



Second Session — Thirty-Second Legislature
of the
Legislative Assembly of Manitoba
DEBATES
and
PROCEEDINGS

31-32 Elizabeth II

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Speaker*



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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Second Legislature

Members, Constituencies and Political Affiliation

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

LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, 15 March, 1983.

Time — 8:00 p.m.

ADJOURNED DEBATE - SUPPLY MOTION

MR. SPEAKER, Hon. J. Walding: On the proposed motion of the Honourable Minister of Finance, the resolution on Page 4.

The Honourable Member for Sturgeon Creek.

MR. F. JOHNSTON: Thank you, Mr. Speaker. I know I have had a couple of opportunities to speak in the House on resolutions this Session, but because of - I guess you'd call it - the draw in our caucus, I was not able to speak on the Budget Debate, so I would like to take this opportunity now to congratulate our new Clerk and our Deputy Clerk on their positions, Mr. Speaker.

Mr. Speaker, there was a lot said in the debate on the Budget and it was touched on in the debate of Supply, in the Supply motion that we're speaking on tonight - on the Monday night, I believe, or maybe it wasn't a Monday night, but on the night that debate was taking place before the Crow Resolution took up the time of the House - I repeat there was a lot said, Mr. Speaker, on the decorum of this House. Mr. Speaker, I said in my speech in December that the decorum of this House started to deteriorate the day the Premier became the Leader of the NDP Party. I outlined that in my speech in December. I outlined the areas where the Premier refuses to give direct answers, where the Premier misleads when he makes statements. In fact, I even pointed out the second page of his speech, when he became the Leader of the NDP, had several misleading statements in it.

So it began there, Mr. Speaker, and it has spread down through the rest of the government benches where none of them give direct answers . . .

MR. D. ORCHARD: Even Harry Harapiak.

MR. F. JOHNSTON: . . . elude the facts and move away from the facts as much as they can. As a matter of fact, they seem to think it's funny. They seem to play to the camera to do it and, Sir, if we could only have direct answers and have the government speaking on the terms of reference that are put before us, I'm sure the House would change and it would make your job much easier, Mr. Speaker.

Mr. Speaker, the Supply motion that we have in front of us is one that is really going to be a problem. We're going to be going into the Estimates after the Supply motion is passed and the problem is, we'll be dealing with a set of Estimates, Sir, that are not accurate. The total amount of money that the government says that they are going to spend is not accurate because they are going to have to spend more than is actually presented to us, Mr. Speaker. Mr. Speaker, the government has used this pattern for the last two years. The last two times we have gone into Supply we have had this come before us.

Mr. Speaker, the Minister of Finance presented Estimates or a Budget to us and expenditures last year that had to be completely discarded because they were not accurate. We have had Budgets that are not accurate, Mr. Speaker, the income of the province, and this is going to happen again, Mr. Speaker. So we now have a Minister of Finance who is going to go down in history, Mr. Speaker, as the worst Minister of Finance this province has ever seen as far as accuracy is concerned. Mr. Speaker, his accuracy has been proven to be wrong on several different occasions. So, Mr. Speaker, we don't have to really argue about that or debate that point. The proof is there. Everybody who has looked at our Budgets and our Estimates, all of the financial analysts and even financial analysts that kind of favour the government, say that it is practically impossible to come up with the Estimates that this government has put forward and practically impossible to collect the amount of money that this government says that they are going to collect.

Mr. Speaker, two weekends ago, I believe, the French elections were on, as a matter of fact they were, and the commentator was talking at that time about the fact that Mr. Mitterrand had come to power by making promises to the people. He said that there would be no more unemployment; he said that he would take care of the economic condition of France; he would turn it around so that there would be more investment and more of everything for the people of France, Mr. Speaker. Now, Mr. Speaker, we find that France is in the worst financial position it has ever been in. In fact, just last week they had to devalue their franc again.

Mr. Speaker, it certainly reminds you of the Province of Manitoba where we have a government that comes into power, Mr. Speaker, and the government makes all kinds of wild promises to get there. Now, Mr. Speaker, we don't have to go through those promises again. Those promises are all for the record for anybody to be able to see. The promises that were put in the election campaign of the NDP Party have not been carried out, Mr. Speaker.

Then, of course, we have the financial position of the province being put into a complete turmoil. Now, Mr. Speaker, isn't this the way that the socialist seems to work. Get into power anyway you can; grasp power anyway you can; and the minute you get there you turn the financial situation of the province completely upside down.

Now, Mr. Speaker, that's been proven. You hear the awes and ohs from the other side but it's been a proven fact. Take a look at most of the socialist governments today and you usually find unless they're taxing the daylights out of the people, unless the people are practically slaves of the government as to where they should work and where they shouldn't work, you will find that they are in a terrible financial position and that is proof, Mr. Speaker.

Mr. Speaker, we have been listening to this government talk to us about international problems; interest rates that are nobody's fault, that are other

peoples fault. They've been talking about other provinces, and we get compared to other provinces all the time. I know that is something that governments have to look at, and be compared to other provinces some of the time, but really in the Province of Manitoba at the present time the government is using that kind of an argument, Sir, to cover up the worst government we've ever had in the Province of Manitoba. Mr. Speaker, the excuse that we can't do anything because of international conditions is just not going to wash.

Mr. Speaker, the honourable members opposite keep saying to us, we've heard about our promises for two Sessions now; we have heard about the international conditions for two Sessions now. We have heard that excuse continually and yet nothing is happening, nothing is getting better; it's getting worse. Other people are starting to move forward and the Province of Manitoba is not.

Mr. Speaker, the Estimates - the money you are spending is what we are going to be talking about in this debate, and the government has to have money to spend. That's logical, very, but you know, Mr. Speaker, this government is strangling every source of income that they have except high taxation. Now, Mr. Speaker, what happens when we have high taxation, and I repeat, high taxation, when we have the government and the conditions that we have today?

Mr. Speaker, did they ever realize that the people of Manitoba are very normal people? Mr. Speaker, do they not realize that when we put on a gas tax and we have gasoline taxes and gasoline prices the way that we have in the Province of Manitoba today, that people will not drive their cars as much as they have been? Do they not realize that the people in the rural areas are going to be the ones that suffer because they have to use their individual cars? People in the city can have car pools; we can take buses to work; we can do all kinds of things to overcome that problem. Mind you, we can't take as many holidays as we'd like; we can't go around and visit friends out of town as we like, because our pocketbook cannot stand the increases.

Mr. Speaker, if the honourable members wanted to really sit down and think about it, and think about it seriously, to drive to Clear Lake and back for the weekend at the present time costs in the neighbourhood of \$45 if you're driving a standard automobile. Mr. Speaker, you can drive small automobiles, but what the Province of Manitoba has been used to, a man who has a second-hand car, a man who is getting about 20 miles to the gallon, it is costing him about \$45 to go there for the weekend.

Mr. Speaker, do you really believe the people of Manitoba are not normal, in saying, I won't spend that. You know, Mr. Speaker, honourable members opposite, they don't seem to have any realization of what happens in their own homes. Do you know when my wife goes to the store and looks at tomatoes - and we could afford the tomatoes - she says, I'm not paying that, I'm not paying that much for that tomato. Or she'll look at something else and say, I'm not paying that, it's overpriced. And Mr. Speaker, I can assure you the people of Manitoba will be saying to themselves that we cannot afford to pay excess prices for the commodity.

So, Mr. Speaker, what does that do? What does that do? That says that the Minister of Finance is not going

to have as much tax revenue. He keeps putting taxes on cigarettes and I guess we all have done that, and Mr. Speaker, he's going to accomplish what the medical people want him to accomplish, less smoking, and he's going to get less taxes.

HON. V. SCHROEDER: And we'd have less people sick.

MR. F. JOHNSTON: He's going to accomplish those type of things. Mr. Speaker, the Minister says we'll have less people sick, but when he figures out how much money he's going to take in, he didn't think about that. He didn't take his little computer and say, if I put this up I'm going to get less . . .

MR. S. ASHTON: That's all you're interested in is money.

MR. A. ANSTETT: . . . drink less wine.

MR. F. JOHNSTON: That's possible, Mr. Speaker. If they do drink less wine, Mr. Speaker, that's their business. It's their business if they want to smoke. But the Minister really doesn't know or has never heard the saying, "You kill the goose that lays the golden egg." That's really what he has done. — (Interjection) — Mr. Speaker, the tax income for this province is going to be harmed so badly it isn't even funny. The Minister doesn't realize it, but there's where he didn't take his computer, or he didn't listen to the people around him; he just said, it will look very good, if I put this tax on I will get X number of dollars because that's what we always got when we put the tax on, and he did not take the time to find out that overpricing anywhere is going to stop people from buying.

