



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

31-32 Elizabeth II

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Speaker*



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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Second Legislature

Members, Constituencies and Political Affiliation

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

LEGISLATIVE ASSEMBLY OF MANITOBA

Friday, 25 February, 1983.

Time — 10:00 a.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 Community Services.

HON. L. EVANS: Mr. Speaker, as Acting Minister of Natural Resources I'd like to table the first spring runoff outlook for the Province of Manitoba.

MR. SPEAKER: Is this not a Ministerial Statement?

HON. S. USKIW: He wants to know if you're making a statement.

HON. L. EVANS: No, Mr. Speaker, I was simply tabling the information for the members of the Legislature.

MR. SPEAKER: Thank you.
The Honourable Minister of Education.

HON. M. HEMPHILL: Mr. Speaker, I ask leave to table the Annual Financial Report for the year ending December 31st, 1981 for the Brandon University Pension Fund; I ask leave to table the Annual Financial Report for the year ending March 31st, 1982, Brandon University; and the Annual Report of the Universities Grants Commission for the year ending March 31st, 1982.

MR. SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: Mr. Speaker, I have a statement I'd like to deliver at this point. I have copies for appropriate members.

Mr. Speaker, the Minister of Finance made it clear that this government's No. 1 priority is creating jobs, when he announced the New Jobs Fund for Manitoba.

The damage done by the crisis in unemployment to the people and to the economy of Manitoba is at least as disastrous as that which was caused by flood or by drought, and the response must be equally effective. Today I am providing the House and the people of Manitoba with information about the first steps we are taking in order to meet that challenge.

First, a Jobs Fund Committee of Cabinet has been formed; the members are the Minister of Labour and Employment Services, the Minister of Finance, the Minister of Energy and Mines and myself, as Chairperson. The Minister of Labour and Employment Services and her department will co-ordinate the Fund's

day-to-day activity. The Cabinet Committee will begin immediately to prepare criteria that will emphasize the number of jobs created, the long-term economic benefit of proposed Job Fund investments, and the Fund will begin operating at the start of the new fiscal year. But I expect, within the next two weeks, we will be able to announce the first allocations from the Fund.

Secondly, the sense of community and commitment to responsibility that was evident in the renegotiation of the Manitoba Government Employees Association Agreement, the co-operation that is so evident in hard-hit communities like Thompson must now be taken to other areas, both in the public and in the private sectors. Other employers, other unions may well be able to free-up funds for job creation by working together through collective action.

That money will be placed in the Jobs Fund and all who make a significant commitment to the Fund will have a special advisory role in its decision making. My colleagues and I have already begun to meet with public sector employers and employees to discuss how they can contribute jobs for those less fortunate and to improve labour relations. This process is a priority of our government, and will continue to be a priority.

We will also meet with business and with labour to see how the principle of shared responsibility can be applied in the private sector to increase the number of job-creating investments in Manitoba.

Thirdly, the Funds that become available due to the freeze on Cabinet Ministers' total pay, and the increase of 2 percent or less for senior civil servants will also be added to the Jobs Fund in recognition of the principle of shared responsibility, which is so fundamental to the effort that all Manitobans are making to meet the challenge of the recession. We expect that when similar steps are taken in the universities, hospitals, the municipalities and other public bodies, they will also contribute savings to the Jobs Fund.

Fourth, the legislation for the Jobs Fund is being drafted now so it can be introduced and debated at the earliest opportunity. Manitobans have already demonstrated that they can survive the recession as well as residents of any other province or region in Canada. The renewed spirit of co-operation with the new Jobs Fund illustrates so well is that Manitoba can indeed become a model and an example for the rest of Canada.

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

MR. G. MERCIER: Mr. Speaker, last night the Minister of Finance introduced a Budget in which he said on the first page that creating jobs and saving jobs are the top priorities of our New Democratic Government. Mr. Speaker, since this government was elected there are more than 30,000 more unemployed persons in Manitoba in less than 15 months of this government. There are more than 54,000 unemployed persons in Manitoba, Mr. Speaker, and the First Minister has the

nerve to come to the House today to say that in the next few days they're going to create a subcommittee of Cabinet to look at this problem. Mr. Speaker, this is clear evidence of a complete lack of preparation and ability to deal with this particular problem.

This government, in less than 15 months, has increased hydro charges; has increased real property taxes on businesses and homes; has introduced a payroll tax, a tax on employment in Manitoba, Mr. Speaker; has increased the sales tax on people and now purports to form a subcommittee to look at the problem.

Mr. Speaker, hopefully the Jobs Fund and the actions of the government will produce jobs for those thousands of people in Manitoba who are unemployed. We hope they do, but the record to date indicates this government is a complete failure.

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

HON. J. BUCKLASCHUK: Thank you, Mr. Speaker. I wish to table the following reports: The report pursuant to Section 13 of The Trade Practices Inquiry Act for the period January 1, 1982 to December 31, 1982 and the report pursuant to Subsection 113(1) in Section 114 of The Insurance Act.

