year 1907, as I understand it, Shell River municipality was sub-divided and a new municipality Shellmouth was formed and so, here today, this is the only community, Shellmouth, that will celebrate, ever. Well, maybe the Village of Inglis in the year - oh, it'll be the year 2021 or 2022 before Inglis would ever celebrate a Centennial - so, Shellmouth is basically the only village in that whole area that will enjoy a Centennial. It has a lot of history, Shellmouth, the boats used to go up in those days to the village and bring their supplies on the Assiniboine River and there were still some log books kicking around not so terribly long ago to provide that history. So, I sincerely hope that the First Minister is able to resolve this difficult problem that faces them.

Well, Mr. Speaker, now let's get with the matter that is before us. Today, I'd like to advise the honourable members I'm standing this day as supporting the amendment that was put on the record by my Leader which I think is one of the most well skilled amendments that I have seen to a Budget in some time and, whereby it says it regrets that in presenting its first Budget this government has abandoned its responsibility to manage carefully the financial affairs of the province, I have no problem supporting that portion of the amendment.

Secondly, it has confirmed its failure to pursue aggressively the major economic development projects initiated under the previous administration. I have no problem supporting that proposal, Mr. Speaker. Has failed to provide economic direction and leadership. No problem there, Mr. Speaker. And, finally, has caused increased cynicism about government and the political process and has failed to keep faith with Manitobans. Mr. Speaker, I have no problem in supporting that amendment.

Mr. Speaker, this Budget supports the age-old saying for astute gamblers that there's only two sure things in life, that's death and taxes, taxes, taxes and more taxes. That old adage, Mr. Speaker, crossed my mind as I sat in my seat on Tuesday night listening to the Honourable Minister of Finance read this socialist doctrinaire Budget, frightening Budget for the year ahead and for the people of this province.

Mr. Speaker, the years that I've sat in this Legislature it is frightening to see how governments, not only at the provincial level but at the federal level, are continually year after year after year to take the hard-earned dollars away from the taxpayers of this country and try and spend it better than those that earned it. Mr. Speaker, that system has failed and it's failed miserably and it's going to fail with this government. Mr. Speaker, citizens in this province are likely going to pay the most hard-earned tax dollars that they have ever had. The tragedy of these taxes that are being levied in this Budget, Mr. Speaker, that concern me,

they are taxing the food, they're taxing the clothing and they're taxing the little guy that's walking down the street, Mr. Speaker. They're taxing his housing, all those things which, in my opinion, have been key to the heart of socialism since Day One; that the socialist would never tax food; never tax clothing or never tax housing if they could possibly get away from it. This renegade gang across the way in this Budget, Mr. Speaker, they have brought in a bunch of new type of socialists as I read them and now they are going to tax food, clothing and housing.

Mr. Speaker, a recent report by the Fraser Institute that I looked at some few months ago says today that Canadians are paying a staggering 41 percent of their average income to governments at the provincial and federal level.

A MEMBER: It's higher.

MR. McKENZIE: It's higher, it's definitely higher now because I've done some calculations since that report was in. But, Mr. Speaker, that is the hard-earned facts of life if the socialists are going to run this province.

I dare say this Budget, regardless of what that percentage was, this Budget is going to raise it up possibly more than any 2 percent sales tax which they have shifted to one side. I only looked at two or three items to see how the multiplier effect takes over.

I was talking to a farmer and he told me in the case of a hog. So, he takes a hog to the auction mart, Mr. Speaker, right away the 1.5 percent applies because the staff there are being taxed. Then that hog is sold at the auction mart and it arrives on the truck and the truck takes it to Winnipeg; the tax applies again. The hog then is taken to the processing plant and, Mr. Speaker, then, the tax applies again, another 1.5 percent. Then, it goes to the wholesaler, Mr. Speaker, 1.5 percent again. Then, it arrives in the retailers, in the meat counter, and that same 1.5 percent applies again. In the case of a hog which is food, Mr. Speaker, that tax applies five to six times. They try and stand up here and try to tell us, Mr. Speaker, that they are not taxing food. I can't believe it.