Mr. Speaker, there is not one person in this Legislature, Mr. Speaker, who does not know that the statistics say that there are more savings in the banks than there has ever been, because people will say, I am not going to be taken, I am not spending my money on that. When you have a financial situation the same as we have in this province at the present time, people are very leery, and with the economic condition and the job condition, they are exceptionally leery about spending their money. They must keep a little bit of an estate.

Mr. Speaker, let's take a look at some of the other taxes that we have that are going to make people think. We have a new tax, 9 percent on Hydro, Mr. Speaker, and you know people will start to watch their bills very closely. But again, the 9 percent on Hydro, Mr. Speaker, is going to affect the rural area more than it affects anybody else. Mr. Speaker, they have got surcharges on higher incomes and we have some of the highest personal taxes that there are in the country.

Mr. Speaker, we are looking for corporations to invest in this province. We want them to invest in this province, but the corporations are not going to invest in this province. They'll go where they have - and I put it very bluntly - the best deal. We have competition out there in this North American continent for all the types of investments that we have and corporations are going to take a look at the best deal. After all, Mr. Speaker, doesn't small business have to have corporate investment in the province or corporations in the province?

The honourable members opposite are dreaming if they think the small business in the manufacturing sector especially can survive without having large corporate companies or the larger manufacturers to supply. If you go to Ontario, Sir, you will find out that the large corporations are there, or the large companies, and they have all kinds of small manufacturing companies there because the market is close to them. Every small business that starts has to have a base of sales or, let's put it, income that is close to them. From there, Mr. Speaker, they expand into new products and they expand into different areas where they think their products can sell, but they must have that base.

Mr. Speaker, the corporations are not going to be investing in the Province of Manitoba which leads us to our small business base starting to be eroded and they in turn will not invest unless there are some tremendous incentives for them to do so.

Well, Mr. Speaker, let's talk about some incentives for small business. The Enterprise Manitoba Program which was criticized by the First Minister turned out to be the best program that we've ever had in this province to increase small business manufacturing in the rural areas. In fact, it produced more jobs than — (Interjection) — Mr. Speaker, I don't mind the heckling, but I sincerely wish you could stop the childishness that is passed around the House from the members opposite. Mr. Speaker, I would say to you that the corporations that are not coming forward in the Province of Manitoba are for specific reasons.

Mr. Speaker, we now have put oil tax on, haven't we, gentlemen? We've now got an oil tax that is going to cost corporations maybe more but certainly as much in Manitoba when they have other conditions that are better elsewhere. We have an increase in Hydro, Mr. Speaker, and the increase in Hydro is there after this government, the Premier of this province, promised that they wouldn't go up. Mr. Speaker, can you really believe that those who invest in this province will do some investing when the Premier of the province breaks his promise at a whim?

There was a five-year freeze put on Hydro by a government, it was done through this Legislature and it was put on. Everybody was told that they would have a five-year freeze on Hydro and that there is really no excuse whatsoever for the government to break their promise after the Premier said he wouldn't. Mr. Speaker, can you really imagine people investing in Manitoba when you have a Premier that breaks his promises like that?

Now, ManOil, gentlemen, isn't that going to create a lot of investment in this province? Isn't that going to create a lot of other corporations that are thinking of coming to this province when they know the government is bent on getting into ManOil and, if they get the opportunity, get into any resource business that they can?

Mr. Speaker, then we have 1 percent more on our sales tax. One percent more, after the Minister of Finance called it the most regressive type of taxing that we'd ever had, but this year we got it. Now, was that building up the confidence of corporations that are going to come and invest in this province? Mr. Speaker, that isn't going to bring them.

Mr. Speaker, we have a government that says in the Throne Speech that we're going to go into the insurance

business. We're going to go into the pension planning business - and I'm hearing an applause from the other side. Fine. We hear the applause from the other side. Do you really expect investment from private business or from anybody when the government has said that this is the way we are going to go? We're going to be in competition. I mean, Mr. Speaker, we just had one of our largest insurance companies get sold to an eastern company and I assure you with the government's announcement, you can be sure that they'll probably be more leave but there sure won't be any come in.

Then they want to start handling pension funds, only because they want to get their hands on the cash flow. They haven't got the ability to handle the finances the way they should and they want to get their hands on the cash flow. Is this going to attract more people to come to this province and invest with that type of an attitude?

Mr. Speaker, city taxes have gone up more in the last year-and-a-half than they did in four years. I believe I'm correct in that statement. Mr. Speaker, those taxes have gone up because of this government's education, policies, etc. Mind you, the Minister of Education is being set up by this government, I feel sorry for her. But she really is being set up by them and if she wants to take the time, I'll tell her how it's happening, but I know how this government operates and somebody's going to be a goat and it's going to be the Minister of Education.

Mr. Speaker, we now have a government that says that I would like to have a 1 percent sales tax on gross income. They were thinking of that. How much investment is that going to bring to this province? Mr. Speaker, do you really believe that men want to be transferred to Manitoba when you have a government with a surcharge on high incomes and a Minister of Finance who wanted to put on a 1 percent tax on gross income in this province? I really can't see them marching down the road to come and live in this province and I can tell you, if they can't get people to live here, companies will not invest here.

Mr. Speaker, then we have the banks. On the other side of the House we have continual criticism of the banks. We have the Minister of Resources who makes the statement and he says, yes, I've dealt with the Bank of Nova Scotia, but he says there is no state bank. He added that very quickly, there is no state bank - which is what he wants? They want to have a state bank; they'll do it through what they passed when the Schreyer Government was in power, the ability to put in treasury branches. It's all there. — (Interjection) — Hear, hear, I hear from the other side of the House. Hear hear, and the Minister of Resources says, right on. Now, that is going to bring investment into this province, isn't it?

SOME HONOURABLE MEMBERS: Oh, oh!

MR. F. JOHNSTON: Mr. Speaker, we have the union leaders in this province. We have a union leader who actually comes out and makes a statement, you know, if you're doing business in Manitoba, you won't be able to close your business here if you're not making any money. Now, really, I can just see the industry people tramping across the roads to come and invest in Manitoba under those conditions.

We have another union leader by the name of Christophe, Mr. Speaker. Mr. Christophe comes up and he says to the Dominion stores, Mr. Speaker, if you close those four stores and you don't hire all the employees in the other, I'm going to strike all your stores. Now, what happens, Mr. Speaker, all of a sudden all the Dominion stores are for sale. And really, is there a lot of money around to buy them? Mr. Christophe made that statement. Can you really see investment coming to this province under those circumstances, Mr. Speaker?

Mr. Speaker, we have a group here on the other side of the House who still believe in two and one-half times one.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. F. JOHNSTON: Mr. Speaker, I've had the Member for The Pas yell across the House to me, and I don't think he minds me saying it, that he's all for two-and-one-half times one, and all the benches over there are for them. The Ministers were here when Mr. Schreyer was here and they were all for two-and-one-half times one, and you know, Mr. Speaker, when that announcement came out, when the previous Premier of the NDP, Premier of this province, made that announcement - if you want to take a look at the statistics, investment and manufacturing dropped through 1975, '76 and '77 like you wouldn't believe. Mr. Speaker, if the Minister of Economic Development will produce the 10-year progress of the province, it is there. It was there when I left; it was the '70s . . .

A MEMBER: No, but they changed the figures, Frank.

MR. F. JOHNSTON: It had the '70s and, as a matter of fact, I have a draft of it, and it shows the progressing chart of this province through the '70s.

A MEMBER: They've changed the figures though, Frank.

MR. F. JOHNSTON: Yeah. Mr. Speaker, I even have a report in my desk and I tabled the letter the last time I spoke, Sir, telling the present Minister of Community Services that manufacturing was at one of its lowest ebbs in this province at the time. It was a report presented to him. I'll make it available to him if he's forgotten it, but it's there. There's a letter from his deputy telling him that whole story; so let's not quibble about that, the figures are all there.

So, the last time we heard about two-and-one-half times one, what happened?

A MEMBER: Wiped out.

MR. F. JOHNSTON: Now we have a government that supports a Marxist Conference. Mr. Speaker, we support a Marxist Conference.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. F. JOHNSTON: Now wait a minute, Mr. Speaker, that's not so bad; but the Minister of Economic Development, when she was commenting, says, we're

interested in as much economic thought as we can get, she said. Marxism is an important body of thought. We're interested in seeing the new levels of thought in this field.

