



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

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**DEBATES**  
and  
**PROCEEDINGS**

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33 Elizabeth II

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Speaker*



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

**Members, Constituencies and Political Affiliation**

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

# LEGISLATIVE ASSEMBLY OF MANITOBA

Wednesday, 2 May, 1984.

Time — 2:00 p.m.

**OPENING PRAYER by Mr. Speaker.**

**MR. SPEAKER, Hon. J. Walding:** Presenting Petitions . . . Reading and Receiving Petitions . . . Presenting Reports By Standing and Special Committees . . .

## MINISTERIAL STATEMENTS AND TABLING OF REPORTS

**MR. SPEAKER:** The Honourable Minister of Employment Services.

**HON. L. EVANS:** Mr. Speaker, I have a statement to make.

Mr. Speaker, I'm pleased to announce that the Provincial Government has approved additional funding of \$5.4 million from the Manitoba Jobs Fund for the Manitoba Careerstart'84 Program. This means that the program will now be able to provide a total of \$8.5 million in wage assistance to Manitoba employers this summer.

Manitoba Careerstart'84 is a popular Jobs Fund program, helping thousands of Manitoba businesses expand their operations and create new job opportunities for young people.

In providing \$8.5 million funding, we will be enabling employers to create those jobs which best fit our program objectives.

With this new funding level, Mr. Speaker, Manitoba Careerstart'84 is now expected to assist over 4,500 Manitoba employers in creating jobs for approximately 6,000 students and unemployed youth during the May to October period of this year.

Mr. Speaker, this particular program achieves two of the Manitoba Jobs Fund primary objectives - support for the growth of the province's business sector; and support for the career development of our young people. In addition, of course, it helps non-profit organizations carry out useful projects in the community.

The \$8.5 million committed to Manitoba Careerstart'84 is an excellent investment for the economy and the people of this province.

Thank you.

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

**MR. G. FILMON:** Mr. Speaker, I thank the Minister for giving us that announcement. We, on this side, have been the recipients of many calls and expressions of concern over the past while, expressions of concern that have been manifested by the lineups that occurred the other day for young people wanting to line up at the Canada Manpower offices to look into the opportunities for summer employment. Those concerns, of course, are relevant because today we're told that unemployment in our young people, and particularly in students is at an all-time high and obviously this is an area that needs to be addressed.

As well, Mr. Speaker, I would suggest to the Minister that he evaluate the criteria that are being used for deciding who is eligible to get jobs under this Careerstart Program because we are being told, from calls that are coming to members on this side of the House, that some people who qualified last year for Careerstart positions are now being turned down for similar positions. We are concerned, Mr. Speaker, as to the criteria that are being used and the reasons that are behind this, because if these people qualified under the same program last year, surely for the same positions they should qualify this year. That appears to be something that is causing a concern.

Mr. Speaker, we were as well concerned that people were being turned down simply saying that there wasn't sufficient funds and there didn't appear to be funds available to create the same number of positions as were created last year. So hopefully the new addition of funds that the Minister has announced today will address that problem.

Thank you very much.

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

**HON. M. HEMPHILL:** Mr. Speaker, I beg leave to table the Annual Report of the Public Schools' Finance Board, Province of Manitoba, for the year ending December 31, 1983 and the Annual Report of the Department of Education 1983.

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

**HON. R. PENNER:** Mr. Speaker, I beg leave to file a brief report pursuant to Section 13 of The Trade Practices Inquiry Act, reporting no informal inquiries under that Act for the calendar year 1983.

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

## INTRODUCTION OF GUESTS

**MR. SPEAKER:** Before Oral Questions, may I direct the attention of honourable members to the gallery where we have 20 visitors from the Zion Lutheran Women's Church Group. They are under the direction of Mrs. Dalke. This group is from the constituency of the Honourable Minister of Business Development.

There are 15 students of Grade 7 and 8 standing from the Churchill High School under the direction of Miss Bazan. This school is in the constituency of the Honourable Minister of Community Services.

There are 16 students of Grade 9 from the Waskada School under the direction of Mr. Schoonbeaert. The school is in the constituency of the Honourable Member for Arthur.

There are 9 students of Grade 11 standing from the St. James Collegiate under the direction of Mr. Dueck. This school is in the constituency of the Honourable Minister of Natural Resources.

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

## NON-POLITICAL STATEMENT

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

**MR. J. DOWNEY:** Mr. Speaker, before Oral Questions I wonder if I could have leave of the House to make a non-political statement.

**MR. SPEAKER:** Does the member have leave? (Agreed)  
The Honourable Member for Arthur.

**MR. J. DOWNEY:** Thank you, Mr. Speaker. I would ask my colleagues in the Manitoba Legislature to join me in congratulating a group of high school students from the Deloraine Collegiate, Stephen Morrison, Florence Carey, Bruce Kroplin . . . I'll go through them again, Mr. Speaker, so I'm sure I get them all - Grant Bell, Stephen Morrison, Florence Carey, Bruce Kroplin, and their coaches, George Calbo and Michael Taylor of Deloraine.

These students, Mr. Speaker, won the Reach for the Top contest in Manitoba. I want to congratulate them as well as wish them well in Regina in the finals on May 5th to May 11th of this coming week.

## ORAL QUESTIONS

### WMC Associates contract

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

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

Recently, the Minister's department entered into a contract with WMC Associates of Saskatchewan, a company set up as I understand it, by Mr. Doug McArthur, the former Saskatchewan Minister of Education, which will pay WMC \$67,500 for services. I wonder if the Minister could indicate what services will be provided by WMC Associates to her or her department.

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

**HON. M.B. DOLIN:** Mr. Speaker, as has been mentioned, that could be an Order for Return by the member, but I will take it as notice because I remember that we had a contract for some services when I was Minister of Employment Services as well. I am not sure if that is what he is referring to, or to some other contract that might have been established with this company. I will take it as notice and inform the member, certainly, with regard to this consulting service.

**MR. G. FILMON:** Mr. Speaker, I will help the Minister by telling her that it was indeed entered into when she was Minister of Labour and Employment Services.

I would ask, Mr. Speaker, if that contract calls for a report to be prepared for the public or for the use of her department?

**HON. M.B. DOLIN:** Mr. Speaker, as I said, I will bring the details. I thank the member for being more specific

with his question. I will bring the details to the member. There was, as I recall, no intention of there being a public report. It had to do with an internal matter within the Department of Employment Services which was at that time part of Labour and Employment Services.

**MR. G. FILMON:** Mr. Speaker, can the Minister indicate if that contract to provide the services at the cost of \$67,500 was negotiated and recommended to her by her former Assistant Deputy Minister of Labour and Employment Services, Mr. Doug Davison?

**HON. M.B. DOLIN:** Mr. Speaker, if Mr. Davison was Assistant Deputy Minister responsible for the Department of Employment Services, and the Department of Employment Services was the group that entered into the contract, I can't imagine why there would be any question about whether or not Mr. Doug Davison knew about the consulting services. I will bring the details back when I have access to them, and I will have to look that up in my files.

**MR. G. FILMON:** Mr. Speaker, can the Minister also confirm that her former Assistant Deputy Minister of Labour and Employment Services, who negotiated and recommended that contract for \$67,500 to WMC Associates, is now employed by WMC Associates?

**HON. M.B. DOLIN:** Mr. Speaker, I cannot confirm that. I have not had conversation with Mr. Davison for some time. He has not been in my employ since November. So I cannot confirm that to the members at this point.

**MR. G. FILMON:** Mr. Speaker, can the Minister indicate then whether or not Mr. Davison discussed the possibility that he would go to work for this company prior to his negotiating the contract and recommending it to her.

**HON. M.B. DOLIN:** Mr. Speaker, I must say I find this line of questioning most curious. The contract that the member refers to, as I recollect, took place well over a year ago, well over a year ago. My understanding - and I would have to have verification of this from the Minister responsible at this point - but my understanding is that Mr. Davison resigned from the Civil Service approximately April 13th, but I'm not sure of that date, so that would have to be confirmed. There was a lot of time that elapsed in between. Certainly, I knew of the company, WMC, and I know, personally, one of the members of that company; I do not know the rest of the members. The contract was entered into in good faith and I find it rather objectionable, I must say, that it is being questioned at this point.

**MR. G. FILMON:** Well, Mr. Speaker, in view of the sweetheart deals that this Minister has gotten into with — (Interjection) — with one, David Sanders, her former Deputy Minister for \$60,000-odd a year and with one Lionel Orlikow, a former Deputy Minister of Education with the NDP government, I would think that the people of Manitoba might find this objectionable.

**MR. SPEAKER:** Order please. Order please. ORDER PLEASE. If the Honourable Leader of the Opposition has a question would he proceed with it, please?

**MR. G. FILMON:** Mr. Speaker, my question is to the now Minister of Employment Services. My question is, does he, or his department, intend to give any additional work, consulting services, contracts, to WMC Associates?

**MR. SPEAKER:** The Honourable Minister of Employment Services.

**HON. L. EVANS:** Mr. Speaker, that matter, or that item, or that question has not come to my attention for any consideration. We hire very few consulting firms, I believe. I have no knowledge of any, at least at the present time, of any request to retain the services of that particular firm, or indeed any other at the present time.

**MR. G. FILMON:** Mr. Speaker, my question is to the Premier. Does he consider it a conflict of interest, or a situation that borders on conflict of interest, where a member of staff, a senior civil servant, negotiates a contract with a company and then leaves the government's employ and goes to work for that company? Would he consider that to be a conflict of interest?

**MR. SPEAKER:** Order please. The question should seek information from the Treasury Bench, not an opinion. Perhaps the honourable member would wish to rephrase his question.

The Honourable Member for Elmwood.

### **Sacre-Coeur School - funding of rental costs**

**MR. R. DOERN:** Mr. Speaker, I would like to direct a question to the Minister of Education and ask her whether she, or her department, has decided to stop funding the rental costs of Sacre-Coeur School, Winnipeg School Division's French Immersion School, in relation to an annual cost of some \$120,000 per annum for rental.

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

**HON. M. HEMPHILL:** No, Mr. Speaker, there has not presently been any decision made to stop the funding. The decision that has been made is to open up discussions with the Winnipeg School Division to see if they feel that they still require this special grant.

I think that grant has been available since 1970, and at that time the school division didn't have any space. They were very crowded; they were lacking in space and it was reasonable for the department to provide a special grant for rental space for this school.

They have requested each year, that the grant continue. They did not request it in the last two years and what we intend to do is set up an exploratory meeting to see if their space allocation has changed, whether they can accommodate within their existing space, or whether they believe that they still need the grant to continue. There will be no decision made on altering the grant until those discussions have taken place with the Winnipeg School Division.

**MR. R. DOERN:** Mr. Speaker, I'd also like to ask the Minister whether, in those discussions, the high rental

costs will be examined, and also whether the availability of many empty classrooms and closed schools in the City of Winnipeg will also be part of that consideration.

**HON. M. HEMPHILL:** Mr. Speaker, that's the purpose of the meeting. That is exactly the purpose of our setting up the meeting. We have provided the grant. The grant was needed initially. We're prepared to continue it if it's still needed, but we certainly don't want to pay out a grant where circumstances have changed and the need isn't there. So it's incumbent upon us, I think, to talk to the Winnipeg School Division and make sure, as you suggested, with declining enrolment, with empty classroom space, to make sure that they cannot manage these classes within their existing space and that they do need and require this grant to continue.

**MR. R. DOERN:** Mr. Speaker, was there some indication in the form of a letter from the former Conservative Minister of Education indicating that there would be perpetual or permanent funding of Sacre-Coeur?

**HON. M. HEMPHILL:** Mr. Speaker, I heard that there might have been such a commitment although I have not been able to confirm it. However, I would have to say that, commitment or not, it is incumbent upon every government and every Minister to make sure that the money that is spent still needs to be spent, because commitments might be made in other times, in other places, in other circumstances and I have no intention of paying out hundreds of thousands of dollars if the need isn't there and I can put it someplace else.

### **Students - placement of**

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

**MR. G. MERCIER:** Mr. Speaker, I have a question for the Minister of Labour or the Minister of Employment Services. In view of the fact and in light of the Minister of Employment's announcement today, and in view of the fact that the March, 1984 unemployment statistics show some 18,000 unemployed persons between the ages of 15 and 24; and in view of the fact that we see evidence every day of thousands of university students now looking for work and in a few months, thousands of high school students looking for work, does the Minister anticipate that the current number of 18,000 unemployed persons in this age category will remain constant through the next few months until the end of July or August?

**MR. SPEAKER:** The Honourable Minister of Employment Services.

**HON. L. EVANS:** Mr. Speaker, the honourable member is asking me to do some crystal-ball gazing, I suppose, as to the number of unemployed people we have in the youth category.

I don't know whether the member was in the House when I read the statement on Careerstart. We believe that we recognize the fact that the key area of unemployment is among young people, 24 years of age

and younger, and that is why we are prepared to do what we are doing now.

But in addition, Mr. Speaker, we intend to take other initiatives and we will be announcing those in due course.

**MR. G. MERCIER:** Mr. Speaker, I asked the question I just did because last year, even with the government programs that were in existence, the unemployment among young people in the ages of 15 to 24 in March of '83 was 22,000 and it only dropped by 1,000 up to and including the month of July of 1983. I'm asking the Minister whether he anticipates that the number of unemployed people in this age category, does he expect that to remain constant in spite of the government programs so that it would remain at approximately 18,000 unemployed young people over the course of this summer?

**MR. SPEAKER:** Order please. The question does ask for an opinion of the Honourable Minister as to what is to happen in the future. Does the honourable member wish to rephrase his question to seek information?

The Honourable Member for St. Norbert.

**MR. G. MERCIER:** Mr. Speaker, in light of the fact last year unemployment among young people only dropped by 1,000 over the course of the summer months, in spite of the government programs at that time, what does the government intend to do this year in order to ensure that those 18,000 unemployed people in that age category now, will not remain the same and that the young people of Manitoba will be able to find jobs this summer and we won't have 18,000 unemployed people this summer?

**HON. L. EVANS:** First of all, Mr. Speaker, let us get it very clear that the job opportunities for young people are forthcoming from government programs, but they're also forthcoming from the private sector. They're forthcoming from Federal Government programs and so on. In other words, there are many facets to the matter of creating jobs or providing job opportunities for young people.

We intend to do everything we possibly can, within reasonable financial constraints, to provide funding to private enterprise, to non-profit groups, to provide these job opportunities. As I've indicated, we anticipate at least 6,000 - and it's possible it may be closer to 7,000 - we may be able to hire this year under the program. That remains to be seen and we can tally that when the fall comes along.

There are initiatives that have been announced in the Budget and by my colleague the Minister of Industry, Trade and Technology who is the Chairman of the Jobs Fund, with regard to funding of other major programs which will, of course, provide opportunities for young people as well, even though they're not tailor-made particularly for young people. The fact that we are prepared to and have announced an increase of the Jobs Fund, to a level of \$210 million, indicates a commitment of this government to alleviate the unemployment situation as much as we can at the provincial level.

But as I also indicated, Mr. Speaker, we have some other very specific programs that we hope to be coming

up with very shortly including an item that the member, the Leader of the Opposition, raised the other day, that is the program for graduates in engineering and science and we hope to announce something on that in the near future.

We have some other initiatives for young people and not-so-young people who may be unemployed, to provide them with some job opportunities later this year.

### Government contract work

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

**MR. S. ASHTON:** A question for the Minister of Energy. In view of the fact that the Leader of the Opposition earlier in question period indicated some concern about governments doing business with former Cabinet Ministers, I'd like to ask the Minister of Energy if he's aware of any former MLAs - or is it just the MLAs or Cabinet Ministers - that have been doing contract work for governments out of this province?

**MR. SPEAKER:** Order please, order please. Order please. The awareness of a Minister is not the proper subject of a question. Perhaps the honourable member would wish to ask for information.

The Honourable Member for Thompson.

**MR. S. ASHTON:** Perhaps I will ask it for information, Mr. Speaker, as to whether the Minister can inform this House as to that aspect.

**MR. SPEAKER:** Order please. A question that suggests its own reply or asks for an opinion or for a confirmation . . . order please, order please . . . is not a proper parliamentary question. Perhaps the honourable member would wish to ask for information.

The Honourable Member for Thompson.

**MR. S. ASHTON:** Mr. Speaker, I rephrase the question. Is there anyone employed by the government in that category at the present time?

**HON. W. PARASIUK:** I believe there are former MLAs and Cabinet Ministers who are employed by this government, Mr. Speaker. We don't hold that against them. Some of them were members of the opposition benches; some of them were Conservative Cabinet Ministers; some of them were Conservative Ministers. We don't hold that against them because this is a free country.