Mr. Speaker, just let's look at lumber in the forestry. So the tax starts first, the chaps that are in cutting the trees certainly are a labour force and they are taxable, so the tree is cut and the tax applies; the tree then goes to the sawmill and then again the tax applies; the boards then are taken and put on a boxcar or a flatcar, the tax applies; the boards then go to a lumber yard and the tax applies; the lumber yard sells it to the contractor the tax applies; and then the house is built. How many times has one piece of board of that tax applied? Mr. Speaker, they are taxing housing, the simple everyday home that people want to live in and have a roof over their head and someplace to cover them from the weather, these guys said, Mr. Speaker, this Budget is going to tax those people likely more than 2 percent so they're taxing food and they're taxing housing.

Now let's look at clothing, the same stages, the same cycle of events, Mr. Speaker, takes place with a garment that's prepared and goes through the process of being manufactured and finally put on the shelf and sold, the same law applies, the same system applies, Mr. Speaker. So they are openly and uncon-

ciously, Mr. Speaker, taxing the clothing of the ordinary man on the street; they're taxing his housing and they're taxing his food.

Well, Mr. Speaker, we will leave that. I suppose, Mr. Speaker, one of these days in my opinion, citizens of this province and Canadians are going to revolt against these massive influx of taxes that are being imposed upon the people of this country something like the Proposition 13 in California. The probable reason, Mr. Speaker, that people are going to revolt is because of the fact that so many of these taxes that are being levied on the working and the working woman of this province are hidden, these taxes are hidden from sight and, Mr. Speaker, they're hidden from the eye of the average citizen, Mr. Speaker.

I doubt if there's one person out of 10 in this province, that understands how much provincial and federal taxations are levied on gasoline. I doubt it very much if there's more than one in 10. I doubt it, Mr. Speaker, that there are very few people in this province that understand, in fact, how the 9 percent federal sales tax on manufactured goods is levied, a hidden tax. The gasoline tax, a hidden tax, manufactured tax a hidden tax. Sales tax, Mr. Speaker, in my opinion, the citizens of this province fully understand a sales tax because they see it being levied on the goods right before their very eyes; they see the tax being applied and they don't have to buy the garment or buy whatever it is if they don't feel they can afford it. But not with this kind of tax that the socialists are employing, they like to hide these taxes, Mr. Speaker, and I think that as my learned friend was telling me not so long ago in the case of a casket, he was pointing out to me the other day we end up paying a hefty bill even after we die because of the manufactured tax that's on caskets; death and taxes. —(Interjection)— That's right.

Mr. Speaker, let's take a look at some of the taxes that are in this Budget, the 1.5 percent tax on payroll, a hidden tax. The bank tax up 2 percent, a hidden tax, Mr. Speaker. The insurance premium tax, Mr. Speaker, a hidden tax; the gasohol tax a hidden tax; the taxes on liquor and alcohol and tobacco products a hidden tax, Mr. Speaker. The real question that I have to ask as I stand here today, will the citizens of this province get value for the \$2.8 billion that the government proposes to spend and at the same time wonder how all these hidden taxes are going to apply to them individually? Mr. Speaker, I say they are not going to get value, they are not going to get value from this government, never for the \$2.8 billion that they are being asked to pay because they're being cheated.

The people in this province are being cheated, Mr. Speaker, because the spending programs of this government, of the big spenders, will lay a \$345 million deficit on the backs of the taxpayers, \$344.5 million, Mr. Speaker, up a staggering 32.7 over last year. Do you think, Mr. Speaker, the people of this province are getting a fair shake, getting fair value for their tax dollars in this province with that government leading it and we provide those kind of figures in a Budget? Mr. Speaker, what about the Budget next year and many many experts tell me that that \$344.5 Budget won't even stand the paper it's written on; that in all likelihood and the reasons are many, it will exceed \$400 million, many are telling me because of the unknown

costs that this government is still facing.

So, we're facing that this year. What about next year? What are you going to do? None of your programs in here is going to create any money or stimulate the economy of this province so next year, Mr. Speaker, I'll bet you the people of this province will be facing \$500 million and more deficit with these guys at the controls. What about the next year and the next year, Mr. Speaker? So I say that people of in this province are not getting a fair value for their dollars, they're not getting fair value from this government because this government doesn't have the answers to lead us out of these difficult times that we are facing today, Mr. Speaker.