Mr. Speaker, tie that in with the statement made in this magazine last year, which says, "Capitalism," Smith says, "is in its late stage." Tie those two together, Mr. Speaker, and I really don't expect that there'll be many industrialists, many people who want to invest, tracking their way to the Minister of Economic Development's office. They will come in and have courtesy; CP Air won't, I know about that one. They will come in and they will give courtesy, but they will not be investing within this province, Mr. Speaker.

Then, Mr. Speaker, what do we have? We have the most regressive, the most disgusting tax in Manitoba - there's one in Quebec, but it's still not quite the same - but in Manitoba we have a tax on employment. I tell you, Mr. Speaker, somebody said, what's the difference? In Quebec, most of it goes to schools and hospitals. Here, it goes in the general fund, which is an admission from the Minister of Finance.

Mr. Speaker, that tax is a tax on employment. Mr. Speaker, the Minister of Finance - and I have a quote from him here - the Minister of Finance while he was speaking on the Budget, presenting the Budget, he made a case to purposely say to me, you know, what you said would happen, didn't happen. Mr. Speaker, I had said last year that when this tax went on that prices would increase. I explained to the Minister of Finance that there's a multiplier effect and it goes all the way along the line and ends up in higher prices.

HON. V. SCHROEDER: That's why we had the lowest inflation in Canada.

MR. F. JOHNSTON: Yes, and, Mr. Speaker, that's right, we had a very low inflation situation.

Mr. Speaker, I wish I had been right; I was wrong.

MR. A. ANSTETT: You've been wrong before.

MR. F. JOHNSTON: I wish I had been right, because you know what happened, Mr. Speaker? In this economy today, nobody can raise prices. So what happened? They laid people off.

A MEMBER: Just like they did in Alberta.

MR. F. JOHNSTON: They laid people off. Mr. Speaker, I know of companies - they don't publish it. I know of one company that laid four people off and their total salary of those four people was exactly what they paid on the payroll tax, and it's happened in hundreds of small businesses throughout this province. So, Mr. Speaker, I said, I wish I had been right. I wish maybe prices had gone up a little bit and people wouldn't be out of work.

This Minister of Finance has to look young people square in the eye and he has to look older people square in the eye, and he doesn't really look anybody square in the eye, and he's got to justify the worst tax that this province has ever had. This man has, with his 1 percent payroll tax, caused more disruption in families, caused more heartache in families, than any other

Minister of Finance in this province, and he really expects companies to come wandering across this country and invest in this province, when every time they expand, every time they want to hire more people, they will get charged for hiring more people. Are you really expecting a lot of investment under those conditions?

Mr. Speaker, that Minister has caused more heartache - I repeat it - than any other Finance Minister in this province.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. F. JOHNSTON: Mr. Speaker, I don't really want to get too involved with the comments from across the House, but I really won't pay any attention to them from children.

Mr. Speaker, people won't spend when they don't have a permanent job. You're expecting to spend all this money in these Estimates and, you know, you're talking about job creation. They're talking about a "Wish List". They're talking about jobs to be able to be created to get out of these hard times when things get better.

I've just explained to you, Mr. Speaker, why they won't get better in Manitoba. I can assure you that the economies of the other provinces will move forward first with the type of attitude that I just explained; of people when they don't have a permanent job, they go to work, they get their salary, and they put it in the bank, because they know they might be out of a job in six months to a year. So, Mr. Speaker, they don't really expend. We are going to have a situation, Mr. Speaker, where we've got a Wish List that can't be done. We had one project announced the other day. They made sure they said it would take two years. I'll bet you, Mr. Speaker, there isn't even a drawing on that building. I'll bet you there isn't an architect been hired. Maybe there has been discussion. I will tell you, they probably won't even turn any sod for a year on that building. I would like to know, in this "Wish List" right there, where the research is for it? Where are the computer runouts on feasibility studies? Where are the feasibility studies that when I was Minister the Federal Government demanded we have before we went ahead with anything? I'd be willing to bet there aren't any feasibility studies on 85 percent of them. They can't go ahead, you have a situation where you don't have any more capital than you had last year, and they're just fudging it through as my honourable colleague for Pembina says.

Mr. Speaker, permanent jobs are what Manitobans want. The members on the opposite side make a big thing about migration and immigration, there's 10,000 more people. You know, I explained to them last year, the reason there's 10,000 more people is we had 5,000 more immigrants, we had 8,000 more, or better, babies born than people died. We lost to the other provinces, Mr. Speaker, we lost to them.

Mr. Speaker, we used to be criticized for people leaving Manitoba, young people leaving Manitoba. Mr. Speaker, I would like the Member for Thompson to stand up and tell me where all his graduating class is working right now. You know, he went into politics by 42 votes and made himself \$30,000 a year. Where's the rest of your graduating class? Are they all working?

Where is the next graduating class from the University of Manitoba, Winnipeg, and Brandon going to work in this province, Mr. Speaker? Where are they going to work in this province, Mr. Speaker?

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

MR. S. ASHTON: I'd just like to indicate to the member I'm glad to answer questions on speeches, but for the member to ask questions from his seat to the other members I think is out of order, Mr. Speaker.

MR. SPEAKER: Order please. The member didn't have a point of order.

The Honourable Member for Sturgeon Creek.

MR. F. JOHNSTON: Well, Mr. Speaker, I'll ask the government where is the next graduating class from the University of Manitoba, Winnipeg and Brandon going to work in this province? Will you tell me where the next Grade 12 class that wants to go to work in industry is going to work in this province?

We were doing something about it and it got floated away by the Minister of Energy. Where? Just tell me. Now, look, Mr. Speaker, I'd like the Minister of Education to go out and talk to the young people that are graduating in the schools of Grade 12 and up and really give them some guarantee that they'll have permanent jobs in the Province of Manitoba. Go ahead.

MR. H. HARAPIAK: What guarantees did you give them, Frank?

MR. F. JOHNSTON: Will we only have jobs like the NEED Program, the Minister of Labour, taking the inventory at the hospital of goods? Will we only have that list of jobs that was presented to us? Are they permanent jobs? No, they're not permanent jobs, Mr. Speaker.

These honourable members on the other side have to answer to the young people of this province. They have to answer to the unemployed of this province because our largest export is going to be young people, and we were doing something about it and you're not doing anything about it, Mr. Speaker. I gave you a list of the reasons why investment won't come here. Are you going to dispute that they're not right?

Mr. Speaker, I assure you that we were aware - as the Minister of Municipal Affairs said, the magnet he called Alberta and Saskatchewan - of that magnet, we started to do something about it. It got absolutely thrown down the drain by the members opposite because they didn't have the ability to negotiate.

Mr. Speaker, I can tell you that, according to this document right here, manufacturing was up, exports were up, everything was up except one little figure that they keep dwelling on. I have all the statistics on those figures. Do you want them, too?

A MEMBER: No, they've changed them all, Frank.

MR. F. JOHNSTON: You changed them all. Mr. Speaker, the people of Manitoba, the shenanigans that this government is carrying out are so great that the people

of Manitoba wouldn't believe them. They couldn't fathom that any government would be as misleading as this one has been.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. L. SHERMAN: Thank you, Mr. Speaker.

A MEMBER: It is all right, Frank . . .

MR. F. JOHNSTON: Well, I wouldn't have believed it of you. You sure aren't the same guy I knew.

MR. SPEAKER: Order please. Order please. The Honourable Member for Fort Garry.

MR. L. SHERMAN: Thanks, Mr. Speaker. It's not my intention, Mr. Speaker, to be unduly provocative or belligerent this evening . . .

MR. F. JOHNSTON: Why not, why not? Can't stand the truth?

MR. L. SHERMAN: . . . or to deliver the same kind of address, the same launch, the same kind of criticism that led to an episode in the Session earlier, Mr. Speaker, that subsequently led to my expulsion from the Chamber, but I do want to come back to the point of credibility and truthfulness in this House, and credibility and truthfulness in the government, and especially to address my remarks to the Honourable First Minister who I know is not here this evening. He's representing the province at the Constitutional Conference in Ottawa, but I'm sure that his colleagues will bring my remarks to his attention, and in any event he can read them for himself in Hansard.

I think that it is important that we at least clarify some of the dispute and some of the debate that has existed between the First Minister and me with respect to some of the things undertaken by this province, by this government, particularly in the area of health care spending and health care projects.