There are people, Mr. Speaker, who are employed by other governments. There is a member who is sitting right now, on contract, working for the Saskatchewan Government. We on this side do not hold that against him because it is his right to do so, and we do not want to crawl in the mud that they crawl in with respect to restricting the ability of people to work on a free basis within countries.

Mr. Speaker, my predecessor is working on contract with the Saskatchewan Government. We don't hold that against him because we are the party that believes in some justice, and we certainly aren't going to crawl in the mud that the Leader of the Conservative Party just crawled into right now.

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

**MR. L. SHERMAN:** Mr. Speaker, on a point of privilege - not a motion of privilege - but a point of privilege. I'd like to make it perfectly clear, Sir, that I am not on contract to the Saskatchewan Government; I am on contract to a health consulting firm which happens to do work for the Saskatchewan Government. I've never . . .

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

**MR. L. SHERMAN:** . . . Mr. Speaker, made any secret of that fact either here or in Saskatchewan, either inside this Chamber or outside it, and members opposite know that. But I want the record clearly to show specifically that the reference to being employed by the Government of Saskatchewan is not accurate.

**MR. SPEAKER:** Order please. That might have been an explanation, it was not a matter of privilege.

The Honourable Minister of Energy and Mines.

**HON. W. PARASIUK:** Mr. Speaker, I have a point of privilege in fact, because a point of privilege is raised in relation to a comment that I made. If in fact that inference was left, Mr. Speaker, I certainly didn't mean to leave it because Mr. Davison is employed with a firm that is employed on contract with the Government of Manitoba - exactly the same situation that the MLA for Fort Garry finds himself in right now. Mr. Speaker, we do not object to that.

### Wildlife poaching in Manitoba

**MR. SPEAKER:** Order please. That also was not a matter of privilege.

The Honourable Member for Minnedosa.

**MR. D. BLAKE:** Thank you, Mr. Speaker. My question is to the Honourable Minister responsible for Natural Resources. In view of the fact that Manitoba is reportedly known as the poaching capital of Canada, I wonder if the Minister could assure this House and the people of Manitoba what steps he is taking in his department to provide the necessary facilities and funding to his officers to enable them to do their job and help prevent this illegal activity.

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

**HON. A. MACKLING:** Mr. Speaker, the Honourable Member for Minnedosa appears to be referring to some knowledge during the time that his party was in government in Manitoba, because certainly there has never been a reference to me or by any other Manitoban along the lines indicated by him and obviously that was the kind of consideration he had when he was a member of the government caucus.

Mr. Speaker, poaching is something that all members of this House — (Interjection) — Mr. Speaker, the Honourable Member for Sturgeon Creek wants to answer the question for me apparently, but the question wasn't directed to him.

**MR. SPEAKER:** Order please.

**HON. A. MACKLING:** The Honourable Member for Lakeside wants to have one on the House.

**MR. SPEAKER:** Order please. Order please. Order please. If members can contain themselves, I'm sure they will hear the answer.

The Honourable Minister of Natural Resources.

**HON. A. MACKLING:** Well, the Honourable Member for Fort Garry wants to have many on the House.

Mr. Speaker, the question of poaching in this province is one that has a long history. It has a long history throughout the world. We do not condone poaching. We are anxious; we are concerned. Our staff are involved. I have had meetings throughout this province - the first time in the history of the Province of Manitoba that a Minister of Natural Resources has journeyed throughout this province and addressed Manitobans in concern for protection of wildlife.

Whether it be in Killarney, Dauphin, Swan River, Arborg, Lac du Bonnet, or here in the City of Winnipeg, Manitobans are concerned about poaching and we are concerned that our staff deal with those matters as rigorously as possible. There are concerns that the courts don't deal with those matters as seriously as they should. All of those concerns have been brought home and citizens of Manitoba can rest assured that this Minister and this government takes that matter very seriously, and it's not the subject of snickers or foolish statements, as I hear from members opposite.

**MR. D. BLAKE:** I thank the Minister for that speech that he gave us and I hasten to compliment him for holding hearings throughout the province as Minister of Natural Resources. The only difference is the other Ministers of Natural Resources knew what they were doing when they held meetings throughout the province.

Mr. Speaker, my question to the Minister is, some reports were instituted by Ministers on this side when they were in government. He has received those reports; he has received numerous reports. If he gets out and talks to his conservation officers, he will find that there is a problem.

My question to him was, what steps is he going to take to provide some assistance to his conservation officers so they're able to stop this illegal practice? They're not getting the assistance from his department that keeps them in business. They haven't got equipment. They haven't got any facilities to enable them to stop the practice.

**HON. A. MACKLING:** Mr. Speaker, that statement by the Honourable Member for Minnedosa was as out of order as the contents of his statement. The honourable member knows — (Interjection) — now the Member for Arthur wants to talk on this subject apparently, he wants to answer the question, Mr. Speaker - the honourable member opposite knows that in a matter of a few days, the first estimates that will be dealt with in this Chamber, next week, are the Estimates of the Department of Natural Resources.

All of the speeches that the honourable member wishes to make in respect to wildlife will be his



opportunity come Monday, or Tuesday, whenever that hour comes. Mr. Speaker, to make speeches in the guise of questions, introduce a lot of false information, is, I think, totally wrong and trying to cloud the effective job that my staff and conservation officers are doing in respect to this matter. I think that it is beneath the dignity of this House for members to make statements like that and then kind of work it into a misleading question.

**MR. D. BLAKE:** A final supplementary, Mr. Speaker. I wonder if the Minister could advise the House whether or not he received a copy of the paper written by Mr. Mike Bessey on the subject of Poaching in Manitoba.

**HON. A. MACKLING:** Mr. Speaker, not only did I receive that report in answer to a question from the person who probably should have been Leader of the Opposition, the Honourable Member for Turtle Mountain, who asked that question in this House many many weeks ago. I told him that I had received that report, and we did better than that, Mr. Speaker, we furnished the Honourable Member for Turtle Mountain with a copy of that report.

I have met with Mr. Bessey, I have met with staff, discussing those issues, and you can rest assured that some of the constructive criticism that was obtained by the department through the process of that report is going to be pursued.

### Portability of tenure

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

**MR. C. MANNES:** Thank you, Mr. Speaker. My question is to the Minister of Education.

Whereas the portability of tenure section within last Session's Bill 77 has now been proclaimed and is now law, despite a major protest from the school trustees and the school superintendents and others, can the Minister, firstly, indicate what protection will be afforded experienced teachers within the province, many who may not be hired in other divisions - and I stress other divisions - because there is no opportunity by the local school boards to trial assess their performance.

Secondly, what protection will be afforded to rural divisions particularly, who will have even more difficulty hiring graduate students, as the chance of a lateral move to the city by country teachers will be subject also to this new portability provision?

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

**HON. A. ANSTETT:** Mr. Speaker, on a point of order. In addition to being a long, convoluted question, it is hypothetical, predicated on things happening in the future with regard to the hiring and moving of teachers from one board to another, and clearly is out of order on the grounds that it is hypothetical — (Interjection) — absolutely.

**MR. SPEAKER:** Order please. The Honourable Member for Lakeside on the same point.

**MR. H. ENNS:** Mr. Speaker, the Member for Morris is referring to a section of a law that has just come into

effect - it has just been proclaimed - a section of law that raised a great deal of concern among people concerned in the education field. It is a perfectly legitimate question that our critic in the field of education is receiving questions about, to direct those questions to the Minister.

**MR. SPEAKER:** The Honourable Attorney-General to the same point.

**HON. R. PENNER:** Yes, Mr. Speaker, the question was clearly hypothetical. I listened to it very carefully. The Member for Morris conjectured a situation which may happen or may not. I believe that it will not; he believes that it may. But that, too, is all hypothetical. He said, in effect, what protection will you give if this happens? That is hypothetical.

**MR. SPEAKER:** Perhaps the Honourable Member for Morris would wish to clarify his question so that it is clearly not hypothetical.

**MR. C. MANNES:** Mr. Speaker, the Minister is obviously afraid to answer the question. I will rephrase it again.

**HON. R. PENNER:** There are rules in this House.

**MR. SPEAKER:** Order please.

**MR. C. MANNES:** Mr. Speaker, will the Minister give us some indication as to what protection will be afforded to teachers? Would she give us some idea what protection will be afforded to teachers who wish to change divisions but now may not be hired by a school division because of the new tenure provision within the new portability of tenure provision within the Act?

**MR. SPEAKER:** Order please. Order please. The way the question was phrased was clearly hypothetical. Perhaps the Honourable Member for Morris would wish to rephrase his question.

**MR. C. MANNES:** Mr. Speaker, she wishes not to answer those questions at the . . .

**MR. SPEAKER:** Order please. Order please. It was not a choice of the Minister whether or not to answer the question which was clearly hypothetical and therefore not in order.

The Honourable Member for Morris.

**MR. C. MANNES:** My apology to you, Mr. Speaker. Maybe the Minister can tell us how this legislation, the portability of tenure, will enhance the quality of education our children are to receive.

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

**A MEMBER:** That should take the rest of the question period, at least.

**HON. M. HEMPHILL:** First of all, Mr. Speaker, in spite of the questions and the points of procedure that were raised previously, I want to say that I am absolutely



delighted to stand in this House and answer any questions about due process - not tenure - but due process for teachers. I do understand there were some very very definite reasons for bringing in this piece of legislation.

There were three very important reasons. I won't go into lengthy detail because I am often reprimanded by the members opposite when I do so, but I will summarize what the three points are, the three main reasons for bringing in this legislation and the benefits it's going to bring to the school system.

The first one is the rights of working people, Mr. Speaker, because due process does not mean tenure or guaranteed jobs. I have said repeatedly if teachers are incompetent, they should be fired and they should be fired immediately. All due process does is say that if they had taught for one year and one day and they are going to be fired, they are entitled to know the reasons for the firing and they are entitled to a hearing where they can be told why, and they can state their case.

So that is fairness and justness, and I would hope that we would work towards that for all working people, and society is moving in that direction. Our society is moving in that direction both through contracts and through the courts who have stated clearly, even when the contract didn't give the right, that the people were entitled to those rights. Now we get to the program and to the schools.

The second reason and the second benefit is evaluation of teachers because how do we know we have good teachers or incompetent teachers or mediocre teachers if we don't have a good evaluation system. If we have it, if school boards are evaluating every teacher as they should every year, they should have no qualms in stating their case and defending their position for firing before a board.

The third reason is mobility. The Member for Morris mentioned his concern about mobility, and I must say that in a time where there is declining enrolment, where there are cutbacks in programs, where there is expansion in specialized areas where some of our teachers have to be more specialized and skilled, it is critically important that the trained, qualified, experienced teachers of Manitoba are used for the benefit of the entire Province of Manitoba. That means they have to be able to move with some security and it is to our benefit that they are able to do so because, Mr. Speaker, we have something that is . . .

**A MEMBER:** We give up.

**HON. M. HEMPHILL:** You give up?

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

**MR. C. MANNESS:** Thank you, Mr. Speaker, a final supplementary. Whereas the Minister cannot indicate any benefits whatsoever to the education of our children, as this government is obviously treating all the school boards within the province as one employer in the sense of portability, is it their goal and objective to treat all boards as a single employer in all matters dealing with negotiations with teachers?

**HON. M. HEMPHILL:** Absolutely not, Mr. Speaker. I respect both the rights and the responsibilities of individual school boards. What I am saying with this statement is that I trust that all of the 56 school boards in the Province of Manitoba are most capable of evaluating their teachers, of carrying out that evaluation, and of making decisions and giving other school divisions information on the competence of teachers.

Given a choice, I would rather listen to our superintendents, our principals, our teachers, our administration than another province where people I don't know, trained and educated and experienced in a system that is not the Manitoba system, I would rather take the word and the information from Manitoba.

## INTRODUCTION OF GUESTS

**MR. SPEAKER:** Order please. Before they leave, may I direct the attention of honourable members to the gallery. We have 10 senior students from the School for the Deaf who are under the direction of Ms. Sadler. The school is in the constituency of the Honourable Leader of the Opposition.

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

The Honourable Minister of Culture.

## ORAL QUESTIONS Cont'd

### Flyer Industries Limited

**HON. E. KOSTYRA:** Thank you, Mr. Speaker, yesterday I took as notice a question from a member regarding a contract with respect to Flyer Industries. The question related to whether or not there was a subcontract of a contract with the Ontario Research Foundation with respect to Flyer Industries given to the Industrial Technology Centre.

I can confirm that there was a contract entered into with the Ontario Research Foundation and Flyer Industries with respect to structural analysis regarding one model of Flyer Bus, and it was agreed by Flyer, by the Manitoba Industrial Technology Centre that the general contract did not exist in Manitoba. After further discussion with the Ontario Research Foundation, it was determined that part of that contract could be subcontracted back to Manitoba.

**MR. SPEAKER:** The Honourable Member for Sturgeon Creek.

**MR. F. JOHNSTON:** Mr. Speaker, in view of the fact that when an architect is appointed by the government to do something for Manitobans, the architect is usually a Manitoba architect who would subcontract to expertise, I wonder if the Minister could explain why the Manitoba Technology Centre was not the contractor who could subcontract the other work to Ontario.

**HON. E. KOSTYRA:** The information that I received was that the overall expertise did not exist and was acknowledged not to exist at the Industrial Technology Centre here in Manitoba, so therein lies the reason that the contract was agreed to between Flyer and the Ontario Research Foundation.

It was determined, however, that part of that contract in terms of a subcontract could be done by the Industrial Technology Centre here, so it was deemed advisable to have some of that work done in the Province of Manitoba, but it was the view that the overall technology, the overall expertise did not exist at the Industrial Technology Centre here.

**MR. F. JOHNSTON:** In view of the fact that the Ontario Research Centre did not have the overall expertise either, why wasn't the Manitoba Technology Centre the contractor?

### Pharmacare filing date

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

**MR. D. ORCHARD:** My question is for the Minister of Health, and it stems from the consequences of the storm over the weekend. The Federal Government delayed the filing date for the income tax for seven days, and I would ask if the Minister would give consideration to the extension of the Pharmacare filing deadline of April 30th for a week on account of the potential late filing by claimants because of results of the storm?

**MR. SPEAKER:** The Minister of Health.

**HON. L. DESJARDINS:** Mr. Speaker, I'd be very pleased to consider that.

### Loss of livestock due to storm

**MR. D. ORCHARD:** I thank the Minister for that answer. I have a question for the Minister of Government Services. Could the Minister of Government Services indicate whether there is financial assistance available through the Emergency Disasters Fund to towns and communities that are faced with substantial clean-up bills as a result of the ice storm and substantial additional costs incurred as a result of the ice storm?

**MR. SPEAKER:** The Honourable Minister of Government Services.

**HON. A. ADAM:** Thank you, Mr. Speaker, I wanted to try and be recognized to reply to a question that was raised the day before yesterday in connection with the recent storm.

In direct response to the member's question, we have received requests for financial assistance from two towns, and we have received two requests from private citizens for assistance as a result of the storm and, of course, we will be considering these requests for assistance that we have received in accordance with the present Disaster Financial Assistance Program.

### Availability of standby generator units

**HON. A. ADAM:** While I'm on my feet, I would like to respond to a question posed to me by the same Member for Pembina in which he wanted to have information as to whether or not the Emergency Measures

Organization had a stock of generators on hand to provide to towns and farmers who are in need of such equipment. I responded that I would take the question as notice, but I do not believe it is the role of EMO to stock equipment, but rather to co-ordinate where the equipment is and to get the equipment to where it is needed.

I can confirm that EMO does not have a stock of equipment, whether it be pumps or generators or any other equipment, but rather they act as a co-ordinating body to locate equipment that is needed and to provide that information to people that are requesting it.

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

### ORDERS OF THE DAY COMMITTEE CHANGE

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

**MRS. D. DODICK:** A change on Economic Development, the Member for Flin Flon will substitute for the Member for Radisson and the Member for Le Pas for the Member for Kildonan.

### BUDGET DEBATE

**MR. SPEAKER:** On the proposed motion of the Honourable Minister of Finance and the amendment thereto proposed by the Honourable Leader of the Opposition, the Honourable Member for Lakeside has 18 minutes remaining.

**MR. H. ENNS:** Mr. Speaker, last evening prior to the adjournment hour, I was admonishing the Minister of Energy and Mines for choosing to keep to himself and his senior officials all the details surrounding the energy transfer sale agreement with Northern States Power, and suggested to him that he may well be making a mistake that I alluded to when a last senior Minister of this government attempted to make a secret deal with somebody and then had it blow up in the entire government's face, much to the chagrin not only of the government members, but more importantly, to the anguish of so many people in Manitoba.