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

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we reach Oral Questions, may I direct the attention of honourable members to the gallery where we have 16 students of Grades 8 and 9 of the West St. Paul School. They are under the direction of Mr. Reg Johnson. They are from the constituency of the Honourable First Minister and I am informed that they are former students of the Honourable Minister of Labour.

We also have 48 students from Grades 5 and 6 standing of the Chapman School under the direction of Mr. Ted Mickanec and Mr. Bob Weber. This school is in the constituency of the Honourable Member for Tuxedo.

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

ORAL QUESTIONS

Reciprocal Taxation Agreement

MR. SPEAKER: The Honourable Member for Turtle Mountain.

MR. A. RANSOM: Mr. Speaker, my question is for the Minister of Finance. In the detailed Estimates of Revenue there appears a line called, "Reciprocal Taxation Agreement" under which the government plans to collect \$8.5 million in the coming year. I wonder if the Minister of Finance would advise the House to which "Reciprocal Taxation Agreement" he is referring.

MR. SPEAKER: The Honourable Minister of Finance.

HON. V. SCHROEDER: Yes, Mr. Speaker, I expect that that agreement will be available for tabling within the next week. Orders-in-Council have been passed both by the Federal Government and the Provincial Government with respect thereto.

MR. A. RANSOM: Mr. Speaker, do I take from that answer that this \$8.5 million which the government is going to collect from the Federal Government then is, in fact, the payroll tax levy which the Minister introduced in his Budget last year?

HON. V. SCHROEDER: No, Mr. Speaker.

MR. A. RANSOM: Mr. Speaker, would the Minister advise the House then what sort of taxes will be dealt with in this reciprocal agreement and what progress is he making in applying the payroll levy to the Federal Government.

HON. V. SCHROEDER: Mr. Speaker, the agreement refers to various taxes that traditionally provinces have not paid to the Federal Government and the Federal Government has not paid to the provinces, the major one being the sales tax. That is, when we purchase items we have not paid the federal sales tax; the Federal Government has not paid the sales tax on purchases within the province. This agreement means that we will pay their taxes and they will pay ours. The number that we show on the Revenue Estimate is the net number; that is, it will cost us some money but that is what we will get back net from the Federal Government because they pay more in taxes than we will pay them.

Every province, incidentally, to the east of us has already entered into such an agreement. I had indicated in the Budget last year the willingness of Manitoba to enter into that agreement as of October 31, 1982, which we felt was sufficient time for the Federal Government to be ready to get into that tax. Incidentally, it had entered into similar arrangements with other provinces on that day of the year. Unfortunately, the Federal Government felt that it could not afford to pay the taxes, the additional costs, in the last fiscal year, but they have agreed to pay it commencing in the next fiscal year and because it was a matter of agreement we've signed it.

MR. A. RANSOM: A further question to the Minister of Finance. Will this agreement lead to the Federal Government paying the government's payroll tax?

HON. V. SCHROEDER: Not directly, Mr. Speaker.

MR. A. RANSOM: Mr. Speaker, a further question, then, to the Minister of Finance. The payroll tax this year, I believe, is estimated to bring in some \$112 million - last year in his Budget the Minister of Finance said that the payroll tax in a full year would bring in \$110 million - would the Minister of Finance advise the House why there is such a small increase in the revenue to be realized from the payroll tax?

HON. V. SCHROEDER: Mr. Speaker, I'm not sure whether the member is aware of it or not but there is a recession out there. The fact of the matter is that

we believe we have - you see, on the one hand I hear comments from the opposition that we are far too optimistic on our tax collections; on the other hand there seems to be an implication that we should have raised it.

Corporate revenues

MR. A. RANSOM: Mr. Speaker, we've been aware that there's been a recession out there for some time. I hope that the Cabinet subcommittee will become aware of that rather shortly.

Mr. Speaker, perhaps the Minister then could explain why they anticipate such a large increase in corporate revenues in the coming year, given that their estimates last year were so dramatically above the actual revenues that they would get, and given the fact that the recession is out there, will the Minister advise why he expects to get such large increases in corporate income tax in the coming year?

HON. V. SCHROEDER: Mr. Speaker, as I've indicated previously and I've tried to explain as well to the Member for Turtle Mountain, the corporate income tax figures are figures provided to us by the Federal Government; they are not figures that any provincial government, to my knowledge, in the past quarter century has changed in terms of putting down the numbers for its budgetary purposes. I think it would be highly inappropriate for us to begin to fiddle with those numbers in order to check out the hunches of the Member for Turtle Mountain. Last year he was correct on corporate income taxes, but what he never tells the House is that he was totally wrong with respect to personal income taxes, which increased; but he was saying that they would decrease. He was wrong on that; he was right on one. It reminds me of the fortune-tellers who always forget when they are wrong and only harp on the items they are right on.