In relation to that, I want to spend a minute or two on the so-called "Wish List" that has been formulated and developed by the Minister of Finance and his colleagues, and the health projects listed therein on Page 2, which are described as components of Manitoba's capital project proposals to the Government of Canada.

I want the First Minister and the Minister of Finance to know, Mr. Speaker, that I believe and my party believes that the kinds of arguments they are trying to develop and sell to the people of Manitoba with respect to health care construction commitments and spending are transparent and are untrue. I think, Mr. Speaker, that although the point has been debated in the past and has become a matter of fractiousness and a matter of rancor in this House, that I can address it for a few moments this evening in order to set the record straight, hopefully without plunging the House back into the kind of rancorous mood that perhaps accompanied the earlier debate on this subject.

One of the things that annoyed me, as you will recall, Mr. Speaker, was the fact that the First Minister of the

province, who is responsible for setting the tone and the image of a government and responsible for establishing its posture of believability and credibility and integrity, announced in an address in British Columbia and subsequently repeated the claim in a year-end statement here, that the current government had spent almost double in health care construction in the current fiscal year to what the previous government had done in its last fiscal year in office.

I challenged that statement in rather declamatory terms, and I don't apologize for the vigorous nature in which I challenged it, although obviously my choice of language at the time was not regarded as parliamentary and I accept that criticism, but I challenged the statement because, Sir, I believe it to be a patent fiction. The First Minister, who was somewhat angered and exercised by my challenge, then addressed the House in the course of the concluding stages of the Budget Debate earlier this month and attempted to illustrate that, in fact, the current government, the new New Democratic Government of this province, had spent almost double the amount of money in health care construction in the fiscal year now coming to a conclusion, its first year in office, the amount that had been spent by the previous government in its last fiscal year in office.

I want to quote from the record of March 7th, Mr. Speaker, just to set the stage for the debate at this point and then respond to it. The First Minister said on that occasion, and it was Monday evening, March 7 and his remarks appear on Page 562 of Hansard and it was the wind-up chapter of the 1983 Budget Debate. "You know, the Honourable Member for Fort Garry sent an article out to my own local newspaper, a big headline on it, and I think the words were, 'Deceit Lurks in the Corridors of the Legislature,' and then the words were to the effect that how badly I had misled . . . " - this is the First Minister of the province speaking - ". . . how badly I had misled the House by suggesting that we had doubled construction in health care facilities in the first fiscal year of our administration compared to the last fiscal year of the administration of the previous government." I'm continuing to quote from the First Minister and quote from the record of Monday, March 7th, Hansard, Page 562, Sir, and will advise the House when I am no longer quoting from that record.

"Mr. Speaker, what are the facts? I'd like to put them on the record because it's been bandied about so much in this Chamber." Then, after some supporting remarks, the First Minister goes on to say, quoting again, "On March 20, 1981, a Manitoba Health Services Commission Capital Program of \$34,650,000 was announced by that member, the Member for Fort Garry." That was a reference, Sir, to the last Capital Program announced by the government in which I had the honour to serve as the Minister of Health of this province and that is correct. The last capital budget that we announced through me as Minister of Health was for the fiscal year 1981-82 and the capital program that we announced was \$34,650,000.00.

The First Minister went on, on Monday, March 7th, to the following effect, "It . . . " - that's the 34.5 million Capital Program - ". . . included projects available for immediate tendering, projects to be started during the year in a contingency for upgrading, all included.

"On April 30, 1982, the present Minister of Health . . . " - that is the new Minister, the Honourable Member

for St. Boniface, a member of the New Democratic Government now in office - ". . . the present Minister of Health announced the next Capital Program . . ." - which would be for fiscal 1982-83, the current fiscal year - ". . . one year later, our administration." This is the current First Minister talking. "It included \$69,300,000 for those same three categories of construction, twice as much. Now, the Member for Fort Garry was a master of announcing programs that were not about to take place and, unfortunately, the Member for Fort Garry appears to have forgotten that he had announced some programs that didn't take place."

Mr. Speaker, the First Minister attempts to make the point here that the Capital Program announced by his government, the current New Democratic Government, in its first year in office amounted to \$69,300,000 and, therefore, represented an increase of 100 percent over our government's last Capital Program of \$34,650,000.00. That would be an interesting fact, Mr. Speaker, if it happened to be true. Certainly, \$69 million is double \$34 million. Nobody is quarrelling with that. Neither my colleagues nor I quarrel with that. The fact of the matter though, Sir, and I will go on to demonstrate it in the next few moments, is that the \$69.5 million to which the current First Minister refers, which is the Capital Program announced by the current Minister of Health, included almost in totality, almost to the point of 100 percent, projects that our government had announced, committed to, funded and declared in previous years' programming; programs that were already accepted, approved and under way; projects that were already in the stages of design, tendering or actual construction.

Now, Mr. Speaker, the Minister took the opportunity at that point to say that, "The Member for Fort Garry was a master of announcing programs that were not about to take place . . ." Mr. Speaker, I challenge that contention by the First Minister and I hope that these remarks of mine will be brought to his attention and that he will review them and seriously think about them when he has an opportunity to read the few remarks that I am delivering tonight.

I would like to know what his basis and rationale is for suggesting that I was a master, or our government in a Health sense, was a master of announcing programs that were not about to take place. We committed ourselves, over the course of four years in office, Mr. Speaker, to \$234 million, actually \$240 million in capital construction in the health care field, nearly a quarter of-a-billion dollars. That is a staggeringly impressive record that compares with any in the history of this province or on a per capita basis in the history of any other province in this country and compares most favorably and puts most of them to shame. That is simply the capital program that we announced, and committed, and got under way.

I don't intend to belabour the House tonight with references to the operating programs, to the additional insured programs that we brought on stream, to the additional activities in the health care programming spectrum generally, but just the capital programming alone amounted to nearly a quarter-of-a-billion dollars and I would have thought that in fairness the First Minister would have acknowledged that this is an issue that should not be turned into a political football, that everybody in Manitoba, all taxpayers, all Manitobans

of all political persuasions have a responsibility for bearing the burden of that kind of a commitment and all were doing so because of this province's long record of history and commitment to good health care. I would have thought there would have been some recognition of that, or at least if no recognition of it, that the First Minister would have avoided any kind of unfair representation or misrepresentation of it.

The fact of the matter is that we were not masters of announcing programs in the health care field that did not take place. We announced a myriad of programs and projects and all of them took place, including some of those of which we're most proud, such as the redevelopment of the Health Sciences Centre which was a program and a project that had been long awaited by all Manitobans, because of the importance of that health facility to our province.

Mr. Speaker, the First Minister then went on in that same debate to say, and here I quote again, "I've been informed by the Manitoba Health Services Commission - again, I would ask you to jot this down - that in 1981-82," the last year of the Progressive Conservative administration, "\$25.6 million was spent on health construction; in 1982-83," the first year of the New Democratic administration, "\$52.1 million being spent. Again, more than double the amount in the Tory's election year. Mr. Speaker, what we appear to be witnessing is the masters of misinformation across the way."

Well, that was the supporting testimony, so-called, offered by the First Minister in this House in the concluding stages of the Budget Debate on the evening of Monday, March 7, 1983, to rebutt the contention that I had laid before this House earlier in rather fractious and rancorous debates to the effect that his claim, made in Vancouver, British Columbia, earlier in this fiscal year and repeated in his calendar year-end statement in 1982, was erroneous and false, that claim being that the current government had increased spending, capital construction spending in the health care field by almost 100 percent, almost double over what our government had done in its last year in office.

Mr. Speaker, let's take a look at the figures now that the First Minister put on the record, and I submit for your consideration, Sir, and the consideration of all members of this House those figures for your earnest and conscientious attention and those project lists for your earnest and conscientious attention, to see whether or not I am accurate in refuting the First Minister's claim and challenging the First Minister's credibility on this point.

You will recall, Sir, as I said a few moments ago, the First Minister pointed out that the program announced by the current government for 1982-83 included \$69.3 million for capital construction facilities in 1982-83 in the health care field. Let's look at that Capital Program that was announced in April of 1982 by the current Minister of Health, as part of a five year program, and see what it consists of, Mr. Speaker.

It consists of a category of projects adding up to a total of \$21.5 million, relative to which the Minister of Health said approval is given for immediate tendering of these projects. So there was approval given for immediate tendering of projects adding up to a total of \$21.5 million.