Mr. Speaker, just let's look at some of the comments. The Free Press says, "Mr. Schroeder has hidden this unpleasant news in a buckshot load of changes," quoted the sugary news, "There will be no sales tax increases." That's what I'm saying, Mr. Speaker, hidden from the people the way they're carrying on.

Let's move on, what does the learned writer Frances Russell say about this Budget, Mr. Speaker, what does Frances Russell say? Frances Russell says, "It's not a pretty picture." She says, Mr. Speaker, "Last night the Pawley Government bought itself some time at considerable economic and political risk." Mr. Speaker, the article goes on and says, "If the recession ends this government will smell like a rose; if it does not it will face far worse economy with much less maneuvering room."

Mr. Speaker, what does the Winnipeg Sun say, "Doom and gloom. A Sun survey of Manitoba businesses find that there's little room for optimism right now as higher interest rates and inflation continue to kick the stuffing out of the economy." Mr. Speaker, this government, this Minister brings in this type of a Budget. Mr. Speaker, in going through the Budget, I'm trying to find where this government is going to raise the \$2.5 billion that they propose to spend this year. And after listening to my learned friend from Inkster behind me, espousing all the great things that this government has got in its hip pocket, I'm just going to ask him now which ones were the dream or the policies of this government and those members opposite?

I look at the first one. The Core Area Renewal. Where did that come from? That was created by the Lyon government, Mr. Speaker. That plan was brought in and debated. Let's move over on the Western Inter-tie, Mr. Speaker. Who brought that in? Who started those negotiations in this province, the socialists? Never, Mr. Speaker. What about the upgrading of the ManFor plant at The Pas? Mr. Speaker, we've heard all kinds of talk about ManFor. What party and which group in this House were the ones that started the discussions on the expansion of ManFor? Opposite? Never, Mr. Speaker. Mr. Speaker, the next one says here, the expansion of the health care facilities in this province. The former Minister of Health had a big conference and started the expansion of the health facilities, and this government's got it that it's theirs, Mr. Speaker. Let's move on. The construction of the Law Courts Building, Mr. Speaker, was that created by the socialists? Never. The former Attorney-General sitting down there was the one that announced that we were going to build a Law Courts Building, Mr.

Speaker, and it goes on and on and on.

Out of all these programs that I see in this Budget, Mr. Speaker, I see nothing to give the economic stimulus this province has needed. I see no directive from this government; I see no policies to lead us into the future; I basically see nothing except for the \$50 million that they intend to expend for MHRC to build some houses and that's the thrust of this Budget. That's their total thrust, Mr. Speaker. That's the total drive to give some guy some jobs to build some houses and that's how they're going to lead this province for the next year? It's sickening, Mr. Speaker.

No wonder, Mr. Speaker, that the editor of the *Winnipeg Sun* says, doom and gloom across this province; no wonder when they read this Budget. Mr. Speaker, the other article that I looked at and I saw in one of the columns the other day where a gentleman said that it was like getting kicked in the teeth to read this Budget.

Mr. Speaker, I wonder what thrust the honourable members have for a cheese plant at Rosburn? Anything in here? Anything in that document that they're going to help get that plant going? Is there anything for the dairy industry in this province in this Budget, Mr. Speaker? Nothing. Is there anything to dispose of the surplus food products that we've got - cheese - and we can't sell? Is there any direction in that Budget, Mr. Speaker? There is none. There is nothing.

What's in there to stimulate the agricultural industry in this province. Nothing, nothing at all. The number one industry — (Interjection) — well, interest relief and that, but why would . . . so, Mr. Speaker, no wonder there's doom and gloom in Rosburn and doom and gloom in the editor's office of the *Winnipeg Sun* when they find out what's going on in this Legislature and what kind of a government they have leading this province.

What about Roblin Forest Products? Shut down. What is in the Budget to get that plant going again, Mr. Speaker? I'm almost ready to throw up my hands in disgust with the Minister of Economic Development in this place because, Mr. Speaker, he has misled me and the people of Roblin-Russell constituency for so long . . . I believe he finally said the other day the plant may reopen this fall. It may. Surely after he has been in office that long, surely they would come up with something.