Mr. Speaker, what I was attempting to say in my contribution to the Throne Speech was to indicate to the Honourable Minister that I understand what it is that the government, of course, wants to do in terms of the two major announcements, the Northern States Power Agreement and, hopefully, the proposed development of an aluminum smelter here in Manitoba; those two developments making possible the third and perhaps most important, namely the start up of construction on Limestone on the Nelson River.

Mr. Speaker, let me deal briefly with the second announcement, Alcoa, and again, let me say that we welcome that announcement. We hope that that development will take place. I hope that, unlike the situation that has been put before us with respect to the Northern States Power Agreement, where you, the Minister, are setting the tenor of the debate. All we can do is speculate about the agreement. We are not

going to be given the privilege, nor is the Standing Committee on Public Utilities going to be given the opportunity to examine it. We don't know whether it smells of a Quebec-Newfoundland deal. We know how long the people of Newfoundland are going to have to pay for that deal. We have reason to believe that Manitobans are going to end up subsidizing American power users. — (Interjection) —

**A MEMBER:** That's nonsense.

**MR. H. ENNS:** Well, Mr. Speaker, he says it's nonsense, but the fact that he is not giving us any information makes it perfectly possible, makes it perfectly respectable and perfectly responsible for me to make that claim. We will find out. All I'm saying is that you chose a certain course of action as to how to deal with a thing that precludes informed debate from taking place.

Well, Mr. Speaker, I asked the Minister last night, would it be his intention to inform members of the Standing Committee on Public Utilities? Would they at least have some idea of the outside parameters of the arrangement prior to a final contract being signed, sealed and delivered? The Minister chose not to respond to that, so I have to assume that what we are going to be presented with is a sealed contract that commits us to selling power until the year 2005. I don't know if it's going to be a good deal; I don't know if it's going to be a bad deal. On behalf of Manitobans, I hope it's a good deal, but as my colleague from St. Norbert says, when is the last time they made a good deal? With the SFM? What reason should Manitobans trust their deal-making - Francis Russell aside?

**A MEMBER:** The last one you made was CFI.

**MR. H. ENNS:** Mr. Speaker, now let's talk about Alcoa. The Honourable Member for Springfield who was in Ontario at that time should not talk about these things, about how the incoming Schreyer Government put a hold to everything on CFI, renegotiated the deal and the Free Press headlines announced it as better deal that is now acceptable to the New Democratic Party and then proceeded to pay out the \$90 million on CFI. Conservative money did not go to CFI; NDP money went to CFI.

Mr. Speaker, I don't want to get excited. But I do want to impress upon the Honourable Minister of Energy and Mines that I welcome the announcement of Alcoa. I want to speak more personally, if I may, for a moment. I would hope that there is every chance of that smelter being located in the constituency of Lakeside in the general area of the Interlake and I think there ought to be every reason for me to be optimistic. After all, two highly sophisticated aluminum giants are going to take a look at where to locate an aluminum smelter in Manitoba.

Alcan spent a considerable amount of time, a considerable amount of money, and decided without political interference where it ought to be located. I hope that this government will allow the expertise of the largest aluminum company in the world to do the same, to come to the same decision.

I want to give the Honourable Minister of Energy and Mines some good advice. If he wants to improve the

opportunities of Alcoa making that decision, find somewhere that you can send the Member for Inkster for a while. Send him up to Baffin Island to establish another natural wilderness park. Just don't let him anywhere near your office or I'm afraid the chances of Alcoa coming to Manitoba, you know, will just plummet.

Mr. Speaker, I can tell the Honourable Minister that the constituents of Lakeside, the residents in and around the Balmoral area, would welcome their reconsideration as a plant site, and I would assume that many of the same factors that led Alcan to that decision in terms of infrastructure being in place, in terms of accessibility to the massive power that is required, in terms of rail services and facilities, in terms of a labour force that is willing and anxious to find the kind of permanent jobs that that kind of a facility would provide.

So, Mr. Speaker, again, let me make it very clear to the honourable members opposite that the attraction to Manitoba, the development of a smelter facility in Manitoba, is one that the opposition has no difficulty in supporting with a considerable amount of enthusiasm. And here we come to the third and critical part of it, and I won't even get into the number crunching business about whether or not the deal that he is proposing with Alcoa is anywhere near as good as the deal that we came so close to having with Alcan. I don't know if Manitobans are really going to be impressed that the largest multinational aluminum company in the world has to have up front \$400 million of Manitoba taxpayers' money to entice them to come to Manitoba to build a plant. I don't know whether the gains, once the numbers get crunched out of this system, are any bigger or any better in that system.

All I can tell Honourable Minister is what obviously has not really occupied too much of their time - the question of the third major economic development leg that would be triggered - that is the start-up construction of Limestone.

Mr. Speaker, certainly we in the opposition when we were government, wanted to do everything possible to bring about construction on the Nelson River. We wanted to provide those job opportunities and provide that economic flywheel, that development in the North has been for several decades for Manitoba during our years of office. But, Mr. Speaker, we did not and we would not - and I caution this government to be extremely careful about how they get into that phase because if it's going to be at the expense of unconscionably and intolerably high annual increases in the cost of power, cost of hydro to Manitoba users then members opposite have not learned anything - then I recommend some reading to them beginning with the Tritschler Report.

Mr. Speaker, there are no plaudits to be handed out to start up a construction site that would involve \$3 billion if the end result is intolerable increases in hydro rates. That is why my former colleague, Don Craik, why the Lyon Administration worked so hard to avoid from happening, to have Saskatchewan and Alberta pay for part of the construction cost of the new dam, to have Alcan pay for 40 percent of the new construction costs to a dam so that a new dam could start to be built without impacting on hydro rates. Mr. Speaker, I will tell you, Manitobans will be far more concerned about that than whether or not a 40 percent commitment is made to power.

Mr. Speaker, the major difference between our deal was that under our arrangement, an aluminum smelter would have come to Manitoba, Limestone would have been started, and we could have done that with modest and insignificant hydro rate increases in the future, certainly not above any normal inflationary costs. What we have seen from these honourable gentlemen opposite is that that's not possible. This Minister may well subject Manitoba residents to a series of hydro rate increases that rival those of the mid '70s . . .

Mr. Speaker, this debate can be reasonably kept in line if members opposite will desist from making the most perverse distortions, like we heard from the Member for Inkster the other day, that Alcan was about to buy all of Manitoba Hydro, including the co-thermal generating plant in Selkirk and Brandon. It's like the Minister of Mines and Natural Resources suggesting that we were about to buy and we were committing ourselves to the outright purchase of the Alcan plant. Mr. Speaker, he knows that it is . . . it is a lawyer's legal kind of clause that is written into any kind of a contract under those circumstances, into those circumstances in the event and, Mr. Speaker, they would be the first should it come to a point of no agreement with respect to water rates, with respect to power rates, with respect to other matters involved in the manner in which Alcan could carry on doing business in Manitoba.

Mr. Speaker, I am satisfied that what I present is to be correct, and I will take that information from the personal experience that I gathered as a deskmate to Don Craik who did most of the negotiations before I will take it from Frances Russell, whom I read occasionally in the Free Press, or from the Honourable Minister opposite who likes to also believe that Alcan was going to take over the entire Manitoba Hydro operation. Frances Russell believes that we were going to privatize the entire Manitoba Hydro rates. Your arguments fall into the same category if you want to put that forward.

But, Mr. Speaker, what Manitobans will understand is, under the Conservative plan, the aluminum company was to pay half, or 40 percent, of a power dam, Manitobans would have to pay not a single cent to build the smelter, and the jobs would be provided in Manitoba. Under the NDP plan, we have to lure the largest American multinational to Manitoba with \$400 million of hard-to-find tax dollars up front; we have to pay the entire cost of the next plant, \$3 billion; and we don't know yet at what rate we have sold the extra power to the Americans.

As I say, Mr. Speaker, as the details become more evident, and people more capable than I will crunch out the numbers, we will find out just what kind of a deal this government, this Minister, is signing. Mr. Speaker, we have every reason to lack confidence in the agreements that these Ministers and this government enter into from time to time. I hope it would be otherwise.

Mr. Speaker, I genuinely hope, I am sure all the members now hope, that that \$800 million aluminum smelter could be now in the building process, that people today could be employed by it. More importantly, perhaps for the Minister of Finance, who is facing some horrendous borrowing in the next little while, should some or all of these projects come on line, he might

well then consider and reconsider the kind of situation that Alcan offered him.

Mr. Speaker, I know that the honourable members opposite will, among other things, say it, I will leave it to others to make a big case about whether or not Manitobans want to get into the aluminum business. Goodness knows, Canadians are seeing examples every day about where not to put tax dollars into - in airplanes, deHavilland, into PetroCanada, into McKenzie Seeds . . .

**HON. W. PARASIUK:** Potash, potash.

**MR. H. ENNS:** I knew he would raise potash, Mr. Speaker. I knew, of course, he would raise potash, but let me give him a straightforward answer. I am not so sure, because Conservatives aren't ideologues about this matter, yes, we signed an agreement that would allow up to 40 percent equity in the potash development back in 1980 when we started, or in '81. But, Mr. Speaker, by your accounting, we were then running very close to a surplus budget. Certainly we were not faced with a second .5 billion deficit and we had the commitment, we had the co-commitment of Alcan to put up half the money, or 40 percent of the money, for a dam. Under those circumstances, putting in 40 percent commitment into a potash development was acceptable.

I am not so sure that the same group of fellows, the same Cabinet, face the kind of horrendous . . . We would not have gotten into that mess, let's make that very clear. But if, by some reason, we were facing our second .5 billion deficit budget, I am not so sure that same Cabinet would have agreed to putting 40 percent equity into a potash development. We might have thought and worried more about the 200 jobs at the university; we might have thought more about maintaining the health care system; we might have thought more about maintaining the educational system and the road system in this province than putting it into a high-risk private venture, whether it's potash or whether it's aluminum.

Mr. Speaker, earlier on in the Budget Debate the Honourable Member for River East gave us a nice reminder about the problems that the private sector faces, even the rosy aluminum business, how aluminum prices fell down to 50 cents, to 49 cents. How much of a return on that \$400 million are Manitobans going to be getting when those aluminum prices drop to 50 cents or 49 cents? What are we going to do about that?

Well, Mr. Speaker, I am suggesting that in 1984 with a Budget deficit, the second one, of close to .5 billion, the decision to invest in an aluminum company is questionable, particularly when it was not necessary.

Thank you, Mr. Speaker.

**MR. SPEAKER:** Order please, order please. The honourable member's time has expired. Are you ready for the question?

The Honourable Minister of Municipal Affairs.

**HON. A. ANSTETT:** Mr. Speaker, it gives me a great deal of pleasure to join in the debate on the Budget today. I didn't have an opportunity, Mr. Speaker, to join in the Throne Speech Debate and I do, therefore,

welcome this opportunity. I regret that the Member for Pembina doesn't share with me in that welcome.

Nevertheless, I think, Mr. Speaker, before I deal directly with the Budget, I should touch briefly on the comments made by my honourable colleague, the Opposition House Leader, particularly as it relates to some concerns he had regarding the power sales that have recently been negotiated on behalf of the Province of Manitoba, and the recent confirmation of a feasibility study for a major 200-tonne aluminum smelter within the Province of Manitoba.

Mr. Speaker, it is rather peculiar that we here, the Member for Lakeside, to the applause and support of heckling of his colleagues, talking about not having details about the NSP sale, when we have told members opposite that we expect those details later this Session, and full details to be available before the committee meetings at which the Hydro Report will be considered, the Standing Committee of Public Utilities and Natural Resources. We have provided that assurance to the member, but they are concerned that they have no details.

Mr. Speaker, I will agree that to do a full evaluation of that power sale members opposite and the people of Manitoba should have more details. The Minister agrees, and he is committed to providing them, and they are going to be provided in this Session to this Assembly, to a Standing Committee, both for debate in that committee and in this House.

But, Mr. Speaker, what happened in the fall of 1981? Were the people of Manitoba told details? No, they were asked to give a government a mandate to govern this province for an additional five years; they weren't told the duration of the proposed contract that was an integral part of the Western Power Grid; they weren't told when the power sales would start. They weren't told the total value, with inflation calculated in, of the total value of the sale. Were they told that it was tied to fossil fuels or that there was some kind of price escalator? No, Mr. Speaker, they weren't even given a sketched outline, instead, they were told by a Premier: "We've got a Memorandum but, well, we'll tell you about it after you elect us, so don't stop us now." That's what they said. We've got a power grid, don't stop us now, but we've got no details for you.

Now we have the Opposition House Leader coming into this Chamber and criticizing our Minister of Energy when he has provided for the House, so that he can complete negotiations, for the House and to the people of Manitoba, four essential component parts of an agreement which he has negotiated with Northern States Power.

Mr. Speaker, I have a problem in looking for consistency from members opposite when we hear that kind of criticism. But more importantly, Mr. Speaker, not only will the details of this sale be available and be debated in this House, the sale will be there and people will know what's happening and it will all be public. There will be no attempt to perpetrate a fraud on the people of Manitoba by going to the polls without providing the details. When this government goes to the people of Manitoba they'll know the details of that sale and it'll all be there. And members opposite - I think that's fair ball - will be able to criticize it knowing what was in the power sale agreement. None of this, I've got an agreement, don't stop me now, nonsense.

So, Mr. Speaker, it rings just a little bit hollow when I hear those kinds of arguments.

Mr. Speaker, the Member for Sturgeon Creek wants an election, I take it for the same reason most members on his side want an election, that's an easier way to keep the Member for Charleswood out of this Chamber than telling him to stay away for a week. Oh, we know he'll be back, you can't keep that kind of man down, I've been told. No matter how much members opposite want to try, you can't keep that man down. Mr. Speaker, I hear that's the talk at the Manitoba Club in the last week, too. They wish they could have kept that man down last Tuesday night. Oh, I get all kinds of reports from people other than the Member for Sturgeon Creek in which I do place some confidence. — (Interjection)

— For the Member for Morris, who thinks that some members know everything, I only point out that the need for four questions to ask one simple one in this House points out that we all have something to learn, and I would be the first to admit that I have a lot to learn, both about this House and about the affairs of this province and the way this province has to be governed by a competent, compassionate government.

But, Mr. Speaker, the activities of the Member for Morris, last fall, in going around this province and trumpeting black guard 19th century solutions to 1980 problems shows that he hasn't even begun to come into this century and to learn what this social civilization is all about. So when he talks about learning, Mr. Speaker, he should go back to the drawing board and put his mind in a different gear, preferably forward.

**MR. L. SHERMAN:** He did very well at the convention.

**HON. A. ANSTETT:** Yes, he did very well at the convention and I congratulate the Member for Fort Garry for bringing that to my attention. The ability of the Member for Morris to attract that kind of extreme right wing 19th century perception of Manitoba, as exemplified in the support he received from one of the members in front of him, scares real clear-thinking Manitobans who understand the society in which we live, the mixed economy upon which it operates. Mr. Speaker, when we hear people get up in this House and say, "I've never advocated spending one additional cent on education." Mr. Speaker, when those people are quoted and do not correct the quotations in advocating the introduction of user fees in our Medicare and hospitalization system; when they advocate all kinds of options which spring from what I have always described as the intellectual wing of the Ku Klux Klan, the Fraser Institute in Vancouver, when members opposite start promoting, as new policy options, things that have been developed, ideas that have been developed by the intellectual wing of the Ku Klux Klan, the Fraser Institute in Vancouver, then, Mr. Speaker, I get worried. Then when the people who advocate those things get the support of two additional members of their caucus in a leadership convention, Mr. Speaker, then I'm supremely worried. Three out of 23, Mr. Speaker, and that might grow.

I believe the CBC, in answer to the Member for Morris, had Michael Walker of the Fraser Institute on because the CBC is a balanced network and wants to give balance to views. I see nothing wrong with that but,

Mr. Speaker, if those views are assinine, if they're antiquated, if they represent a political mind going in reverse at full speed, the CBC has an obligation to report foolishness, and I don't fault them for that.

Mr. Speaker, I have been diverted by members opposite, I was going to just make a short contribution and, unfortunately, their diversions force me to be a little bit more lengthy than I intended and I'll try and stay more on topic.

The Member for Sturgeon Creek doesn't believe that I should use any less time than my full 40 minutes, and the Member for Fort Garry doesn't believe in personal attacks.