Then there was another category which consisted of approval given for projects at an estimated cost of \$40

million, for construction starts at various times during the year.

Then there was a third category, which consisted of approval for a construction allowance at \$5.5 million to accommodate a number of facility upgrading regeneration and life safety projects in various facilities throughout the year.

Those were the three categories in the program announced, Sir: one of \$21.5 million; one of \$40 million, and one of \$5.5 million. That adds up to a total of \$67 million, which is very close to the \$69.3 million to which the First Minister referred, and I'm not going to quibble over the other \$2.3 million, they could well have been related to the later announcement that came on Misericordia Hospital. But whether 69 million or 67 million, Mr. Speaker, that's beside the point. The program announced by the Minister of Health last April consisted of the three categories that I've described and added up to \$67 million in the figures and amounts that were given in the House at that time.

What did that project list consist of? This great program that represented a 100 percent increase over what the Progressive Conservative Government of the previous year had done? Here were the projects, cited by the Minister of Health, on behalf of the First Minister and the Minister of Finance and their colleagues in the New Democratic Government of the Day, Sir:

Construction of 28,000 square feet of new space at the Winnipeg Municipal Hospitals to house day programs; a project that had been announced and approved a year earlier by the Progressive Conservative Government.

A building at St. Boniface Hospital to provide space and equipment for a new cobalt radiotherapy unit and a new CAT Scanner; a program that had been announced a year earlier and approved by the Progressive Conservative Government.

A blood fractionation facility for the RH Institute; that was a \$6.5 million capital project in which my colleagues and I took great pride, Mr. Speaker, because we had to fight our way through Ottawa and through reservations and ambitions and competing interests of other provincial administrations across this country to get approval for the RH Institute here in Manitoba to compete in the supply of blood fractions and fractionated blood products in Canada and to get approval, the right of Manitoba through the RH Institute to supply one-third of the blood fraction market in Canada, and then to win approval from our Treasury Board and subsequently from the Legislature of the day for \$6.5 million capital commitment.

One of our crown jewels of our 1981-82 program announced by the Minister of Health of the current government and passed off by the current First Minister as part of the current government's 1982-83 Capital construction program.

Mr. Speaker, I could go on through the whole list of projects. There is reference to a new 20-bed personal care home at Glenboro to replace the old 16-bed facility now in use. Our government, Sir, had approved that, not in 1981-82, but in 1980-81, two years earlier that project was under way.

There is reference to a new 40-bed personal care home at Grunthal in the home constituency of my colleague, the Honourable Member for Emerson, and we, as he will attest, Sir, approved and announced that in our 1981-82 program.

There is reference to a new 60-bed personal care home at Steinbach. Mr. Speaker, surely the Honourable Minister of Energy and Mines who was one of my sternest critics when we were in government and he and his colleagues were in opposition will recall the debate and dispute over the need for a new personal care home at Steinbach to replace the old facility and the old personal care home there. And the subsequent announcement of it, approval of it, and commitment to it in our Capital program for 1981-82.

Sir, the list goes on and on. It includes the new hospital at Arborg, where the Honourable Member for Lakeside and I turned the sod and participated in the start of the construction program while our government was still in office and long before we were defeated and replaced in office. It includes the replacement and redevelopment of the hospital at Dauphin.

HON. J. PLOHMAN: I'll bet.

MR. L. SHERMAN: It certainly does. The Honourable Minister of Government Services says, he'll bet. Well, he well knows that a \$15 million regeneration redevelopment project involving the Dauphin General Hospital was passed and approved by the Progressive Conservative Government in 1980-81, whether or not the . . .

HON. J. PLOHMAN: You froze it for two years.

MR. L. SHERMAN: . . . Member for Dauphin, the Honourable Minister of Government Services likes to admit it, he was a member of a body and a board in Dauphin that dragged their feet deliberately over the start of construction up there to embarrass the Progressive Conservative Government of the day, but we went ahead with all earnestness and effort anyway and we approved the \$15 million redevelopment and regeneration of that hospital. Mr. Speaker, that is included in the government . . .

MR. SPEAKER: Order please.

The Honourable Minister of Government Services on a point of order.

HON. J. PLOHMAN: A point of privilege, Mr. Speaker, I would like to know, the honourable member just said that I was on a board that was dragging its feet and trying to embarrass the previous government, I would like to know which board he's referring to that allegedly that I was on, that he says that was dragging its feet?

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. L. SHERMAN: Mr. Speaker, the Honourable Minister of Government Services may not have been on the board of the Dauphin General Hospital at that time but he was serving in some elected capacity in Dauphin, perhaps on the town council that exerted considerable influence with respect to the decision on construction and the critical path in terms of development of that hospital even though our government had approved it and committed the \$15 million.

Mr. Speaker, another item in the program announced by the current government was the upgrading of the existing hospital at St. Claude. Another program, as the Honourable Member for Morris will attest, another project, Sir, that was approved, announced, and to which the money was committed by our government.

Well, Mr. Speaker, all I'm trying to say here is that the list goes on and on and in actual fact, Sir, although there well may be \$69.3 million related and attached to capital construction projects in the health care facility field for 1982-83 as the First Minister claims, they were in virtual totality, Sir, projects that were approved and launched by the previous government.

So, I return to my original challenge to the First Minister which certainly upset me and my colleagues and annoyed us and disturbed us at the time. I believe that the credibility and the believability and the image and the posture of a government depends very heavily, very crucially on the believability and the credibility and the image of the First Minister and his or her colleagues on the Treasury Benches.

I think it's a serious matter when the First Minister of this province makes claims that cannot be supported by the record or by facts and I suggest again, Sir, that he review his facts and his figures in this connection because I do not believe that his claims in the health care construction field in respect of the issue which I have been addressing here are supportable by fact and I think their record clearly shows that.

Now, Sir, I know that the Honourable Minister of Finance wants to close debate on this motion and it's not my intention to prevent him from achieving the floor, but I just want to take two or three minutes to address the Capital Project Proposals to the Government of Canada which have been distributed to all members of the House and have come to be accepted or have come to be identified by all of us on both sides of the House as the Provincial Government's "Wish List".

There again, Sir, we have a presentation that really staggers one's credulity. The Minister of Finance and his colleagues list on Page 2 a number of hospital projects which constitute the health care section of the capital project proposals going forward to Ottawa for support and joint participation in the National Recovery Program that the Minister of Finance is pursuing, and some of them, Sir, certainly are acceptable and deserving of acknowledgement by me and by my colleagues as new programs and new projects. For example, the proposed expansion and renovation of the Neepawa Hospital, which would be \$1.7 million project, I acknowledge that as a new suggestion. The expansion and upgrading of the Steinbach Hospital, which is a \$2.7 million project, I acknowledge that as new; and the \$1.75 million proposal for improvements to the Flin Flon Hospital, I accept that as new.

There are one or two others that are also new, Sir, but the two major ones in this list are items that are contained and included in the Capital Construction Program of the Progressive Conservative Government of the years 1977-1981 that were announced in this House, accepted by this Legislature and approved long ago, Sir. They are the \$4.5 million renovation and upgrading program for the Selkirk Mental Health Centre and the \$4 million plan to construct an adolescent psychiatric unit here in the City of Winnipeg. Those,

Sir, were major components of the Capital Construction Program in the health care field of our government. The First Minister knows that and his colleagues know that.

We approved the adolescent psychiatric unit, a project that was supposed to be freestanding but related physically to the Health Sciences Centre, to have its own separate board so that it would have some autonomy and obtain the required consideration for decision-making and funding that adolescent psychiatric services, in our judgment, deserved and that would offer something, I think, in the neighbourhood of 25 beds, perhaps 30, but 25 if my recollection serves me, for the much needed service that has been identified by recent governments in Manitoba in the adolescent psychiatric field. That was a major objective and a major project of ours, a major undertaking of ours, when we were in government. We approved that and we went through all the necessary and difficult negotiations with the City of Winnipeg and the Health Sciences Centre to obtain the necessary land adjacent to the Health Sciences Centre and work through the legal difficulties relative to the freeing up of a certain piece of property. Here it turns up, Sir, in the Wish List for Manitoba Capital Project Proposals being circulated by the Government of the Day as though it is some new idea, some new concept that constitutes part of the \$200 million objective the Minister of Finance has announced in this regard. That \$4 million adolescent psychiatric facility should be in service now, Sir. In fact, it certainly should be half up in a physical sense, if indeed it should not be in actual physical service. We approved that in 1981-82 and here we are heading into fiscal 1983-84.