Our number one industry, food, that we want to produce and we want to put it on the shelf and we want to deliver it, milk, and the government comes in with a Budget that doesn't address itself to that subject. Then people certainly express doom and gloom and should be sick like I am with the expressions that we are reading, Mr. Speaker.

Mr. Speaker, I wonder what this government is going to do when our neighbours to the west remove the 5 percent sales tax. Certainly, today, they addressed themselves to the problems of the energy costs on the border, but I wonder why there wasn't a clause in here to deal with what direction you're going to take or what you're going to do when that government to the west of us removes the 5 percent sales tax, because the problem is going to be just as bad when the sales tax is removed as when the gasoline's removed - it's the same problem. Here we have citizens along the border who can go one way and buy

their goods cheaper than they can in this province and that's not fair. Mr. Speaker, this government did not address itself to that problem and it's just around the corner — (Interjection) — well, the Minister of Finance shakes his head. He said he will be addressing this. I hope he will because when the matter comes up and it's coming shortly that we'll be facing that same difficult problem along the Saskatchewan border and while I earlier in my remarks did thank them for the way they reacted today, Mr. Speaker, to the problems of energy, that one is just around the corner.

Of course, I failed to hear the Honourable Member for Inkster mention much about that Saskatchewan election. He flailed away at British Columbia; he flailed away at Ontario; Nova Scotia; I think he even took a crack at Newfoundland, but he walked away from Saskatchewan very quickly. I wonder, Mr. Speaker, why he would leave that in midair and leave us wondering if, in fact, the socialists have addressed themselves to why they took such a heck of a licking in Saskatchewan and the wounds must be deep because I know some of my learned friends in my constituency who have been long-time socialist supporters have still got their crying towel out wondering how they got misled because of all the troops that they sent from Manitoba over into Saskatchewan to try and save the Blakeney government.

Mr. Speaker, this Budget - I say we can't afford to get ourselves into an unequal position, unequal competition more than we have experienced across this country today and that's why I raised the matter of the sales tax. I thank the Honourable Minister as I said earlier for addressing himself, but with the sales tax around the corner, we're going to face the same problems exactly. So I hope, Mr. Speaker, that when these 450 civil servants that they've hired now to help to lead the Finance Minister around and squeeze this money out of the little people, this 1.5 percent they call levy, when these 450 bureaucrats start marching around this province in their little offices and calling people in and say, "Come on, Jack, you owe me and Mrs. Jones, Mrs. Brown, you owe me and you'd better shell out or else," then I think this is where these governments are going to be the losers. And citizens who reside in our province, once they learn more and more about this Budget are going to be expressing a lot more alarm than they have today.

It was interesting to listen to the Finance Minister this morning trying to defend himself on the hotline there for a couple of minutes. Of course, he still rings the old trick, he refers it back and says things ain't as bad here as they are in B.C. or things ain't as bad here as they are in Ontario, or he blames Reagan or he blames Trudeau.

That's the other thing, Mr. Speaker, that concerns me about this government; they still don't know that they're supposed to govern; they still don't understand that they're in office; they still don't understand that they're supposed to lead the people of this province so we can have some faith in them, Mr. Speaker.

Well, Mr. Speaker, I wonder if we can afford the 450 new bureaucrats and the excessive spending that's forecast in this Budget to fund the socialist featherbedding and high-spending policies of this government that's running rampant as I read this Budget and as I speak here today.

Mr. Speaker, as I said earlier, the citizens along the Manitoba-Saskatchewan border are not going to be treated fairly when the sales tax is removed in Saskatchewan which it surely will be as sure, as I'm standing here. They're not being addressed to, in the Budget, as how they're going to deal with it.

So, Mr. Speaker, I am not in a position to support the Budget; I'm supporting the motion that was presented by my Leader.

Thank you.

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

MR. PHIL EYLER (River East): I move, seconded by the Member for The Pas that the debate be now adjourned.

MOTION presented and carried.

MR. DEPUTY SPEAKER: The Honourable House Leader.

MR. PENNER: Mr. Speaker, there is an agreement that there will be no Private Members' Hour and I would move, seconded by the Honourable Minister of Finance that we call it 12:30 and that this House do now stand adjourned.

MOTION presented and carried and the House adjourned and stands adjourned until 2:00 p.m. Monday