**MR. L. SHERMAN:** I said stay off the personal stuff with the Member for Morris.

**HON. A. ANSTETT:** Oh, the Member for Fort Garry wishes to chastise me for being personal. Now, Mr. Speaker, I have to take personal offence at any suggestion. My remarks, as always in this Chamber in debate, and when I have stood up in debate in this Chamber, I have dealt with the ideas and positions and policies of members opposite and I have attacked them with vigour. I have not attacked the Member for Morris, nor the Member for Fort Garry at a personal level.

I have not used the kind of personal attacks related to character, related to career, related to aspirations in which many members opposite have engaged. Now, if the Member for Fort Garry wishes to search through the last three years of Hansard and finds any such suggestions from me, I'll apologize to the House for them. But, Mr. Speaker, to say to the Member for Morris, as I would to the Member for Sturgeon Creek, that the policies he advocates are representative of 19th century thinking, if that's a personal insult then maybe the member should come into the 20th century with his thinking. That's what should happen.

Mr. Speaker, I make no comment on the integrity of the Member for Morris; I believe he has integrity. Mr. Speaker, I made no reference to the Member for Morris in the context of the Ku Klux Klan. I said that I have described the Fraser Institute of Vancouver as the intellectual wing of the Ku Klux Klan. I think the kind of policies advocated by the Fraser Institute are so extremely right wing and reactionary that they fit in with the kinds of policies advocated by the Ku Klux Klan, they are the economic side of those policies. There is absolutely no question that those policies go hand in hand. Mr. Speaker, I said that years ago, I said that before I sought elected office, I see no reason to change that view.

Mr. Speaker, to suggest that to attack the opinions, policies and statements of members opposite as being in some way at variance with 20th century thinking, to be reactionary, to show them up for the foolish base upon which they are founded, Mr. Speaker, I have no problem justifying that. But, Mr. Speaker, for the Member for Morris to then say that person, all I can say is if he can't take that kind of heat he shouldn't be in politics. He should know that when he puts honest, sincere proposals that are the measure of his integrity before the people of Manitoba that he should expect that measure to be taken here. Mr. Speaker, I don't attack him personally, but I will always attack the positions he takes.

Mr. Speaker, that's very different than what I personally, over the last two-and-half years have received from some of his colleagues. That's very different than many other members on the benches on this side have received from some of his colleagues. I don't accuse the Member for Morris for that or the Member for Fort Garry, at least in recent memory, but certainly some of his colleagues have indulged in those kinds of personal smears which, personally, I find offensive and I have always drawn back from.

Mr. Speaker, when I have more time, I'll respond to the request of the Member for Turtle Mountain to deal more directly with some of the unparliamentary and personally slanderous attacks that have been launched on members in this Chamber, but if the member has any doubts he can refer to the ruling which you, Sir, left for members to read yesterday in this Chamber, and you, Sir, referred to that kind of language and that kind of behaviour — (Interjection) — I haven't even started my remarks on the Budget yet, I'm still trying to deal with the Opposition House leader and some of the misguided thinking which he placed before this House a few minutes ago.

The other thing that he talked about was the problem, as he saw it, with the joint venture in which the province is engaging with Alcoa. Mr. Speaker, it's an interesting argument that the member advances, but what the member forgets or perhaps did not know at the time was that the Minister in whom he expressed great confidence, Mr. Don Craik, negotiated an agreement which specifically provided that at the end of the 35-year contract for water rentals for a dam in which Alcan was going to have a 40 percent interest, if the terms for an extension of that agreement could not be reached on an acceptable basis between Alcan and the Government of the Province of Manitoba after three full years, that the province had to buy, at fair market value, the dam, the 40 percent of the dam, and at fair market value, despite all the capital depreciation, all the write-offs, that thing would have been worth a dollar at that point - but forget that - you are going to pay fair market value for that 40 percent, but on top of it they were going to buy the whole smelter at fair market value.

Now, the Member for Sturgeon Creek heard that yesterday, said he was going to check it out. Mr. Speaker, I'm surprised he hasn't done so yet. I'm surprised that the Member for Sturgeon Creek didn't dash out of this Chamber because yesterday he was denying it. Mr. Speaker, he's not denying it today, he's not denying that the very essence of their agreement provided for a complete takeover, but at fair market value, of the sell-out on the dam and of an aluminum smelter. No, Mr. Speaker, sell-out at fair market value doesn't make any sense at all.

Mr. Speaker, what's the inflation after 35 years of a plant and 40 percent of a dam? How many billions of dollars of debt was the signature of Donald Craik on that document going to cost the Province of Manitoba? Or if we couldn't afford to go into that debt 35 years from now, what kind of leverage did Alcan have to our head? Not only was that agreement unacceptable, but when one of my colleagues sent copies of a column in today's newspaper which described it once again - when I saw this today I thought it was a reprint - that was in the paper two years ago.



Two years ago that same information was in this same paper on this same page in a full-page spread, a full-page story, but some members opposite didn't know that they had struck a deal often described as a shotgun buy-and-sell in business commercial terms. There may have been two shotguns, but only Alcan's was loaded.

Mr. Speaker, even the Member for Sturgeon Creek would have been happy to put the one that was empty to his head, but he was allowing Alcan to put that loaded gun to the people of Manitoba 35 years from now. So when they want to talk about difficulties with joint venture and somehow, some reservations, because they haven't crunched the numbers yet, I would respect members opposite if they said, it sounds interesting but we'll believe it when we see it. We're from Missouri. We have reservations perhaps about joint venture; we're not sure of the level of government participation or whether it's required at all; we'd like to examine that. We want to do the analysis of the numbers.

Mr. Speaker, I would respect that kind of analysis and that kind of debate and criticism of the proposal. I would respect those kinds of reservations until all the details are known, till the feasibility study is completed, the site selection, the environmental review process, everything else is done. But no, they're trying to find every which way from Sunday to attack the proposal. What they have done with that kind of negativism, Mr. Speaker, is force a review in the public media - not by members here - a comparative review of what they were trying to do with Alcan versus the feasibility study and proposed smelter agreement that the Minister of Energy tabled.

Mr. Speaker, they can't win with that argument. I appeal to them to rethink their strategy and think about coming onside in helping to constructively criticize, help develop Manitoba and help build a future for the province, and that way the Minister of Energy will have the consensus of not only this Legislature but the people of the province in that development and all members on this side will respect not only the integrity, but the valuable suggestions that I know members opposite are capable of making, the contribution they can make to the process. — (Interjection) — I would ask them to consider that.

The Member for Morris is too sensitive. I only suggested that some members opposite had thinking stuck in the 19th Century. He shouldn't use such a broad brush on all his colleagues when the words were used to describe only him and the member in front of him - at least today. There have been others who, on other issues, have been just as far behind. Mr. Speaker, I think the Member for Morris can make a contribution, but he would be wise to try to make it from a less hidebound perspective on the economic realities of the Province of Manitoba than he demonstrated last December.

Mr. Speaker, the Leader of the Opposition in his contribution on the Budget Debate, talked about how the deficit change in this province, the deficit change downwards approaching \$90 million before '83-84 for the last fiscal year, the revisions that took place during the quarterly forecasts, were happening everywhere in Canada. There was a nation-wide economic recovery. Well, — (Interjection) — Yes, I think the former - is it former or still? - former chief economic guru of the

Conservative Party — (Interjection) — he may not be the chief economic guru anymore, but he's in their campaign cabinet, whatever that is, and he may or may not have a membership, depending on whether you're asking him or the Leader of the Opposition, because he thought he had one till the Leader of the Opposition said he wasn't a member — (Interjection) — but we don't know if the cancellation has gone through. But the Leader of the Opposition and his chief economic advisor suggested that Manitoba was having the same experience as every other province.

Mr. Speaker, I went to the trouble of looking that up. In the last 12 months in fiscal '83-84, how many other provinces in Canada experienced through both revenue increases and expenditure reductions, a net decline in their total operating and capital deficits? Ours was about \$90 million. How many other provinces had that happen in their jurisdictions? Mr. Speaker, only three. I would have expected it would be more, if members opposite are right; that the reflection was just that of a national recovery had nothing to do with what we were doing in Manitoba. The facts of the matter are that five other provinces, five provinces, one-half of the provinces in Canada, had their deficits increased from initial budgets to year-end forecasts the end of March 1984.

Now, Mr. Speaker, how does that fit with what the Leader of the Opposition had to say on this subject? Well, Mr. Speaker, last year he said, during the Budget Debate, that the economy of Manitoba would be the one island in Canada where there is not recovery. He projected economic recovery nationwide a year ago last February, but he said it won't happen in Manitoba and he said it won't happen in Manitoba because of the Budget brought in by my colleague, the Minister of Finance. Now, forgetting his wild predictions and those of his erstwhile colleague, the Member for Turtle Mountain . . . Sounds like the Member for Lakeside is having almost as much fun as I am.

**A MEMBER:** Where are the predictions this year?

**HON. A. ANSTETT:** The Member for Turtle Mountain, both made those predictions about dramatic increases in the deficit. They couldn't believe that it was going to go down about \$90 million, but, Mr. Speaker, what's most interesting about those predictions is that they were exactly the reverse of what they predicted. Manitoba, if anything, was the island within Canada where economic recovery took off - just the opposite. If members opposite want to know the actual forecast for each of those provinces, I'd be happy to read them into the record, too.

Mr. Speaker, it's very clear that the revised 1983-84 Budgets have gone up in New Brunswick, in Quebec, in - oh, my Lord, of all places - Tory Ontario, Tory Saskatchewan. Mr. Speaker, an amazing set of circumstances where those places where the Tories predicted recovery have larger deficits, but this oasis of recession, as they described it last year, is now one of the few islands of recovery in the nation.

Well, what else did the Leader of the Opposition have to say about the Budget introduced by my colleague, the Minister of Finance? Mr. Speaker, can you tell me how much more time I have?



**MR. DEPUTY SPEAKER, P. EYLER:** The honourable member has seven more minutes.

**MR. L. SHERMAN:** You were doing better when you were dealing with Clayton, Andy.

**HON. A. ANSTETT:** Mr. Speaker, the auctioneer from Arthur has returned and I welcome him. I'm glad he left behind his colleague, who left with him when I began my remarks. I want to remind the Member for Arthur

**MR. DEPUTY SPEAKER:** Order please, the Honourable Member for Arthur.

**MR. J. DOWNEY:** Mr. Speaker, on a point of order. Is it not unparliamentary to make reference as to whether a member is or is not in the Chamber, and if so, I would ask the member to withdraw that statement that he just made.

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

**HON. A. ANSTETT:** Mr. Speaker, I welcomed the Member for Arthur. From now on, I'll welcome him whether he is here or not, just to ensure that Hansard doesn't show that he was ever absent. I apologize to him for indicating that he may have stepped out of the Chamber for any reason.

Mr. Speaker, the Leader of the Opposition said in his Budget response that he was going to wipe out the health and education levy. That's \$108,600,000 in forecasted revenue this year. Said he was going to wipe that out. He said that our Chairman of Treasury Board, the Member for Churchill, had been too tough in the cuts that had been taking place. He said that we had many more layoffs in the Province of Manitoba this year than what they were actually having in B.C. He said B.C. was 28. I don't know where he got that when they were cutting a quarter of a Civil Service of 40,000, a quarter of 40,000 was always 10,000. Now, maybe through reallocation and redeployment it'll be somewhat less than that, but I don't believe it's 28. But he still said that B.C. was much kinder than we are in Manitoba and that we were being too tough and our cuts were too deep, particularly in the Civil Service.

The Leader of the Opposition said he wanted to spend more in certain areas. He wanted to spend more in agriculture, in education, on roads, on northern transportation, in industry, in energy, in natural resources - and this one I couldn't believe, I was ready to phone Hansard and ask them to check the tape - in co-operative development. Boy, I wonder what the Member for Morris has to say about his leader advocating more money being expended in co-operative development.

Well, Mr. Speaker, he also said in his speech - and it took me quite a while to get these little nubs of meat out - that he would remove the sales tax on production equipment. He also said, Mr. Speaker, that we had the highest level of spending in Canada. Well, I want to come back to that in a moment, but he was criticizing us for having the highest level of spending, yet he wanted to cut certain taxes, he wanted to give certain

tax gifts away, such as the removal of the sales tax on production equipment, and he wanted some spending increases.

Well, Mr. Speaker, he won't tell us where you'd get the money. In fact, he has vehemently denied, in this Chamber and outside this Chamber, that he would not touch the sales tax in any way, that's not their policy. In fact, he's been shaking those words off his hands ever since he found out the Member for Fort Garry uttered them over a year ago. Well, Mr. Speaker, what would he do then? I haven't been able to add it all up because he wouldn't put figures on everything, but just putting some figures on those things he could quantify for the House he was really predicting and advocating in suggesting those changes, a deficit of 800 million.

Now I get it. Last year he and his erstwhile colleague from Turtle Mountain, built up this straw man called a \$700,000-800,000 to \$1 billion deficit and, depending on who said it - sometimes the Member for Charleswood piped in - they had our deficit growing anywhere from \$700 million to \$800 million. Now they're trying to make it come true and they're telling us how they would have got us there had they been government.

Mr. Speaker, that's a very interesting speech and I think it is responsible on the part of the Leader of the Opposition to put forward, before the people of Manitoba, a true accounting of what he meant last year, that if he had been in government, on this side of the House, we would actually have had something approaching a \$1 billion deficit, and that really is the way members opposite are thinking about the economic and fiscal management of this province.

Mr. Speaker, the last point that I think should be addressed in the comments of the Leader of the Opposition related to a suggestion that we had the highest levels of spending in Canada. Well, let's look at that. Budgets have been very tight, and the Member for Arthur doesn't know what a tight budget is until he serves with this government and with this Cabinet. We've had a very rigorous year and we're doing a very tight deliberate job of paring spending but, at the same time, ensuring that all services remain intact. That's important and that's vital to the survival of the system.

Mr. Speaker, members opposite said that Manitoba's Budget per capita 1983-84 was \$3,018 per person and we were the highest in Canada, but Saskatchewan is \$3,070.00. When did Saskatchewan secede? Hold it, Alberta is \$4,100.00. Oh, oh, Western Canada Concept kept it secret. Quebec is \$3,700.00. Well, we knew they were talking about it, but I didn't know they'd left. New Brunswick - \$3,708; Nova Scotia - \$3,306; Prince Edward Island - \$3,477; Newfoundland - \$3,656.00.

I just figured out how they're going to solve the French language problem; they're going to let all the rest of the country secede and then we won't have a problem anymore.

Well, Mr. Speaker, they have banned from Canada seven provinces representing over 80 percent of the population of this country or, if those seven provinces, representing over 80 percent of the population of this country, are still in Canada then the best interpretation that I can put on the Budget Speech of the Leader of the Opposition is that he was wrong. I can say also that he was misguided; he needs a new research director. I can say he can't read, but I wouldn't say

that because I'm sure the Leader of the Opposition can. But, Mr. Speaker, he needs the assistance of the Member for Lakeside when it comes to crunching numbers. The Member for Lakeside is the one who wants to crunch numbers, I suggest to him that he look at those statistics both from Stats Canada and from Conference Board - they can all be verified - certainly Manitoba's spending per capita is at least lower than seven other provinces and 80 percent of the population of Canada.

Now, Mr. Speaker, logically, that would lead members opposite to advocate greater spending which I think the Member for Tuxedo knew. I think he knew we were very very low on that spending ladder and that's why he wanted increases in agriculture, education, industry, energy, etc., but only the Member for Sturgeon Creek can have it both ways. He can have it both ways, Mr. Speaker, because when he was in government they only loaded one shotgun.

Mr. Speaker, I suggest the Member for Tuxedo can't have it both ways and is loading a shotgun to be used against himself. He can't take a cover-the-waterfront position on the economic and physical policies of this government or on the economic and physical needs of this province.

Mr. Speaker, if he wants to be government and if members opposite want to join him on this side some day - and I wish them well in their efforts but I don't wish them success - if they want that, then they have an obligation to come up with criticisms that result in an achievement of the goals they espouse. They espoused the goal of lower deficits, both operating and capital, but they advocate policies that will result in record deficits in this province, in fact, would have resulted in a Tory Budget this month that would have included a deficit well in excess of \$800 million. That's not responsible opposition. I know members opposite are capable of better and I give credit for that capability to the Member for Morris as well as all of his colleagues. I know that the Member for Morris is capable of better thinking than that.