The other one, Sir, that disturbs me because of the way it's listed and presented here, as I have suggested, is the \$4.5 million renovation and upgrading program for the Selkirk Mental Health Centre. Again, looking at the necessary overhaul and improvement and refinement that we deemed desirable in mental health in Manitoba and in the delivery of mental health and psychiatric services, our government declared that there would be a \$5 million upgrading and improvement program at the Brandon Mental Health Centre and a \$5 million upgrading and improvement program at the Selkirk Mental Health Centre, and we delivered both of them with the necessary approval in our 1981-82 capital project list in this House, Sir. Here is the Selkirk Mental Health Centre Project turning up in another list entirely offered by the Minister of Finance in connection, as I say, with the \$200 million Wish List Capital Works Program, when in fact that \$5 million or \$4.5 million to the Selkirk Mental Health Centre was committed long ago and should be visible in terms of results on the Selkirk Mental Health Centre campus right now.

So, Sir, I conclude by returning to my appeal to the First Minister, who sets the tone, as I say, for any government, to lead his government and lead his adherents and lead this Legislature and lead this province in terms of truth, believability and credibility. It was our difficulty with some of the things that the government was claiming and some of the claims the First Minister was making and some of the things that the First Minister was saying that led, in my opinion, Sir, to much of the bitterness and rancor that plagued this House during the pre-Christmas sitting and that threatens the atmosphere of this House at any time in any sitting.

So, Sir, I conclude my remarks by appealing to the colleagues of the First Minister, who is otherwise occupied tonight in Ottawa, to draw his attention to the remarks that I have made and ask him if he would not review the facts on the record once again and remind himself and his colleagues that for progress, particularly in the health care field where nothing can be achieved if issues continue to be political footballs, co-operation between government and opposition is very crucial. That kind of co-operation is almost impossible to achieve if there is not a mutual respect for the believability of statements that are made from one side to the other in health care debates.

I commend the program in the capital construction field of health care facilities of the previous administration to the First Minister's attention and would hope, Sir, that he would be prepared, in the interests of the kind of co-operation necessary, to make the gains we need to make for Manitobans in health care. I would hope that he would be prepared to give credit where credit is due.

Thank you.

MR. SPEAKER: The Honourable Minister of Finance will be closing debate.

HON. V. SCHROEDER: Thank you, Mr. Speaker. I had expected that there would be more to answer. It may not take me 40 minutes to answer the minor amount of flack that has come our way this evening.

I should begin - I was hoping the Member for Sturgeon Creek would be here because a group of us from this side of the House visited his constituency this evening. I might say, we had a very fine meal in a restaurant down there. It wasn't chili. We had a very enjoyable time. There were a lot of people there who seemed to be enjoying themselves, obviously the Member for Sturgeon Creek wasn't one of them. He didn't seem to be to happy this evening and he came in here with both barrels flaring. I reminded him during the Budget Speech that he had been dead wrong when he said that inflation would be much higher in Manitoba than in other areas of the country because of our taxation measures last year that, in fact, inflation in Manitoba had been the lowest in Canada. Winnipeg was the lowest rate of inflation of any major city in the country.

So he comes back tonight and he says, ah, the reason is, things are so bad in Manitoba. That's what he said. But you know we have had one of the very top rates of job retention in this country. We have had one of the best rates of economic performance in this country. We have had one of the least areas of expansion of deficits and drops in revenues, of any province in this country.

We have, and of course he always feels a little bit - and I'm glad he's here - defensive about the population statistics in this province, and again tonight he had to refer to it, so I will refer to it very briefly. The fact of the matter is that during their years, during a number of their years in office, they had an actual drop in population. In our first year, we had an increase in population that was larger than they had in any year, and larger in fact, than the total increase in the four years when they were in government.

Now, he talks about, and the Member for Fort Garry talks about the "Wish List". And I heard the Member

for Swan River refer to it as a "Death Wish", and I find that to be incredible. I want to remind members of the House what the background to that list is again because obviously they have forgotten.

I went to Ottawa, in December of 1982. The Federal Minister of Finance told us that he was looking at capital projects to finance or do in this country - didn't tell us whether they were in the health care field, in the education field, in economic development, sewer and water, municipalities or what-have-you. So what were we going to do? Were we going to say no we're going to eliminate one of those areas because we don't think we would want to spend money on it. Of course not. What we did was we went across departments in this government and tried to find programs that we could not, or might not, be able to do ourselves this next year and we provided them to the Federal Government. I don't think there's anything wrong with that. — (Interjection) —

The Member for Fort Garry says that some of those projects are projects that had already been on the books by the previous Conservative Government. I don't deny that for a second. Why should we not look at those kinds of projects?

You know, the Minister of Health, as I'm sure the Minister of Health before him, was attempting to present to us last year, and is continuing to present to us a program based on three, four, five, six year planning ahead of construction in the health care field. That is sensible planning.

Now, some of those projects certainly are not going to go ahead in the year 1983. Some of them will. We have decided which ones will, and if the Federal Government wants to kick in in the area of health care, then we have some projects for them that we would be delighted to have them take on now. If they don't do them this year then certainly we will be doing them over the next few years.

Now there is nothing that is somehow unusual about the approach Manitoba has taken. Nine out of ten provinces have provided the Federal Government with "Wish Lists". None of those nine provinces knew what the criteria of the Federal Government was anymore than we did. We went to the Federal bureaucrats, working in Manitoba, who are doing their best to further the interests of Manitoba, I sincerely believe, and they suggested to us that we go by department. And we followed their advice, and yes, we put in far more in terms of construction than we ever expected the Federal Government to undertake.

We never wanted to put the Federal Government in a position where we were saying oh, we've got billions of dollars worth of projects for you, why aren't you doing all of them. We said, we don't know what your

criteria are, but just in case you are going to have extra money in the health field, just in case you will have extra money in northern development, or any other component, we will have something there on which you can spend your money.

I don't think that was an unreasonable approach. In fact, I think that was an approach, if the members opposite were honest with themselves, they would admit they would have done the same thing if they would had been on our side. I would have hoped they would have done the same thing.

The only province that didn't feel that they ought to do anything was Alberta and I'm sure that they would not have been like Alberta.

Now, Mr. Speaker, the Member for Sturgeon Creek referred to the saving rate which we all know is at an historic high. But I would challenge him to provide us with some, just minor little piece, shred of evidence that somehow the savings rate in Manitoba is even higher than in the rest of Canada, or indeed even lower. I'm not sure whether it's higher or lower.

I believe that in areas where you have a fairly significant amount of people at middle age, or older than middle age, and we happen to be in that category in this country, that there's probably more saving than in the areas where you have a lot of younger people. That is a fact of life, but there is no way that he can tie — (Interjection) — well, Mr. Speaker, the Member for Minnedosa ought to have reams of evidence on this issue being the local representative of the Royal Bank, and I'm sure that he can provide us with material on that — (Interjection) — I'm not going to touch that.

Now again we've witnessed, I suppose you could say it's a rehash of the Budget Debate. Basically we've had a second kick at the cat and I think that we can't criticize the opposition for doing that. I think when we were on the other side we probably tried that once or twice and that's part of the system.

What I'm still amazed at, Mr. Speaker, is that they haven't come up with an alternative. You know, we've heard the Member for Pembina again say that we should have eliminated the health and education levy. That's \$110 million.

We heard the Member for, the former Minister of Agriculture say, we should get rid of the gasoline tax, yes.

We've heard a number of the members opposite say we shouldn't increase the sales tax. They go on, and on, and on about taxes. We shouldn't be increasing our taxes, we should be eliminating.

Then we hear the Member for Portage la Prairie giving us his "Wish List" for Portage la Prairie saying I want you to do this with this building, that with another building, etc., with the third building. He wanted more money for his constituency.

Then you had another one of the members, I believe again the former Minister of Agriculture, certainly the Member for La Verendrye, saying today that notwithstanding the fact that the government had borrowed money at 18 percent and higher and had lent that money out to farmers through MACC that they should now subsidize those interest rates down by something like 5 percent. Isn't that something? That's a nice cost item.

We've heard people opposite say they want more spending on highways. They are criticizing us for not

spending enough on drainage. They are criticizing us all over the place for too much taxation and too little spending, and then they criticize us for the deficit. What a bunch of hypocrites. I have never seen such a bunch of hypocrites.

MR. DEPUTY SPEAKER, P. EYLER: Order please.
The Honourable Member for Minnedosa.

MR. D. BLAKE: The Minister of Finance is calling us "hypocrites." That is unparliamentary language, Mr. Speaker, I'd like him to withdraw.

SOME HONOURABLE MEMBERS: Withdraw, withdraw.

MR. DEPUTY SPEAKER: The Honourable Minister of Finance.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. DEPUTY SPEAKER: To the same point of order? Order please. Does the Minister of Finance wish to respond to that point of order?

HON. V. SCHROEDER: Yes, Mr. Speaker.

HON. V. SCHROEDER: I'm going to have to, obviously, withdraw. I notice the Member for Minnedosa has a much thinner skin tonight than he has had on previous occasions.

It is very clear that there is something drastically wrong with the position of the opposition; that is, they want us to spend more money and they want us to tax less and they want a lower deficit. That's what they're talking about, and they think they can walk out there and sell that to the public who are not nearly as foolish as they seem to think they are. In fact, that's why they're sitting on that side. That's why they're sitting on that side. The public recognizes that . . .

MR. F. JOHNSTON: Grade 3 economics.

HON. V. SCHROEDER: Grade 3 economics, yes. Now, Mr. Speaker, we had the Leader of the Opposition talking about - on the other hand, he was one of the ones, there were a few people on that side who are criticizing the deficit. There were a whole pile of them saying we should spend more on specific items that would do them some political good. The Leader of the Opposition, to his credit, I can't think of one thing he wanted us to spend money on and that is consistent with his philosophy. He was complaining about our spending money; he was complaining about our taxing; he would prefer to do away with Medicare; he would prefer to do away with general government programs; he would prefer to see the strong survive. That's his philosophy and he spoke about it again and that's fair enough. But when they say that we should eliminate a few hundred million dollars of spending, as some have suggested, what they are also saying but they're not prepared to stand and say it specifically, they're saying it indirectly, that they're prepared to lose 10,000 jobs in the public sector directly, because for every hundred million dollars of our public spending, we have 5,000 direct public jobs.

Now, when you take \$200 million off our spending, which you would have to do and more if you eliminated the taxes they want us to eliminate, then you eliminate directly 10,000 jobs. What does that do indirectly to this economy? What does that do to the spending power of those people who no longer can purchase goods and services in this province, let alone the services that those people are now providing to the people of Manitoba? What would that do?

That is a totally illogical position that the opposition is spreading, and if they think you can get away with it, then they should stand up and tell us where they would cut the \$200 million, because they would have to cut that \$200 million just to get back to the same deficit we are now projecting. — (Interjection) — If they want to go beyond that, after they've cut those taxes and cut the deficit by more, then they will have to add another \$100 million or another \$200 million to the cuts in spending, and let them stand up and say where they're going to do it.

MR. DEPUTY SPEAKER: Order please. The Honourable Member for Virden.

MR. H. GRAHAM: Thank you, Mr. Speaker. At the invitation of the Honourable Minister of Finance, I would be prepared.

MR. DEPUTY SPEAKER: The Honourable Minister of Finance.

A MEMBER: Nice try, Harry.

HON. V. SCHROEDER: Mr. Speaker, I have asked those people on a number of occasions, the last time was when I was closing the Budget Speech Debate, and the Member for Virden didn't have the guts to get up during this debate and tell us where he was going to save the \$400 million. Now, when I'm just finishing off the debate, he wants to cut into my time. I'm sure he will find plenty of opportunity over the next number of months to tell us where to cut \$400 million from public spending and we will be waiting for him. Now, Mr. Speaker . . .

A MEMBER: Is that a rhetorical question?

HON. V. SCHROEDER: No, it's not a rhetorical question. We expect you to stand up in time — (Interjection) — not during my speech, in time. You may think that's funny but I expect you, sometime during the course of the spending Estimates, to point out to us \$400 million worth of spending/saving, and if you can do that, and if we agree with those \$400 million, we might cut them. Mr. Speaker — (Interjection) — the Member for Fort Garry says I had said I wouldn't need my 40 minutes; I wasn't expecting that the opposition would do such a good job of rousing me.

Now, during the first round of the Budget Debate . . .

A MEMBER: I'm glad something rouses you.

HON. V. SCHROEDER: . . . You don't Frank. The Member for Turtle Mountain raised a number of

questions about the Jobs Fund. The Member for Turtle Mountain asserted in effect that no new or additional money is included in the Jobs Fund, that there is only the appearance of new or additional money because of - to use his words - the redefinition of capital.

Now, here again is a classic case of the Member for Turtle Mountain going out - I can imagine he spent a whole week working 12 hours into the night after the Session going over the numbers and he came up with this magical, fantastic conclusion and he became confused again. He is again as confused as he usually becomes in the middle of a whole pile of numbers. Now, not all of the authority or the planned programming and expenditures in the Jobs Fund are new. I said very distinctly and clearly on Budget night that about half of the money was new money, that the other half had been included in other departments in previous years and specifically in the last year.

I took great pains again to explain that to the opposition on Budget night and I explained that to the press after. But a substantial portion of the Jobs Fund does represent new or additional initiatives and there is no doubt about that.

I would like to take the members of the opposition through the arithmetic. But before I do I would like to briefly speak to the point of the Member for Turtle Mountain about his redefinition of Capital. First, there has been no redefinition of Capital. The definition of Capital has not been changed in any way. What has been done, quite simply, is that certain capital items have been added to the total which had been overlooked before and certain others have been deleted. This process will continue until we have the capital total as satisfactory as we can make it and we recognize of course that there always will be grey areas.

Now, the Member for Pembina talked about snow removal costs, which had just been added to the list. He knows, and certainly the former Minister of Finance ought to know, that that had been included in capital since when? - 1978-79 and had been in there in every single year and I refer members opposite to Volume I of the Financial Statements of the Province of Manitoba Public Accounts 1981-82 for the year ended March 31, 1982. You can find it in every year prior to that while the Tories had charge of the books.

Now, Mr. Speaker, Page 4-35, Government of the Province of Manitoba Statement of Acquisition and Construction of Physical Assets, and on Page 4-37, Highways and Transportation, Maintenance Program, Mechanical Division, Warehouse Stores, Airports and Roads, Marine Services, Work in Unorganized Territories, etc. \$39 million on the Maintenance Program was in Capital for that year. Your total spending on Capital by the way in that year was projected at \$218 million in government departments. In addition to that, of course — (Interjection) — of course, and including salt shakers on highways for Pete's sake. They had that included.

Now the Member for Pembina, I have to say at least he has been consistent on this issue. I have a memo here, Mr. Speaker, that indicates, and this is from the Member for Pembina when he was the Minister of Highways, to the Member for Turtle Mountain when he was Finance Minister - it's dated January 9, 1981. "With reference to your memo dated December 30th, 1980, I am forwarding herewith completed Estimates proofs.

You will note several revisions to the proposed format. These are desirable in order to reduce confusion during discussion of Estimates in the House and to accommodate appropriation allocation control by the department. With reference to the physical assets appropriation, I am concerned about being able to defend the inclusion of Highway Maintenance Program which includes mowing, dragging, equipment maintenance, snowplowing, etc. in the House, and would therefore strongly recommend that this program be excluded from this appropriation."

HON. W. PARASIUK: That was Don?

HON. V. SCHROEDER: Yes, that was the Member for Pembina. We got a memo back January 15th from the former Minister. "In response to your memo dated January 9, 1981, I appreciate the concerns that you have regarding the presentation of the Highway Maintenance Program in the 1981-82 Main Estimates. However, it is preferable to consolidate Appropriations 15-4, 15-5 and 15-6 as your staff have discussed with officials of Department of Finance. Handling of the acquisition construction of Physical Assets Appropriation in this manner is consistent with the level of funding generally referred to as acquisition construction for the province and will provide your department with more financial flexibility. It should also be noted that since the appropriation heading will now include 'and related maintenance' the contents of that appropriation are fairly displayed and should not have, in my opinion, a significant effect on the defence of the 1981-82 Estimates of the Department of Highways and Transportation in the House." That's signed by the former Finance Minister of the Province of Manitoba.

Now, Mr. Speaker, I agree with the Member for Pembina, that item should not have been included that year and I agree with him that it should not have been included this year. He was right, he brought forward a good valid point that I think we should pay heed to and we intend to do that for the next year. But let nobody say that somehow we were fiddling with numbers in order to make ourselves look good on that type of a program. That was done by the Tories and for them to now suggest that we had done it is just absolutely an untruth.