If you have options to propose, if you have constructive criticism to make, make it. But please make sure that it fits with your long-term policy objectives for this province because otherwise it won't wash. You can't advocate an \$800 million deficit and advocate the kind of spending increases and tax reductions that were advocated by your Leader. That's not responsible leadership from the opposition.

This Legislature operates best when both the opposition and the government fulfill their roles. We may have had an aberration during the last year in which, for very political reasons, the role of the opposition got brushed aside for other motives. I urge honourable members to return to that role of being Her Majesty's Loyal Opposition, to prod, to check, to criticize and to try to replace - that's your goal - the government, but if you wish to do that, you too must be credible.

I say that out of pure self-interest because, Mr. Speaker, I believe that a good, honest, critical opposition makes a government better. I want a good opposition. Also it wouldn't be nearly as much fun reading speeches like the speech of the Leader of the Opposition and replying to it.

Thank you very much.

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

The Honourable Member for Turtle Mountain.

**MR. B. RANSOM:** Mr. Deputy Speaker, I've tried to listen carefully to the arguments put forward by the government members and what I hear from them would be the following: Firstly, they say they took over at the start of a recession, and the statistics might back that up because the real gross provincial product in 1981 grew by 4.7 percent and in 1982 it declined by 2.7 percent.

The next thing they say is that they ran up a big deficit to stimulate the economy and to maintain services. Here's a quotation from the 1982 Budget: "It is vitally important that Provincial Government stimulus takes place to protect our basic strengths and enhance our ability to take advantage of national economic recovery when it comes."

The third thing I hear them saying, Mr. Speaker, is that the Jobs Fund was a further stimulus in difficult times. They pointed out in the '82-'83 Budget that roughly half of the spending in the Jobs Fund was new money over and above what their job-creation efforts had been the year before and, indeed, they justified raising at least \$64 million worth of taxes last year to provide that stimulus through the Jobs Fund.

Mr. Speaker, the fourth thing I hear them saying now is that they have succeeded in maintaining services and they're No. 1 with the lowest unemployment in Canada and the people are streaming back to Manitoba. This theme runs through all of the speeches that I hear from the members opposite.

The fifth thing I hear from them is that now we're controlling spending in the deficit and in any case the deficit isn't really all that serious because we have assets to show for what's being spent in the deficit. By way of demonstrating their spending control, they say that it's only going up 3.9 percent and that the operating deficit is only going to be 167.5.

The sixth thing I hear them saying, Mr. Speaker, and I acknowledge that this is somewhat implicit in what they say, is that the economy looks so rosy that the deficit will go away. It either has to be, in my view, a position that they take that either the deficit will go away or it doesn't matter, one or the other. I think it's pretty implicit in what they say really that they expect the deficit to go away as a consequence of the economy.

Mr. Speaker, I believe that all of this raises some really basic questions which I intend to examine in the time that's available to me and I hope that some of the members opposite will address them when they have an opportunity. Those questions are, what is happening to the deficit? How does the deficit affect spending? Is the distinction between capital and operating deficit really useful? Is there a time when we should have a surplus? And where will the deficit go from here?

First, let's understand what is happening to the deficit. As of March 31, 1982, the accumulated deficit for the government's own programs, less the amount set aside in Sinking Funds was \$1.1 billion at the end of March 1982.

As of March 31, 1985, when this Budget and Spending Estimates which are before us now have expired, the

comparable figure will be approximately \$2.5 billion, an increase of \$1.4 billion or approximately 127 percent in the direct deficit for government programming. In all of the history of this province, we accumulated \$1.1 billion. From the time that this government takes over until the end of the fiscal year that we're in, that is going to rise to \$2.5 billion, up by 127 percent.

The interest on that deficit at 12 percent will be \$168 million higher than when this government took over - \$168 million. Mr. Speaker, just to give the honourable members an indication of how significant is \$168 million, that's \$40 million more than the government intends to get from corporate income tax this year, and they expect this year to get \$14 million more than they have ever gotten before from corporate income tax. That's how much \$168 million is. It's \$60 million more than they raised through the job tax, through that health and education levy. It's \$20 million more than they raised through the motive fuel tax, and it's \$3 million more than they raised through the tobacco tax and it represents something substantially more than one - that must represent about a couple of points at least on the sales tax, I guess, Mr. Speaker - but that gives an indication of the size of the interest load that is going to be carried on the deficits incurred in those three years. That's \$672 for that typical family that the Minister of Finance speaks about in his amoral ads that he has in the paper extolling the virtues of this Budget, but he doesn't talk about that in his ads, Mr. Speaker.

The second question is, how does the deficit affect spending? The Minister has projected this year a deficit of \$488 million and he is quite proud of that fact that he was able to come in lower than he is projecting for the previous year. I guess, perhaps, the increase now in the announcement made today will probably run it up another five, but it's approximately in the range that it was last year. I point out that the deficit that he is going to incur this year is going to add approximately \$60 million to the spending that he is going to have to do next year. Before he ever spends another nickel on health care, or day care, or anything else, he is going to have to accommodate another \$60 million in spending to cover this year's deficit; \$60 million in spending represents 2 percentage points of the increase in government revenues this year.

The Minister is projecting that revenues are going to go up 8 percent. Well, it would take one-quarter, a full one-quarter of that kind of increase in revenue just to cover the cost for the interest on this year's deficit next year. What happens, Mr. Speaker, is that the government begins to lose manoeuvrability as they take on that dead weight of carrying the cost of the deficit. So, Mr. Speaker, the only way that that lost manoeuvrability can be made up is either through spending cuts, or higher taxes, or a bigger deficit, or if the economy expands.

Now the government is making much of what it sees as a distinction between money that is spent for capital and money that is spent to cover operating costs. I think it's a very important question as to whether or not that is a meaningful distinction for the government to make. There certainly is a distinction between money that goes to acquire physical assets that you can see and hold, as opposed to those that are spent for covering the day-to-day expenditures of wages or whatever.

Now I don't think, Mr. Speaker, that the distinction is meaningful; I don't think the distinction is useful, in fact, I think it's the opposite in terms of understanding the provincial finances. I say that because the reason is that borrowing is done primarily on the basis of cash flow. A lender has to know that a borrower has the ability to pay the interest on the loan and eventually to be able to pay back the principal. That's why the Minister's analogy of someone buying a house is a false analogy. Mr. Speaker, no one is going to lend me the money to buy a house unless they are satisfied that somewhere I've got enough cash flow to be able to pay the interest on that loan and that eventually I am going to reduce the principal on that loan. They'll take a mortgage to protect their capital, to protect their principal, but they are not going to lend me 100 percent of the money that it costs to buy that house if I don't have some income to support it. That is why this distinction is not a useful distinction because the bottom line is that you have got to have cash flow. That is something that unfortunately, to their sorrow, a lot of business people and a lot of farmers are finding out today, that assets are not good enough, you've got to be able to generate revenue with those assets.

Let's just look for a moment at the assets that are listed, Mr. Speaker, in the Public Accounts for the year ending March 31, 1983, and I was assured yesterday in Public Accounts that the same definition is used here in the Public Accounts for '83, as is now being used. So I have no fear that in talking about these assets here that we are not talking about the same kind of assets in this year's Budget. Let's just look at some of them. It's on Page 4-49.

Under Agriculture, there is an expenditure there of \$33,000-and-some for community pastures. Now, Mr. Speaker, I could see that that sort of expenditure would generate some money. That might lead to an expansion in the livestock industry and there would be more money flowing, there would be more taxes paid, and the government could eventually expect to get some revenue.

Let's go down to Education. Principal repayment \$8 million. Now, Mr. Speaker, the problem with that is that that school is already out there. Whatever that school has been contributing to the economic fabric of Manitoba it has been contributing for some time, and all we are doing here is making a payment on it. So that kind of asset does not contribute anything new to the revenue of the government. Similarly with universities, there's a \$7 million item for universities, same kind of thing, it's basically ongoing there. There may be some expansion to it, I wouldn't want to say that the total expenditure . . .

**A MEMBER:** Should we show the field house instead, would that be better?

**MR. B. RANSOM:** Mr. Speaker, I am talking about the kind of revenue, whether we can go through this list and find assets that generate identifiable revenue, as opposed to those that provide some service that no one denies that society wants, but that it's going to have to be paid for out of another pocket. I can look at Manitoba Mineral Resources; there's an amount perhaps, Mr. Speaker, we would hope that that would generate some revenue.

Vehicle replacement. Now, that's simply going to replace the vehicles that the government has in operation today and, I suggest, Mr. Speaker, that's not going to add one thing to the revenue base that comes into this government, not a thing, but yet it's listed as a capital asset. The vehicle's already there, there is a vehicle, it's going to be replaced.

Mr. Speaker, there is another \$10 million principal repayment under Health. Then there's road construction, Mr. Speaker, there's \$99 million. Now, presumably, that does indeed contribute something to the economic base of the province and they would expect some long-term revenues to flow from that, but some of it of course is also a replacement for facilities that are already there.

Now, Mr. Speaker, I also find it difficult to understand, in the government's putting forward of this position, that if they really believe that spending for capital assets is good, they really should be spending more on capital assets. If the deficit that you are incurring for a capital asset doesn't matter, why not spend more? But to avoid being accused of advocating that, I would just like to look at a press release that the Minister put out in March where he proudly announced that his budgetary requirements are going to be down \$87 million. But where did he get that saving? He got \$58 million out of operating, that represents 2 percent; he got 29 out of capital, that's over 10 percent. So what he did was slash this capital spending out of the capital deficit, as opposed to cutting the operating, Mr. Speaker, which he says is where it really counts. I don't understand that, I don't understand why the Minister would operate in that way.

What I would suggest, Mr. Speaker, that would be useful, something that would be really useful, if you want to make this distinction between operating and capital, is that the government establish a system of accounting that takes depreciation into consideration and it would group the assets. If it's going to buy a school bus then give it a five-year period, depreciate it over five years and include that amount of depreciation on a year-by-year basis in the operating costs to the government. When the bus is gone, it's paid for or else it shows in the operating deficit. We're not still paying for a bus 40 years from now that's gone 35 years before.

When you're dealing with an asset like land drainage or highway construction, fine. Depreciate it over 20 years or 40 years, depending on what's appropriate because that's the period of time that that asset is going to contribute to the real revenues of the province and is going to help to contribute to the cash flow. That makes sense. But until that's done, Mr. Speaker, I think that all we have here is an attempt by the government to make the situation appear less critical than it is. I think that far from elucidating the financial situation of the province, it tends to mislead people in their interpretation of the situation.

Mr. Speaker, there's another question and that is, is there a time when we should balance the Budget? Do any of the members over there think there's a time that there should be a surplus? — (Interjection) — Okay, some of the members say, absolutely. Mr. Speaker, I say that too. I think there has to be a time when we're in surplus.

Mr. Speaker, if we believe that, the next question then is, where is the deficit going to go from here? I

believe - and the members are fond of trying to attribute comments to me - and I want this on the record very clearly, Mr. Speaker, that I think that what we have now is a structural deficit in the range of \$450 million to \$500 million. I don't think that deficit is going to change. This is no longer a temporary deficit. If it was a temporary deficit, we could expect it to disappear for a couple of reasons. As revenues "recovered" from the recession, as recession-induced expenditures dropped, those two things working together, would work to lessen the deficit. But, Mr. Speaker, I don't think that's going to happen because let's look quite quickly at the revenues and we'll see that this year the Minister is projecting \$128 million on corporate income tax, that's \$14 million more than we've ever gotten before. I don't think there's really any recovery room left there. There may be some room in personal income tax; he's only projecting 7 percent and it's possible that there's room there. As more people become employed and pay taxes, that may go up.

You go down through the others, you know, corporation capital tax is up 14, motive fuel tax is a fairly significant one, it's up 21.8 - it's hard to see that going up really significantly - retail sales tax at \$385 million, that shows 9.7 percent. It's difficult to imagine retail sales revenue going very much higher. I mean, it has to go significantly higher in order to have the impact on the deficit.

You can go through and look at the kinds of revenues that the government receives through equalization, there might be some increased revenue there, that's a possibility; established programs financing seems kind of doubtful. The other overall revenue is projected at 8.9 percent increase this year, Mr. Speaker, and the Federal Government in their document entitled "The Fiscal Plans" say that they expect that provinces and local governments and hospitals over the next few years will experience revenue increases on average of about 8 percent to 9 percent a year. That's right in the ball park where the Minister is now. His revenues are going up 8 percent this year. The point I'm making is that I don't think they can expect very much more revenue as a consequence of "recovery" from the recession.

Okay, what about expenditure controls? The Minister says that he's got spending down to 3.9 percent, and I have to congratulate him again on this, because he successfully got the press and the investment dealers to all go along with his figure of 3.9 percent. For the first two years he presented it, Mr. Speaker, as the proposed spending over the final figure for the year before and he managed to get headlines - 14.4 the first year, 15-something last year - and I said that wasn't really the way to do it, that he should compare this year's spending to the original estimate. Well, he did that this year, Mr. Speaker, because it worked to his benefit and, by gosh, he won again - he got 3.9 percent this year in the headlines - and really the expenditure, Mr. Speaker, is about 5.9 and you'll find it toward the end of his Budget where he says that.

Mr. Speaker, one other thing that is worthy of consideration here is that there are statutory items that declined this year in the Spending Estimates of the government, about \$42 million on public debt and hydro rate stabilization combined, plus a couple of items relating to salaries that give the impression of having lower spending. So, in reality, in the controllable

spending that the government has, then it's really up in the range of 7 percent. I don't say that critically at all, I say it as a matter of fact that, in my view, it has meaning as far as what's going to happen in the future, Mr. Speaker, as to the government's ability to control expenditures.

There are some recession-induced expenditures, maybe 20 million - that's a rough guess - in the area of social allowances, that as the economy recovers and, hopefully, it will - you might expect that kind of expenditure to drop off. So there are some savings to be had there as well.

Now, the Jobs Fund, of course, was recession-induced expenditure. This was stimulus. So as the economy grows you expect the Jobs Fund's spending to drop off, right? Wrong. It's not going to happen, Mr. Speaker. The reason it's not going to happen is that about 80 percent of the money that was in the Jobs Fund was already designated for government spending. So I asked the Minister of Technology the other day at what level of unemployment is he going to be able to back off this Jobs Fund. He couldn't tell me, Mr. Speaker. But if you go through the list that they tabled here - Manitoba Employment Action Program, 4,400 - do you expect them to back off that? No, I don't think so, Mr. Speaker. A lot of items there have to do with park development, urban development program, North of Portage, Interlake training facility, University of Manitoba, sewer and water, road construction, reforestation. Do you expect the government to stop those? No, Mr. Speaker. When this recovery comes and is completed to the satisfaction of the members opposite at least, they will not be cutting back on expenditure in this area. So that leaves them with difficulty.

One of the other reasons I say they won't cut it back is that they already have committed \$53.8 million of the \$91.2 million budgetary authority in this year's Jobs Fund. They overcommitted last year, of course, because they committed \$126 million in projects on the basis of \$72 million budgeted, so they've got that commitment that's already there. So that just gives some measure of how the government's hands become restricted in terms of what they can do. Bear in mind that next year they've already got that 60 million of interest costs that the Minister has to lay on his desk before he starts dealing with anything else, that goes in there with all the statutory items, another 60 million.

The only real possibilities then are tax increases - this government has done it, they've increased taxes - but I point out to you, Mr. Speaker, that the major tax increases that this government has already introduced as basically the payroll tax and one percentage point on the sales tax, that by the end of this year all of those taxes will be used up to carry the deficit that the government has incurred within that three years, so it's possible that there might be some increases in taxes. The other possibility is economic growth and we should all hope that's going to come about, Mr. Speaker. The government is making some effort, and I'm sure they're doing a lot of hoping, but if that economic growth isn't real it isn't going to help. Unless it really generates revenue, it's not going to help. If it's going to be propped up by government expenditure on borrowing that isn't required, then it's not going to help the recovery.

I think, Mr. Speaker, there are some disturbing trends in the economic growth patterns in this province that the government should be thinking about. I'm sure there must be people in the government that are aware of them, but I'm not seeing much indication of it. I'll just briefly refer to some of them here.

One is that in the Quarterly Provincial Forecast of the Conference Board in February there are two quotes that I'll quickly give. One is: "In more than two decades output per capita in Manitoba has remained at approximately nine-tenths of the national average." Then they go on further and say: "More than half of the shortfall in Manitoba's output per employee, after correcting for its different industrial mix, is accounted for by one industry group - the community business and personal services sector."

So, the fact that Manitoba only produces nine-tenths of the national average per person is attributed to the large number that are in that area. When I look at what's happening to the economic structure in this province, that gives me cause for concern, Mr. Speaker, because from March, 1981 to March, 1984, that's comparing the last statistics that we have under this government to those that were in effect three years before, what do we find? 5,000 fewer people in agriculture, down from 45,000 to 40,000, one of the prime industries.

There are two more in the other primary industries. I'm not sure that I understand how that happens with the mining industry in difficulty, but that's what the figures show - up from 6 to 8.

There are 10,000 fewer people in manufacturing than there were three years ago. That's another sector that produces well and we're down from 66 to 10; construction is the same, 18,000. despite all the efforts of the government, 18,000 people three years ago, 18,000 today; transportation, communication and utilities, that's also a productive sector of the economy, down 7,000; trade is up 2,000; finance, insurance and real estate down 1; but then, Mr. Speaker, we come to this section, this Service Sector that the Conference Board spoke about as being responsible for our low output - up 18,000; and public administration up 8,000, from 33,000 to 41,000.

That doesn't bode very well, in my view, for the future of this province when you see those kind of changes taking place in the economic structure. I think that what they mean is that this province is going to experience relatively slow growth with very little chance to curb the deficit as a consequence of growth in the economy. I'd say, with all the sincerity that I can, Mr. Speaker, and I know I'll be derided by the members opposite, the basis of the predictions in the past, predictions which I am quite prepared to stand by and explain at least, I believe that the deficit is a ticking time bomb and all that the government is doing, at this point, is trying to muffle the sound.

I think that's the kind of difficulty that we faced, and when I listened to the Throne Speech, and I listened to the Budget Speech, and I certainly get the impression that the government thinks that everything is fine, just fine. It's not, Mr. Speaker, it's not fine, because what we've had here under this government is that we've had deficit financing get out of control at the same time as we see record bankruptcies, and we see a deterioration in services. Make no mistake, I've had at



least three people come to me within the last couple of weeks telling me that they can't get in for elective surgery in the hospitals any more, Mr. Speaker, without waiting six to eight months. That's a lot longer than they used to wait. That service is deteriorating.

I've had people come to me who are leaving their farms, Mr. Speaker, not young people who are trying to get a toehold. These are people 64 and 65 years old who have gone out on the limb to help their sons and their daughters. The situation has become so serious that it has backed up right through the younger generation and it is now taking the homestead farms of the older generation, and to hear this government there is nothing wrong, there is nothing wrong, Mr. Speaker, and I think that's deplorable. I think that's absolutely deplorable that we might have that taking place.

What's even worse, Mr. Speaker, is that these members won't even allow any debate of that kind of thing. If someone so much as talks about some means of controlling expenditures, if somebody wanted to debate the merits of user fees, what would they be doing? They wouldn't be on their feet debating it to see whether, in the long run, that might be necessary to help control some of the expenditures so that we can maintain a health service system, rather than see it deteriorate, no, you couldn't have open debate. If a member wants to stand up and talk about the sales tax in this House, as opposed to another type of tax, you can't have open debate on that either, Mr. Speaker, because of the kind of response that we get from those members opposite who hide their heads in the sand and refuse to realize the nature of the ticking bomb of the deficit. They refuse to recognize what's happening.

What do we get from them? Instead of reality, instead of real debate and understanding of the issues, what do we get? We get a Minister of Finance, Sir, who resorts to PR and bafflelegab and we get these kinds of amoral ads showing up in the newspapers, trying to tell us how great things are - \$4,100 in hospital and medical services for this typical family; \$2,000 in economic, social and employment security for this family. What he doesn't tell you in this amoral ad, Sir, is that he's run up \$5,600 worth of direct debt for that typical family of four. He doesn't tell you that he's loaded \$6,072 of interest costs on that typical family, Sir. He doesn't tell us that when he puts that ad in there.

What he does is spend more time whining about John McCallum than he does about tending to his business. I'm surprised, Mr. Speaker, at the amount of information that this Minister seems to have about Dr. McCallum's participation in development of the Budget that I brought in, especially in regard to the matter of Budget secrecy, and I just want to assure the member opposite that when we're in government there's not going to be any problem with disclosure of that kind of information, Mr. Speaker. I can give him that assurance.

Mr. Speaker, in supporting the non-confidence motion put forward by my leader, I want to close with four more statistics which I think really reveal the direction that we're going, and the degree of severity of where we're going, and the degree of the government's mismanagement. The first one of those, Sir, is that in the three years, from 1981 to 1985, the three full years

that this government is in power - 1982-83-84 - we're going to probably see a growth in the provincial product of 24 percent. That's based on some information that's already there, some that's in the budget - 24 percent. At the same time, revenues have gone up, or will go up, by about 36 percent, 12 percent more than the province is growing. That's been brought about to a great extent by tax increases, and I've already pointed out that most of those tax increases have been eaten up by interest on the deficit, or will be by the end of this time period. Then we find that spending in that same period of time will have gone up 42 percent overall while the economy is growing at 24.

But the most revealing statistic of all, in my view, Mr. Speaker, is that government administration has gone up 47 percent. When these people over here go out there and talk to the universities, and they talk to the hospitals, and they talk to the municipalities and the school divisions, and they say, you've got to control your costs. Everytime we talk about spending some money where it's needed and we say, get your priorities straight; they say, where are you going to get it, where are you going to get the money. I'll tell them, Mr. Speaker, cut your administration because it's up by 47 percent.

All they need to do, Mr. Speaker, is go through the Estimates from '81-82, see what was devoted to administration, see what's devoted to administration now. What would one expect with all the new Ministers that were brought into this government, all the new departments that were created, all the apple-polishers that they put in place? Does one have any reason to doubt why they've got a 47 percent increase in administration? It's out of control. If they can't even control their own administration, how can they be expected to control the costs anywhere else? Don't talk to us about not being able to find places where they can cut expenditures, Mr. Speaker.

What's happened is that in the short period of time that this government has been in power, they are no longer controlling events, events are controlling them. Mr. Speaker, I lost confidence in them long ago and the people of Manitoba have also lost confidence in them.

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

I cannot monitor the remarks of 50 people who make them from their seats, but there are certain voices coming through to me far too often. I hope that I would not have to take further note of who they are.

The Honourable Member for Burrows.

**MR. C. SANTOS:** Thank you, Mr. Speaker. After the heated and rather aggravating debate that I listened to, I'd like to offer a cool, dispassionate, rational analysis of the objectives of the 1984-85 Budget, the reasons for achieving those objectives and the methods proposed as to how those objectives can be achieved within the context of our current turbulent, unsettled, social and economic environment.

As I understand it, the Budget seeks to achieve two basic objectives. This to ensure and sustain continued economic growth for the present and the future of this province and secondly, to preserve and to protect basic public social services for the people of Manitoba.

Why do we want to achieve and ensure sustained economic growth in this province? Why do nations want economic growth? What is the . . . here about the particular social goals and objectives of many nations of the world? We want to achieve and ensure sustained economic growth because we want to have enough gross provincial product to give not only increased per capita output to the members of society, but also to have sufficient gross provincial product capable of absorbing the new entrants into our labour force, as well as of taking care of and absorbing those who shall be technologically unemployed as the years roll by.

Second, we want economic growth because through economic growth people get the necessary motivation and incentive to invest and to initiate innovations in our societal and industrial structure, leading to a higher standard of living for all the people and to a better quality of life for all Manitobans.

Third, we want economic growth because we want to devote some of our resources in order to achieve other related social goals and objectives that we are seeking to promote. What are these other social objectives that are more or less related to our economic objectives? We want better and greater economic, educational and social opportunities for our people. We want better schools, better universities, better chances for job training. We can only sustain all of these related objectives if we have enough substance in our gross provincial product to devote a number of resources to these activities.

We also want to alleviate some of our social problems. If our young people, the teenagers, are unemployed and they cannot find jobs, do you know what they will do? They will resort to some activities that will be described as social problems. There will be increased juvenile delinquency because they cannot find any jobs. Therefore, it is essential that we try to offer them opportunities for jobs in order to divert their energies from unproductive and destructive activities into more productive ones, and we also alleviate some of our social problems. We also want to promote and increase the gross provincial product in order that we may have better public goods and greater public services to offer to our people.

The 1984-85 provincial Budget seeks to achieve this objective of economic growth through various methods and ways and means. One method of achieving this objective of economic growth and development is the injection of more money into economic development activities through the long-term job-creation program. We propose to inject \$218 million into that program in order to stimulate economic activities and job creation, because that is essential for the promotion of industrial activities that will conduce to greater productivity and thus the increase in economic growth of this province.

Secondly, there is the innovative method of increasing the capital gains tax refund to our farmers who are the backbone of the agricultural base of the economic sector of our province. There is also the injection of \$116 million for housing programs and related construction programs and job spinoffs that will result in more job creation for the people.

In addition to that, we have heard in the Budget an innovative tax reduction measure in the form of manufacturing tax investment credit of about 6 percent

to the first 15,000 of money invested in new buildings, machinery and equipment. To complement that measure of tax reduction, as a sensible approach to what the opposition party had all the time demanded, we have abolished the 1.5 percent health and post-secondary education levy for a small-business employer whose annual payroll does not exceed \$50,000.00. To those who exceed this amount, as long as they do not exceed \$75,000, there is a corresponding proportionate reduction of the payroll tax.

These two measures, economic development activities as well as tax reduction, are thought to enhance the possibilities and opportunities for increased industrial economic activities leading to what we call economic growth for this province.

These two measures are complemented by certain developments that we have just read about and heard announced, which is the long-range perspective for economic development of this province. We have concluded an intention and a sale of 3.2 billion electric power sale to Northern State Development. This is in stark contrast to what had happened in the past, because we will maintain the equity ownership of our hydro-electric plants in the name of the people of the Province of Manitoba.

In addition, there is already an understanding about a joint study and the prospect of locating an aluminum smelting plant by the Aluminum Company of America to a possible capacity of 200,000 metric tonne in the near future. All of these are reasonable, sensible measures and means in order to achieve our beloved purpose of achieving economic growth and development for the Province of Manitoba.

Now let me return to the second objective, which is, the preservation and the protection of the basic public social services for the people of this province. Why do we want to preserve, protect and promote the basic social services for the people? We want to promote and protect the basic social services for the people of this province because we believe that it is the function of the state, through the government, to serve the interests of the individual, rather than the individual serving the interests of the state.

**A MEMBER:** You're in wrong party, Conrad.

**MR. C. SANTOS:** We believe that certain eternal and spiritual values beyond the materialistic values of this world are important. We see beyond the perspective of the economic utilitarians because we believe in human dignity, we believe in human decency and we believe in human integrity.

We seek to preserve and promote, despite the woes of deficit and borrowings; we seek to preserve and promote the basic social services because we believe in the basic maxim of an enlightened government, the maxim of solus populae est supremo lex (phonetic) - the welfare of the people is the supreme law of the land. That is the highest value that we want to promote, rather than mere materialistic growth in a materialistic world. We want to promote the highest, supreme welfare of all the people of this province.

Now why are these two objectives so difficult to achieve in our contemporary era? Sustain economic growth and preservation of basic social services which,



by definition, entail expenses and expenditures of a great magnitude. Why is this a most difficult and delicate undertaking in our present contemporary society? The reason is we are now living in an age of turbulence. Our society is changing so fast economically, socially, technologically. In all aspects it is changing that we are now, indeed, in what we may call the post-Keynesian era.

It was so simple during the time of Keynes, after the Depression, to state the formula for the economic management of a nation. They were saying, apply this formula. In a period of recession all you need to do is increase government spending, decrease your taxes, or do both. Or, alternatively, in a converse situation during periods of inflation, all you need to do is decrease government spending, increase your taxes, or do both and everything will be fine.

But that age has already gone. What we are now witnessing is a simultaneous presence of both high unemployment, as well as high inflation, the two difficult problems of our contemporary age. Although it affects us in varying intensity, there are some people who are still saying that during a period of business expansions the more we try to reduce unemployment, the faster inflationary prices tend to rise. During business contraction the more we try to dampen inflation, the greater becomes the rate of inflationary prices. The . . . no longer works. We are in a turbulent and difficult time.

So what do we need to do? All we need to do is to analyze our problem rationally, determine a goal and objective that is good for all of the people of this province, and then seek out a certain pragmatic, moderate, reasonable solution. Whether we achieve our objective to the fullest extent or not will depend on circumstances and changing conditions of the problem.

This government in the fiscal year 1984-85 had tried to do just that. We responded possibly to the demands of the opposition; we abolished the 1.5 percent as far as small businesses are concerned because this is needed by our small businessmen. We have been moderate and did not increase the taxes, to any great extent, and we have been responsible enough in order to meet the problems and dislocations that we have discovered in our provincial economy. These are really times of difficulty and of complexity and all we need to do is to face the problem and try to seek out sensible solutions.

This the Minister of Finance has done and I commend him for such integrity in a pragmatic, moderate, reasonable and responsible approach to the problem of our provincial economy. So it is written: "Those whosoever shall seek to save his life shall lose it, and whosoever shall lose his life shall preserve it." This is a most difficult time of economic turbulence, and we should be sensible to look into immediate, as well as, long-range problems and do the best we can in order that we may be able to face the stark reality of economic and social facts of our daily existence; but we must be able to pay the price that we have to pay in order to seek a better promise for a better future for all of our people in this province.

Thank you, Mr. Speaker.

**MR. SPEAKER:** The Honourable Member for Fort Garry.

**MR. L. SHERMAN:** Thank you very much, Mr. Speaker. I appreciate the opportunity to participate in this Budget Debate and to say that, in essence, I don't consider the Budget in front of us to be fundamentally or particularly a bad Budget. In fact, I believe that there are a great many aspects and features to it for which we can be deeply grateful, for which all Manitobans can give thanks.

So I don't approach it from the perspective, Sir, entirely, of a document that should be rhetorically or verbally destroyed. That is not to say that I deviate in any degree from the motion before us, the motion being debated at the present time, that is, the amendment to the Budget put forward by my leader. I want it to be perfectly clear that I certainly support the spirit and the wording of that amendment proposed by my leader, but I also heave, along with the many other tens of thousands of Manitobans, I am sure, a sigh of relief at the fact that this Budget is not as damaging as it could have been and, indeed, is not as hostile to the private sector, to the individual Manitoban and to his or her freedom as previous Budgets which we have experienced, not only under this administration, but in the history of NDP administrations in Manitoba.

First of all, Sir, I should say that I hope that nothing I suggest or discuss in these next few moments will be construed by the current Minister of Finance, either at the present time or a year from now, or some future Finance Minister, as necessarily representing the official proposals or policy of my party. They may well, Sir, represent official proposals and policies of my party, but they do not necessarily stand in that vein. They are my observations; they represent my commentary and my views on the current Budget and on the economic conditions of this province and on the weaponry or lack of weaponry displayed by the current government in meeting those conditions. It may be that in consultation with my colleagues, some of my thoughts and ideas will evolve into and crystallize into firm party policy. At the moment, Sir, I would hope they will not be construed or represented or misrepresented as such, but certainly they represent my views, thoughts and commentary and, as is the case with my previous remarks in the past several years, many years in this Chamber, I certainly intend to put them on the record as sincerely held, and I stand behind them.

On that subject, Mr. Speaker, I'd like to just take one minute to identify what I consider to be a particularly specious aspect of the Finance Minister's now celebrated and infamous propaganda letter of Budget week to Manitoba employers in which he made the reference to Progressive Conservative proposals to raise the sales tax by two points.

One of the things that disturbed me about that, and although I did not raise it in the House and did not participate in the criticisms that were raised at the time, is that it was worded and couched in such a way as to suggest that the payroll tax took the place of a two point increase in the sales tax, whereas in fact, Sir, as all Manitobans know, that government over there and that Finance Minister over there, raised the sales tax by one point anyway. So, I considered that a rather specious and spurious way of wording a point that the Minister was trying to make.

Certainly, if I am reading unfair or insincere interpretations into it, I stand to be corrected by the

Minister, but my impression in reading that letter was that he was trying to say that we could have had a 2 percent increase in the sales tax if we'd listened to Progressive Conservative proposals; instead of that, we're not having that, we've got our payroll tax. Well, Sir, that is less than fair, honest and accurate, to say the least, because we've got both, we got the payroll tax and we got a 1 percent increase in the sales tax. The difference was a 1 percentage point increase in the sales tax, not two, as suggested by the Minister of Finance.