Now, Mr. Speaker, the expansion of the Capital total is unrelated except apparently in the mind of the Member for Turtle Mountain to the Jobs Fund. My information is that there is nothing in the present Jobs Fund total of \$200 million which has been added to the list of budgetary Capital items since we have been working on cleaning it up.

MR. SPEAKER, Hon. J. Walding: Order please. The Honourable Member for Arthur on a point of order.

MR. J. DOWNEY: Mr. Speaker, would the Honourable Minister of Finance be prepared to table those documents that he referred to so that there is record of it in the House?

MR. SPEAKER: The Honourable Minister of Finance.

HON. V. SCHROEDER: Yes, Mr. Speaker, I'm sure the Member for Pembina would like to use them in his

campaign. It's very clear that he was consistent and I give him that. When he raised this issue in the House, he was consistent with the position he had taken when he was on this side, and for that I give him credit because I cannot say the same thing for the Member for Turtle Mountain. That I cannot say.

Mr. Speaker, I have gone over, briefly, the speech of the Member for Turtle Mountain, that he gave on March 7th and — (Interjection) — well, Mr. Speaker, his abacus went wrong. He said, "Mr. Speaker, if this year's definition of capital had been used last year, we would not have had, as the total shows in last year's Spending Estimates, 174 million in capital, we would have had 306 million."

Mr. Speaker, in 1982-83 - and we have been absolutely consistent with this throughout - we have said our capital spending projections by department was \$251 million, not 174 million. He was out by \$75 million; that's quite a bit to start off with. So then he said to himself, well, there's 174 million in 700 million of total capital - he had that right. So he deducted 175 million from the 700 million to come up with 525 million of Crown corporation capital expenditures. Right? But he was wrong. There was no \$575 million of Crown corporation capital expenditures. The amount was indeed 450, and 450 and 250 is \$700 million. That is the amount we projected as being the capital expenses that we would have.

Now, he then turns around and says, because we went from 174 on the old system and I gave him the number for the new system of 306 million, that now there is \$125 million we've added into departmental capital, and therefore when we talk about 840 million, what we've done is gone from 700 million to 840 with 125 million of new redefined capital. Well, that's total hogwash. He started from a wrong premise and he built himself further and further into misleading mathematical calculations. But you know, Mr. Speaker, there is one problem that he has in this House, he continuously suggests that we are attempting deliberately to mislead the House. — (Interjection) — No, Mr. Speaker, he does mislead the House, but I don't believe he does it deliberately. He is confused; he always get confused when he starts getting into too many numbers. Just because he was confused with respect to Highways capital and Highways acquisition/construction and Highways salt and mowing and that sort of thing, he is confused with these numbers. He has absolutely nothing that makes any sense in his numbers.

Now, Mr. Speaker, I could go through those numbers for a while, but I see that a number of the members of the opposition are sort of having their eyes glazing over. I think those numbers confuse them; therefore, I would like to go to something that they might understand a little better.

MR. C. MANNES: We understand them.

HON. V. SCHROEDER: Well, Mr. Speaker, I know full well what the former Finance Minister understands. I see that from his speeches.

HON. S. LYON: He doesn't have to take off his shoes to make a Budget.

HON. V. SCHROEDER: Well, he certainly doesn't know how to count.

Going back to 1979 - maybe one shouldn't go into so much history, but on Page 27 of the Budget Address of that year, this was Mr. Craik, he said, "I might add, at this point, that the budgetary capital totals included in the Estimates do not reflect the full capital spending programs for both Health and Public School facilities, since the Boards involved borrow on a long-term basis and are reimbursed by the province for annual financing costs through the Manitoba Health Services Commission and the Public Schools Finance Board . . .

"The Health Capital Program provides for about \$26 million to be spent this year for such projects as additional personal care home beds and completion expenditures for the Seven Oaks Hospital, as well as the new Cadham Provincial Laboratory and the Cancer Treatment and Research Foundation. For public schools, planned capital expenditures will amount to around \$24.7 million."

You know, Mr. Speaker, from then on, although it was never referred to in Budgets of the previous government, both public schools finance money and hospital money, Health Services Commission money for capital was included in the capital spending calculations, the numbers, for the government for the next two years. And I don't say that there was anything wrong with it.

Those were numbers that we added in 1983-84 to bring that 250 to the new 306. That is, if we were to have used the same calculations in 1982-83 as we're using in 1983-84, we would have had departmental capital of 306 instead of 251 and, of the increase, \$35 million out of the 56 million is related to Manitoba Health Services Commission acquisition/construction and grants to school divisions for bus purchases, principal repayment and other capital, the totals being 20,813,000 and 15,478,000.00.

Now, there were other items that we had added into capital that had previously been in current. There were things like grants to the City of Winnipeg, Water Management, Natural Resources, grants to conservation districts, Tourism Agreement, Industrial Development Agreement, Main Street Manitoba.

Then we had eliminated some programs. We took out from Highways, the Mechanical Division. We took out from Highways, Warehouse Stores, Airports and Roads, Marine Services Divisions, etc., which we couldn't justify as being capital and we should have taken out more. We accept that, but that was close to \$4 million that we took out and there were some other minor adjustments in the amount of 1.2 million to bring that 251 million to 306 million. But the Member for Turtle Mountain was referring to 174 million to 306 and that's where his whole numbering got way out of whack.

The Member for Turtle Mountain also suggested that I had deliberately misled the House when I said that the Auditor had been aware of these items and had approved of them. The fact of the matter is that he had been. The item of Highways Maintenance had never been discussed with him. The item of Highways Maintenance had been in capital throughout since '78-'79 by the previous government. There was no reason for us to discuss that with him. He noticed it when the Member for Pembina noticed it; the Member for Pembina brought it to the attention of the public. The Auditor then admitted, when it was brought to his attention, that it had been in capital, as I had indicated

before the Leader of the Opposition came in, in '81-'82; in capital in '80-'81; in capital in '79-'80. When that was shown to the Auditor, he said, oh, I made a mistake. He said, oh, I didn't know that it was in capital in the Tory years because they hid it. We didn't hide it. We put it firm, right out there so people could see what's in capital. We don't apologize for that, Mr. Speaker. We think that is the appropriate way of doing things in this province.

Mr. Speaker, I have met just recently with some people . . .

HON. S. LYON: You need to be under oath. You're . . .

HON. V. SCHROEDER: . . . whom the members opposite are always talking about, the rating agency. I want to tell them that I had three people from Standard and Poor's tell me that the presentation of capital and current this year was by far better than anything they had seen in recent years. That's what they said. They told me that, notwithstanding the fact - they didn't say that the opposition doesn't understand Capital and Current - they didn't say that - but they said, that a clearer demarcation is something that they would look to us to work toward, and that the statement we are making this year is clearer than it had been last year or before. I believe that they are right. That's why we did it. We want to show the people of Manitoba what it is we're dealing with.

We believe that the people of Manitoba, although the Tories don't, the people of Manitoba understand full well the difference between current expenditures, expenditures for groceries, and expenditures on Capital, expenditures for houses, expenditures for all of the other items of long-term economic benefit to this province that we classify under Capital.

We agree that there are anomalies in the area of some items being referred to as Capital, and some as current that probably should be on reverse sides, and we will be working on that, but let no one say that we are trying to hide anything.

We put things full forward and we're proud of it. We did not hide in the backrooms and start shifting things around, as the Tories did during their years in office, and the rating agencies and people like that were surprised that the Tories had snuck this kind of thing in. They should be ashamed of themselves, and they should be happy.

The Member for Pembina is here. I want to say to him that I think it was a very good idea for him to bring forward this business of highways maintenance as being in Capital, and pointing out to us that it should be in Current. He was right. He was right when he told the Member for Turtle Mountain that. Of course, the Member for Turtle Mountain, then when he was sitting over here, disagreed with him. We won't disagree with him, we will change it.

Thank you.

MR. SPEAKER: Order please.

The question before the House is the proposed motion of the Honourable Minister of Finance:

THAT this House will, at its next sitting, resolve itself into a Committee to consider of the Supply to be granted to Her Majesty.

QUESTION put, MOTION carried.

Minister of Historical and Cultural Affairs.

MR. SPEAKER: The Honourable Government House Leader.

MOTION presented and carried.

HON. A. MACKLING: Mr. Speaker, I move that the House do now adjourn, seconded by the Honourable

MR. SPEAKER: The House is accordingly adjourned and will stand adjourned until 2:00 p.m. tomorrow (Wednesday).