Mr. Speaker, on that same point, I would also wish to clarify any misunderstanding as to my statement, and the sincerity of my statement, and my intention at the time I made it. Of course, at the time that payroll tax was introduced, of course, at the time that we were looking at a whopping budgetary deficit, a whopping mortgage burden on the backs of Manitoba taxpayers, we were calling, on this side, and I was one calling vocally on this side, for a reduction in government expenditures. If that was not to be achieved then, Sir, there were measures that we felt should be considered, that I felt should be considered, that were preferable to the introduction of that infamous payroll tax, and I think that the government is coming to that precise same conclusion itself, Sir.

I just want to remind you, and members of the House, Sir, of some things I said at that time and ask you whether or not they do not represent, not only the view of Manitobans generally, but now the view of that government over there where the payroll tax is concerned. I said at the time, Sir, that it should be recognized, and I'm not quoting here from my Budget Speech in the House in 1982, but I'm quoting here from my budget commentary on a Public Affairs Program on the CBC on the Budget of 1982, in which I said, Sir, that there were some reasonably good and acceptable aspects to the 1982 Budget introduced by the New Democratic Government, and that most people were relieved by the fact that there was no increase in the sales tax.

But I observed, Sir, that at that point in time and, up to that date, the new government, as it then was, the government just elected in November of 1981, had spent considerable time preparing Manitobans for a sales tax increase. They had flown trial balloons and kites and offered all kinds of enticements derived to achieve feedback and to take the pulse of Manitobans where an increase in the sales tax was concerned, and to determine whether they could do it and succeed and survive politically by doing so and they prepared Manitobans for a sales tax increase.

Then they left it at 5 percent, which was a welcome measure but, in doing so, Sir, they introduced a brand new tax to Manitobans, one that they had borrowed from Quebec, and one that was not going to be popular, and one that was not acceptable to me or my colleagues in terms of economic philosophy. That, of course, was the 1.5 percent levy paid by employers on all wages paid in Manitoba, the levy known as the health and education levy, or more correctly, Sir, the payroll tax. I pointed out at that time that to collect this tax Manitobans would be hiring more civil servants at a cost of over \$1 million and that would add to the already burdensome deficit and expenditure payload that Manitoba taxpayers were carrying on their shoulders.

I said, Sir, and I'm quoting directly from my comments at that time, and I think they bear repeating because the subject of some of those comments of mine have certainly been at issue here with respect to the Budget propaganda letter issued by the Minister at the time of his Budget. I said, Sir, that the NDP chose this tax, that is the 1.5 percent payroll tax, because they believe it will be hidden from Manitobans and soon forgotten. But, consider these facts, this tax is a hidden tax which will be passed on to all consumers in Manitoba, passed on to you and me through higher prices. It will raise the price of all goods and services in Manitoba; the price of food and clothing will increase because of this hidden tax. Food has never been taxed, but will be now with this hidden tax on wages of all employees in the food chain, from producers, truckers, processors and retailers, right across the spectrum of the province. Even the price of children's clothing will rise to pay this tax on wages of people employed in the needle trades in Manitoba. The multiplier effect of such a hidden tax will certainly cause food and clothing prices to increase, it will certainly impact on those goods and services which heretofore had not been affected by the sales tax.

So I said, Sir, that perhaps the Budget, which was delivered in somewhat rosy fashion by the Minister at that time, was not quite as rosy a document as it first appeared.

In essence, Sir, that represented the position I took with respect to the payroll tax. My colleagues, I think, shared that view about the insidious nature of the payroll tax and the insidious nature of the technique and the philosophy that lay behind the NDP's motivation for introducing it. They thought they could get away with a tax that people wouldn't understand, wouldn't recognize and would soon forget about. They found out differently and we have the evidence today, Sir, with the major retreat on which they're now engaged with respect to that economic and fiscal fact of life in this province.

So, we're witnessing and going through a very interesting experience here, Mr. Speaker. It's particularly interesting for those of us on this side who have witnessed and listened to many NDP documents of an economic nature over the past, and many examples of NDP economic rhetoric, such as, is represented in some 11 or 12 Budgets now that have been introduced to the people of Manitoba by NDP administrations. I think one must pause for a moment and reflect, Sir, that probably M.J. Caldwell and J.S. Woodsworth, and others of that calibre must be turning over in their graves when they look at the kind of retreat, the kind of uncertainty, the kind of tentative sense of direction, and the panic demonstrated by that government opposite with respect to its principles and its views and its philosophies, both social and economic, they must indeed, Sir, be turning over in their graves.

But then again, perhaps that's an exaggeration because probably men of that ilk, men of Mr. Woodsworth's ilk and Mr. Caldwell's ilk would long ago have disassociated themselves from that party across the way, would long ago have come to the conclusion that they could not stomach the wild and fuzzy ideology of that highly dubious offspring of theirs over there, the NDP, Sir. They were CCFers, not NDPers, and they would have rejected and repudiated the crazy social

tinkering of the NDP out of hand long ago. They would not have permitted themselves to be associated for very long with the likes of the thinking and the activities, both curricular and extra-curricular, of the Honourable Minister of Natural Resources, the Member for Inkster, the Finance Minister, the Member for Thompson and so many others, Mr. Speaker, who are so terribly confused.

Perhaps it's an exaggeration to say that men such as those I've mentioned would have been turning over in their graves but certainly, Sir, when one considers the heritage from which members opposite in the NDP profess to come, when one considers the heritage from which they profess to derive their views and their position, one can only conclude that there would be substantial men and women of socialist and social democratic persuasion in this country who would be highly embarrassed by the activities of the current Government of Manitoba. mentioned would have been turning over in their graves but certainly, Sir, when one considers the heritage from which members opposite in the NDP profess to come, when one considers the heritage from which they profess to derive their views and their position, one can only conclude that there would be substantial men and women of socialist and social democratic persuasion in this country who would be highly embarrassed by the activities of the current Government of Manitoba. The defeats and the retreats and the convolutions and the social disasters and the legislative disasters that they have experienced would be highly embarrassing, Sir, to socialists of stature and of principle. This Budget is a further example of that kind of lack of principle where the current government is concerned.

I repeat, Sir, that there is nothing fundamentally or terribly wrong with the Budget as such. In fact, there is some very good things that can be said about it - I'll come to that in a moment - but it's just that it represents such an incredible reversal of past NDP rhetoric, Mr. Speaker, that it boggles the mind. It represents a complete flip flop in terms of that party's economic principles and its professed attitudes toward not only our society, but the societies of our great neighbours and our allies in other parts of the western world. It destroys whatever shred of philosophical credibility or believability the current Howard Pawley Government had left - and that wasn't much, Mr. Speaker - but whatever there was after its agonizing legislative defeats of the past two years, it's now gone with the incredible performance of a Minister of Finance and his colleagues who have stood so rhetorically and so philosophically and so irrationally against individualism, against entrepreneurialship and against effort for so long that those people who formerly did subscribe to the positions offered by that government must be wandering in dismay at the present time as homeless members of the electorate.

At first glance at the Throne Speech, Mr. Speaker, and then subsequently at the Budget, I was impressed and surprised and mystified at the repetitive references to health care in both documents, the repeated insistence that we've had to do all we could to shore up our health care system and our social programs, and that none of the measures that were going to be taken to try to get the deficit under control were going to be taken in such a way as to impact on health care.

Again and again and again there were the references to health care.

Now, I know why, Mr. Speaker, they are there. Well, there are two reasons why they are there. In the first place, the health care system in this province is in trouble and is, in fact, in many ways, Sir, beginning to crumble. The current government, of course, has to go on the offensive to try to prevent that reality from making itself clear to the majority of Manitobans.

But secondly, Sir, there is probably a bigger reason why there were all those references to health care in both those documents. They represent a cover-up, Sir, of a philosophical surrender and a surrender in terms of principle by that government. They are a nervous, self-conscious attempt to deflect attention away from the fact that that government has come up bankrupt with its socialist rhetoric and its socialist tinkering. In a philosophical sense, Sir, that government has abandoned the ship. They've come over or they've begun to come over to realism, they've come over or begun to come over to practicality, to the real world, to common sense, Mr. Speaker, but it's very embarrassing for them. They can't bring themselves to admit it, so in a figurative way, they shuffle their feet and they look at the floor and they repeatedly sprinkle their program documents and their Budget statements with references to our health care system, a system which, as I said incidentally, has not, since the introduction of Medicare in this country been in such poor shape in Manitoba as it is today. The complaints, the concerns about our health-care system are piling up, pouring in.

I've made some references to our current and growing health-care problems in Manitoba already in this Session, Mr. Speaker, and I'll be doing so again as we move into consideration of the Estimates in the weeks ahead.

For the moment, I want to deal specifically with the Budget, with this Budget document and with what it represents, in my view, in the way of an admission by the NDP that they have been wrong and worse than that, Sir, an admission that they have been ideology-bound and that they've been superficial in their professed commitment to NDP economic views, social views and general socialist-oriented rhetoric in the past. If that socialist-oriented rhetoric, if those economic views, if those social views had been held and articulated sincerely, that would be one thing, Sir. We can reject them on our side; we can debate them; we can dispute them; we can refuse them, but at least if they're sincerely held and put they are treated with respect. They are met with respect and they are debated with respect.

Mr. Speaker, that was all a sham. There was no sincerity there. It was all something out of the socialist union debating club, because now that the going has got tough, now that we're down to the nitty gritty, they're down to the nitty gritty. They're down to recognizing the importance of the economy as the fiscal foundation for health, education and all other social programs. They're down to recognizing the private sector and the entrepreneurial spirit as one of the primary engines, if not the primary engine, of that economy.

Mr. Speaker, this is what we've come to and I'm sure that it surprises you and boggles your mind as substantially as it does mine and that of many of us.

We've got an NDP Government gesturing with gratitude, with prayer, indeed, with supplication - almost like supplicants on their knees - in the direction of the private sector saying come and help me, bail us out, show us what to do, show us how to get this turned around.

That poses two very difficult questions, Mr. Speaker, one for them and one for the rest of us. One is, what does that do to their camp followers, their supporters, the members of their fraternity, their sorority? It must dismay them and disillusion them beyond imagining. But secondly, Sir, what does it do to the rest of Manitobans who have to live with this government presumably for another two years or two-and-a-half years before they have a chance to offer their electoral verdict on them. Nobody knows where this government is going now, Sir. Nobody knows where it stands; nobody knows what it believes; nobody knows what principles it has. All we see is a government twisting slowly in the wind, reacting in panic to the conditions of the time on which their philosophy, their so-called principles failed them and with no recourse, nowhere to turn but to the basic, pragmatic, realistic ideas of men and women of hard work and energy and goodwill and competitive spirit that was always there, but has been so rhetorically denounced by them over the decades. So we have this picture of complete waiflike abandonment and cynicism. I would say, Sir, that it was a complete picture of hypocrisy - but I know that term is unparliamentary so I won't use it - but it is a picture of complete waiflike abandonment that is pitiful and pitiable.

That is why, Sir, men like J.S. Woodsworth and M.J. Caldwell would be turning over in their graves. And that is why in my view a man like the Right Honourable Ed Schreyer would be, I think, spluttering in his Australian dictionary right now to find some rationale, some reason, some explanation for what has happened to that once "great" party of "principle" who stood for views that were not acceptable to me and my colleagues but at least were worthy of debate.

Mr. Speaker, to think that an association of legislators in this country, professing to be an organized party, professing to be the spiritual heirs of the grand old CCF could be so disorganized, could be so tentative, could be so unsure of themselves and could be so philosophically bedraggled as to abandon whatever principles and convictions they have held in the past and come in panic to embrace their old foes. Don't they realize how they look, Mr. Speaker? Don't they realize how they look to the electorate? They bring to mind the title of a popular song of a few years ago by the Captain and Tenille entitled, "Come in from the Rain." They looked drenched, Mr. Speaker, tired. Someone has said they looked drained and that is also true, but basically they looked drenched and bedraggled. They looked as though they were standing at a bus stop several minutes too late. The bus has already gone by and all of a sudden the skies have just opened up overhead and drowned them in a deluge.

Mr. Speaker, the First Minister asked me which principles. I say the principles — (Interjection) — no, well principles of integrity, but the principles for which he presumably and his colleagues presumably stood for so many years in favour of collectivism over individualism, in favour of state activity over individual private entrepreneurial activity, in favour of Canadians

and opposed to our American allies, in favour of heavy taxation, in favour of penalizing enterprise and effort, now they've turned around and said, we want the Americans; we want American investment; we want individual enterprise. All these things are very admirable and laudible, Sir, and we espouse them. But the point is that that party over there denounced that kind of thinking, denounced that kind of philosophy, denounced those kinds of actions, denounced those kinds of allies, denounced and repudiated that kind of involvement and friendship for years, for decades. — (Interjection) — Sir, they looked drenched and philosophically bedraggled.

Sir, we had a pitiful example the other night of the railings of the Minister of Natural Resources against the corporate welfare bums and then we look at their proposed Alcoa deal. On the one hand, we get this death rattle from the past about corporate welfare bums, the kind of rhetoric, the kind of ideology to which they're still bound, they can't really escape from that kind of thinking; but on the other hand at the same time they're begging American investors - their once despised American neighbours - to come in here and participate and work with us to get our province going.

That's the kind of cynical about-turn and flip-flop of which I speak, Mr. Speaker. That is why men and women of integrity in that party from the past would be turning over in their graves today and that is why adherence of their philosophy generally, in a political sense in this province and in this country will be so dismayed and disillusioned and homeless today because there now is no longer any foundation, any base, any anchor of principle.

The other day, Sir, we got the feeble transparent attempts of the Minister of Agriculture to resurrect the old health care bogey, you know, the old health care bogey that they used against us so cynically for four years, from 1977 to 1981, and so unscrupulously in the election campaign of 1981. That is all they're left with, Mr. Speaker. You get these repeated references to health care because they know that they have immorally and unethically broken with their own heritage. They have come, not running to us, they've come on bended knees with their hands raised like supplicants to us to help them out, to bail them out with our spirit and our philosophy and our friends and our principles. Well, we're willing to do it, Mr. Speaker, but let us have it on the record that that is what is happening. Let us receive some acknowledgment and credit for it.

Mr. Speaker, on Budget night we had the Minister of Finance patting himself on the back because health care expenditures in his new Budget represented, and I think this is a fairly accurate direct quote, "32 percent of the total provincial Budget and \$1,000 for every man, woman and child in Manitoba."

Well, Mr. Speaker, in relative terms that has been the case for years in this province - 31-32-33 percent on health care. If it's \$1,000 for every man, woman and child today, it's because it's a \$3 billion-plus Budget, but in relative terms it was always that much. There was always that much involvement and commitment by the average individual man, woman and child in Manitoba where our health care system is concerned.

Mr. Speaker, if the current government is sincere in its conversions, and we welcome the conversion that

is represented by the Budget statement, which is essentially a Conservative statement and a Conservative document, not as good as my colleague the Honourable Member for Turtle Mountain would have introduced, no way, but nonetheless Conservative. If that conversion is sincere, then many many of us, Mr. Speaker, will be deeply grateful for that.

As I said earlier, there are some very good things in that Budget, but I want to advise that statement now because I think it would be much more accurate to say that there are some very good things about it because there are some bad things that are not in it and we're very grateful for that. A huge sigh of relief I'm sure has gone up from the business sector, the manufacturing and industrial and agricultural and entrepreneurial sector generally and from most of us, just over one simple fact, Mr. Speaker, just over the fact that for once in 11 or 12 NDP budgets that the Member for Lakeside and I have seen in this House, government under the New Democrats, that government over there, either in the form of this current administration or previous NDP administrations has refrained from interfering with the spirit of enterprise and effort. For once that government has resisted its natural instinctive impulse to smother the entrepreneur, to interfere with the marketplace, to impede legitimate effort and enterprise. For once they have held off on that so we're very grateful, Sir, and that's what makes it a relatively good Budget, not that there is such great stuff in it, but thank heavens that traditional NDP anti-individual ideology has been left out of it.

So it's not that the Budget is so bad, Mr. Speaker, it's simply that the government is, its wild unpredictability and its erratic behaviour represented again by the incredible flip-flop they have done in economic terms and its many retreats - not the least of which is this economic retreat and socio-economic retreat - and now its apparent abandonment of its own philosophy, Sir, has created an atmosphere in this province that is hardly conducive to confidence and to economic stimulus. That's the difficulty with it. It's not that the measures in there are so bad, but it's that nobody knows where we stand now.

What's going to happen next year? Who is going to undertake the enterprise on the investment and the expenditure to build a business, to expand, to increase employment, to create jobs for people not knowing what further flip-flop that government is going to do over there a year from now? That's the question, Sir, that comes to the minds of all of us now - all Manitobans - is what next? I'm reminded of that great line from a favourite movie of mine, Butch Cassidy and the Sundance Kid, that great line, "Who are those guys?" Are they New Democrats, are they social democrats, are they socialists, are they Conservatives, or are they men and women entirely without principle and without guidance and without direction? That's the question that has to be asked, Mr. Speaker, and is being asked all over Manitoba.

**A MEMBER:** Who are those guys?

**MR. L. SHERMAN:** Who are those guys? And the corollary question, Mr. Speaker, do they know what they are doing?

**A MEMBER:** No, no.

**MR. L. SHERMAN:** The answer is a resounding, no. They're all over the map, Mr. Speaker. Have they got any convictions? Well, my friend the Government House Leader . . .

**HON. A. ANSTETT:** We don't want you to love us. Just love our Budget.

**MR. L. SHERMAN:** Mr. Speaker, I don't particularly want to be diverted and I don't particularly want to be derailed in what I am trying to say here, but I do want to respond quickly to my friend, the Government House Leader, who asks me if I like the Budget. I have already told him that I am enormously relieved that the Budget doesn't do any more damage to the economy and the private sector than has already been done by that government over there. So, in essence, my answer to him is yes, I like it, but that should not be construed as a statement of endorsement or support. I will be supporting my Leader's amendment to the Budget motion.

Mr. Speaker, I want to say one more thing. One more point is important here, Sir. I want to just read a couple of things into the record. I think I've got about three minutes. I want to read you something and ask you if you don't think it sounds familiar.

This is a direct quote, Sir. "In preparing this Budget, I begin with the following principles." Well, I am not identifying — (Interjection) — no, I would hope you . . .

**MR. SPEAKER:** Order please.

**MR. L. SHERMAN:** Don't laugh at it because I don't want to identify the source until I get to the end of it.

"First, now is the time to reduce the deficit. Second, if at all possible, there should be no increase in either personal income tax or sales tax. Third, we must find new ways to encourage economic growth and create long-term jobs. Fourth, we will not contemplate cuts in spending for basic health and education programs.

"This Budget, I believe, fulfills these principles. In this evening's Budget, I will announce major new programs to increase investments in new and existing businesses. This government believes that much of our future growth will come from businesses which have not yet been started or which are still fairly small. We need to give them reason and room to grow."

And it goes on and on, Mr. Speaker, and that was the Budget Address of March, 1984 of the Honourable Bob Andrew, Minister of Finance of the Province of Saskatchewan.

So what have we got over there? We've not only got a government that brings in a Budget that reflects a complete abandonment of their principles, but we've got them bringing in a hijacked Budget. They hijacked their Budget from Saskatchewan.

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

**MR. L. SHERMAN:** They've got the same messages, the same items, the same paragraphs, virtually the same wording in their Budget as is contained in the Budget



speech of the Minister of Finance of the Province of Saskatchewan. So that's how low they have sunk, Mr. Speaker. Not only are they on their knees, whipped, bedraggled, drenched and beaten; not only have they suffered legislative defeat after legislative defeat; not only have they abandoned their principles, but there is not even enough imagination over there, Sir, in making the flip-flop to write their own Budget. They hijacked the ideas from the neighbouring Province of Saskatchewan and its Progressive Conservative Administration. How low, Sir, can a government sink? To what depths? The socialists who subscribe to that party and that view and that theory will be crying across the land tonight, Sir, how low can they be driven, how low can that government fall in failing them, in abandoning their principles, in deserting them, in compromising, in becoming cynical, and in . . .

So I end almost as I began, Sir, with . . .

**MR. SPEAKER:** Order please.

**MR. L. SHERMAN:** . . . I end with a rallying cry that I throw at them against their whimper for our help and our principles and our support, and I speak for all Manitobans when I raise it. Again I ask the question, who are those guys, where do they come from, and do they know what they're doing? The answer to that is no, Mr. Speaker.

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

**HON. H. PAWLEY:** Mr. Speaker, we'd like to call it 5:30. I move the adjournment.

**MR. SPEAKER:** It is moved by the Honourable First Minister and seconded by the Honourable Minister of Municipal Affairs, that debate be adjourned. Is that agreed? (Agreed) Agreed and so ordered.

The Honourable Member for Niakwa.

### COMMITTEE CHANGE

**MR. A. KOVNATS:** Mr. Speaker, I'd like to make a committee change; the Honourable Member for Minnedosa replacing the Honourable Member for Rhineland.

**MR. SPEAKER:** Is it the pleasure of the House to call it 5:30? (Agreed)

The time of adjournment having arrived, this House is adjourned and will stand adjourned until 2 p.m. tomorrow afternoon. (Thursday)

### (English Transcript of Mr. Lecuyer's Speech from Vol. XXXI No. 12A, Tuesday, 1 May, 1984)

**HON. G. LECUYER:** Thank you, Mr. Speaker.

I will give my colleagues on the other side at least a few seconds to adjust their headsets. At the outset, Mr. Speaker, I wish to extend to you my best wishes for the Session which is but in its early beginnings and, indeed, the same to all my colleagues in the Legislature.

I truly hope that all of us who are entrusted with the confidence of the people of Manitoba will rise to the task of administering the affairs of the Province of Manitoba in the best interests of our fellow citizens. To meet this objective, Mr. Speaker, I invite all of us, that is all members of this House, to act with more tolerance and less out of self-interest. I would like first of all, Mr. Speaker, to congratulate my Premier and the Minister of Finance for the leadership and vision they have both evidenced in the Speech from the Throne and in the presentation of the Budget.

Mr. Speaker, when looking at this Budget it is obvious that two priorities are set forth: namely, measures designed for economic development; and secondly, those for the preservation of health services. In the budget, it is shown that employment, or those employed, have increased an average of 1 percent in Manitoba in '82 and '83 whereas elsewhere in Canada there was a decrease. It is shown that the number of new jobs has tripled since '80-'81. Retail sales are also shown to have grown. Also, the Budget shows that if we made errors in our Budget Estimates, we did not do so in the sense forecast by the opposition - which had predicted deficits as high even as 1 billion.

We have shown that if we did err, we did so in projecting a deficit beyond that which actually materialized. We had projected revenues which members of the opposition said were much greater than we had a right to expect. And the conclusion of our financial exercise shows that if we erred it is not that we overestimated the revenues, for these exceeded our projections.

Since our coming to power, we had had economic development as a fundamental objective. We have created more employment and better employment. We have created guaranteed revenues, and the result is a better quality of life for many Manitobans. I believe that Manitoba and Manitobans have a right to be proud of the economic performance of this province. There are lower unemployment rates than elsewhere in Canada and investment rates which hold promise for the economic recovery of this province. Our success in fighting the recession also shows that we are ready to put forward long range economic development projects.

Mr. Speaker, I can't help but point out that, when our colleagues of the opposition speak and give their comments relative to the Budget Speech, most of them allude very little to the Budget itself. They read letters, and report on all sorts of things which have nothing to do with the budget. Mr. Speaker, I dare believe that members of the opposition realize themselves, even if they do not wish to admit it, that the Budget does, in fact, reflect progress made in this province and speaks of progress to come. Obviously, Mr. Speaker, we do not entertain the illusion that Manitoba is an earthly paradise. Indeed, such a place will be found nowhere on Canadian soil. We are experiencing enormous difficulties on every hand and on a daily basis. As legislators, we have many problems to resolve and that is why we must do our very best, especially in view of creating jobs and through using all methods at our disposal to support and to accelerate economic recovery.

During the last difficult years we have made job creation a priority for which we have expended effort,

used creativity and, especially, a large part of our resources. In spite of the sometimes derogatory comments of members of the opposition, the latter cannot deny the fact that the Manitoba Jobs Fund has had a positive and significant impact on economic recovery. We are the first to admit that unemployment remains much too high. For any person in this category this is the No. 1 difficulty, for work allows each of us to express our creativity and maintain our dignity. This is why, Mr. Speaker, in the Throne Speech and in the Budget tabled last week, we set forth, not only the measures we proposed two years ago, but also those concrete measures we are proposing for the present fiscal year to create short and long-term employment.

Even though the members of the opposition keep up their negative comments and predictions of disaster, it remains true - as shown by Statistics Canada - that we have created several thousands of jobs while, at the same time, absorbing an influx of new Manitobans, young couples for the most part, and often former Manitobans who had left the province during the years of the former Conservative administration.

Mr. Speaker, it is no accident that Manitoba, for the first time in several decades, has the distinction of having the lowest rate of unemployment. And, as I said earlier, we do recognize the need to renew our efforts to create even more jobs. This is an approach, Mr. Speaker, which is in itself different from that of the members opposite who believe in the principle that the government should not make its presence known. They believe rather in the adage better known in English as "the best government is no government." It is this "laissez-faire" attitude which led Manitoba to a retrograde situation during their mandate.

When we came to power the Province ranked third in unemployment, that is, third in rank of those provinces with the least unemployed. And the best they could do was to deplore this grave and utterly inappropriate economic situation for Manitoba. They would only raise their hands and shake their heads while, at the same time, letting things drift while our youth had to go elsewhere to look for work. Several of these - members of the opposition even referred to it - left for Alberta in search of employment. Is it not curious that today, specifically last week, it was announced that Alberta suffered a net loss of 13,000 residents, 2,000 of which were from the City of Calgary itself. No doubt, Mr. Speaker, a good number of these are part of the new wave of immigration to Manitoba. And for the member for Emerson who questions the truth of these statements, I point out that they came directly from CBC Radio which gave the information last Wednesday night.

Members of the opposition constantly refer to the deficit. Do they not realize that all the other provinces have also recognized the need to inject public funds to stimulate the economy. However, their efforts have not gone far enough, they were not designed in view of economic recovery. In spite of the accumulated deficit in Saskatchewan, in Alberta and in British Columbia, unemployment remains higher than in Manitoba. Moreover it is the citizens of these provinces, who are least able to pay, that have to absorb the consequences of supplemental costs to maintain their health and education services.

Mr. Speaker, we have better succeeded in weathering the disastrous effects of the economic recession

because we have had confidence in the future of this province, because we have dared to risk public funds in the creativity and perseverance of Manitobans and we have dared to develop new programs in view of a balanced economic recovery.

For four years, while the members of the opposition were in power, they proved that they were incapable of intervening. This is certainly a much easier and less taxing approach, but also irresponsible in my opinion. It is also for this reason that they lost the confidence of the people during the last election. It is a hallmark of Conservative governments to await opportunities, and to rely solely on the private sector, which is not prepared to take risks on its own when the government itself is fearful. The unprecedented increase in construction starts last year was no coincidence, but rather the result of concrete and planned projects initiated by our government. We also encouraged a recovery in the construction of public buildings, such as, hospitals, and senior citizens homes, as well as construction in the city centre and on university campuses.

In addition to creating new jobs - for those who are directing comments at me from the other side of the House, I am presently speaking about construction - in addition to creating new jobs, future generations will be able to benefit from these capital works projects - I know that this bothers the members of the opposition somewhat, because it is obvious that new jobs are being created from day to day - even if some jobs are decreasing and being lost in certain sectors, new jobs are being created through new initiatives which were proposed in this budget.

I would also like to point out, for the benefit of the members of the opposition who are quick to point out the lost jobs, that one could make a long list of what occurred because of situations with which I am well acquainted, since I am the Member for Radisson. I know what happened at Swifts, for example, and at Maple Leaf, both of which are concrete examples in my own constituency, and there are many other examples, but no attempt was made while the Conservatives were in power to initiate similar job creation programs. Today, the members of the opposition blame us for all the jobs that have been lost, refuse to give us any credit for the projects we have created, and accuse us of increasing the deficit each time we propose initiatives that will create jobs. As my colleagues often say - you can't have it both ways - and when the members of the opposition are asked for alternatives, they never have any.

Mr. Speaker, I cannot understand how a group of elected members who represent an important part of this province's population can claim to be acting responsibly in Manitoba's Legislature when the only alternative they have to offer is to tell us to call an election. Mr. Speaker, this is a sign of a lack of imagination, a lack of effort and a lack of goodwill on the part of the members of the opposition. Mr. Speaker, we are in our right to believe that in the event that they are re-elected, the only alternative they will have to offer the population of Manitoba is the one they provided from 1978 to 1981. If the residents of Manitoba needed an indication, they have been given one through the projects we have proposed, the projects that we have already implemented and those that have been



proposed in the budget. Mr. Speaker, Manitobans are in their right to believe that all they will get from the Conservatives here in Manitoba is the same approach which didn't yield many results; this approach was characterized by a total lack of creativity, imagination and goodwill in addressing the needs of Manitobans in Manitoba.

Mr. Speaker, I will go back to my text since I'm afraid that I get carried away when I allow my personal fervour to take over. I will go back to my text, Mr. Speaker, to enable the members of the opposition to grasp what I have to say to them. The members of the opposition often attempt to give the impression that they alone are concerned about agriculture. We recognize, for our part, Mr. Speaker, that agriculture plays a fundamental role in Manitoba, and that the budget presented by my colleague the Minister of Finance, proposed expenditures totalling \$6,400 per farming operation, for example, something I cannot recall the Conservatives ever having done. Not only do we recognize that agriculture plays an important role in Manitoba, we have taken steps to assist agriculture during a difficult period by introducing measures such as . . .

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

The Honourable Member for Arthur.

**MR. J. DOWNEY:** I wonder if the member would submit to a question, Mr. Speaker.

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

**HON. G. LECUYER:** Mr. Speaker, that is only an attempt by the member of the opposition to interrupt me and, at this time, I would simply like to continue with my comments, Mr. Speaker. I know that it has taken some time for the member to understand my response, but my response stands and I do not intend to change it. Faced with the high interest rates farmers had to contend with on the loans they had we proposed some assistance programs. We increased agricultural subsidies; we created a beef and hog stabilization fund. However, while the Conservatives were in power and still today, as far as I know, and especially their colleagues in Ottawa, high interest rates were introduced to control inflation. Nor did they put up very much of a fight against the changes to the Crowsnest Freight Rate and I refer, in particular, to their colleagues in Ottawa.

Mr. Speaker, I am particularly proud that our government, in addition to concentrating its efforts on job creation and the stimulation of new investments in the manufacturing and industrial sectors, also announced measures to promote workplace safety and health. These measures are, in my opinion, closely linked to the economy- because they play an important role in productivity. We recognize that during a period of economic recovery it is important to intensify our efforts and to limit the costs of accidents and occupational illnesses to the industrial sector, the government, and to society. The legislation adopted during the last

Session was an important step in this area. In January of 1984 we reinforced the right of workers to refuse dangerous work. We also made the establishment of joint committees on workplace safety and health mandatory. Mr. Speaker, I would also like to point out that within the department for which I am responsible, a number of other positive changes, which are currently being developed, were made during the last Session. These changes will in turn bring about other changes, particularly, in the regulations related to The Workplace Safety and Health Act.

To begin, I would like to point out that as of last April 1st responsibility for the inspection of mines was transferred to the Department of the Environment and Workplace Safety and Health, in order to integrate those factors related to working conditions in a comprehensive way. Mr. Speaker, I believe it is important to point out that if workers are to be as productive as possible it is necessary to promote greater harmony between workers and their employers. It is also necessary that they participate in the decision making that affects their health and safety on the job. We would like to offer workers these opportunities through amendments made to The Workplace Safety and Health Act, as well as other amendments which I have just mentioned, to the Act. Workers will not only have the right and the duty to refuse to work under conditions that could be dangerous to their health and safety, but they will also be able to assume some of the responsibilities by participating in joint committees of the companies for which they work, and in order that they might be able to better understand the role that they are called upon to play in improving the conditions that might affect their safety and health, they will be able to take advantage of seminars.

Mr. Speaker, it is high time that our Canadian society, which purports to be industrialized and developed, recognize that the objectives of productivity and higher levels of safety are not mutually exclusive. To this end, I would like to quote a passage from a special report that appeared in a journal on workplace safety and health, and I quote in English . . .

(English spoken here as on Page 342, Hansard No. 12A, Tuesday, 1 May, 1984)

In my opinion, no previous government, and certainly not the government that preceded us, has made as much of an effort in the space of two years as this government has made to gain the confidence of society, nor to listen to as well as consult with all sectors of society. No other government has made as much of an effort to listen to the suggestions from all sectors of society in order to institute real and effective measures to encourage the economic recovery. I am proud of what we have accomplished to date, and I am confident, Mr. Speaker, that the measures contained in the Speech from the Throne and in the Budget, which was recently presented, will bring about the predicted results which, I believe, will be the just reward for the confidence we demonstrated in the economy of Manitoba.

Thank you Mr. Speaker.