MR. A. RANSOM: Mr. Speaker, given that the estimate for corporate income tax last year was \$145 million and the government now expects to get approximately 65 million, does the Minister of Finance have confidence in the Estimates which he's receiving from the Federal Government?

HON. V. SCHROEDER: Mr. Speaker, the Member for Turtle Mountain knows, if he has looked at the material, that the numbers he has just quoted also provide for prior year downward adjustments against Manitoba because of the fact that we weren't getting as much tax as the Federal Government expected to get during their reign. There may well be reason for the Federal Government to believe that there will be other prior year adjustments which will increase the amount of corporate revenue to Manitoba. It is, I suggest, not for us to be surmising on numbers that we don't get; we do not get, as a government, the assumptions that the Federal Government makes in order to arrive at its numbers. But I assure you, Mr. Speaker, that every province in this country that is subject to the corporate tax agreement or the personal tax agreement uses the numbers that the Federal Government provides. Sometimes they're high; sometimes they are low, but

the Federal Government does its best and for us to be second-guessing, I think, would be foolish.

Personal income tax revenues

MR. A. RANSOM: Mr. Speaker, can the Minister of Finance confirm that there was an upward adjustment in the personal income tax revenues received by the government this year, an upward adjustment of approximately \$20 million related to previous years?

HON. V. SCHROEDER: I'll take that question as notice.

Jobs Fund

MR. A. RANSOM: A final question to the Minister of Finance on his Budget which he presented last night as a box in which he includes figures for the Jobs Fund. There are three lines showing sources of funds for the Jobs Fund; one comes from the Budgetary Appropriations which are clearly traceable within the spending Estimates presented by the Minister last night. The second is non-budgetary Capital Authority which, of course, can be traced because the government must come to the Legislature and ask for the authority to spend the money. The third is a contribution by the Manitoba Government Employees Association of \$10 million. Would the Minister of Finance advise where this item will show up in revenues of the government or can he tell us now how it will be dealt with in the Public Accounts of the province?

HON. V. SCHROEDER: Yes, Mr. Speaker, as I understand it - just a bit of background on that - had we had this agreement settled two weeks prior, we could have reduced our expenditure numbers by \$10 million to show the amount shown for salaries. Because the agreement was entered into the day before the Budget was presented we had to print the Estimates assuming that we would not enter into that agreement, therefore, there is an extra \$10 million within the GSI, General Salary Increase, levels for all of the departments and I would expect that what we will do is encumber those funds. The Department of Finance would encumber the portion that each department will not be spending as a result of the agreement. For the first three months of the next fiscal there will be no increase in salaries. There was an anticipation that during those three months there would be a 10.2 percent increase which is annualized at 9.9 percent which would have, had it been paid, cost us the \$10 million. We will encumber those funds and we will place them within the Jobs Fund and I understand that there will be legislation with respect to that matter.

MR. A. RANSOM: Could the Minister of Finance provide the House as soon as possible with a listing of where the \$34.8 million of Carry-over Capital is now located?

HON. V. SCHROEDER: Yes, Mr. Speaker, I'll provide that as soon as possible.

Status of ongoing Education programs

MR. SPEAKER: The Honourable Member for Tuxedo.

MR. G. FILMON: Thank you, Mr. Speaker, my question is to the Honourable Minister of Education. As a result of the difficult process that her Cabinet and colleagues have gone through recently, the repriorization that the Premier has spoken about, and the difficult choices that the Minister of Finance has spoken about in arriving at the Estimates in Budget that were presented to the House last evening, can the Minister tell us what ongoing programs in the Department of Education have been cut or reduced for this year?

MR. SPEAKER: The Honourable Minister of Education.

HON. M. HEMPHILL: Mr. Speaker, I'm quite happy to go into a very great amount of detail about the programs that are ongoing or that are being reduced or added in the Department of Education when we're going through the Estimates process. I don't think that I have sufficient time to do justice to the questions and the information that the member opposite wants and is entitled to. I'm quite prepared to do that in Estimates.

Student Aid increase

MR. G. FILMON: Thank you, Mr. Speaker. Given the circumstances of higher unemployment, poor job prospects and increased enrolments at Manitoba's universities then, is she anticipating any increased demand for Student Aid this coming year?

HON. M. HEMPHILL: Yes, Mr. Speaker, we are anticipating an increased demand for Student Aid this year. The member opposite will probably recall we had phenomenal increase in Student Aid last year, far beyond our expectations; it was up 44 percent. It's obvious that one of the reasons is that with the poor economy many people are staying in school longer and choosing to go back to school, and we fully support that. There will be an additional increase in Student Aid applications and we are preparing to be able to maintain the program. It's a very important program.

MR. G. FILMON: Mr. Speaker, that being the case then, I wonder if the Minister can explain why it is that the Estimates that were released last evening show exactly the same amount appropriated for Student Aid this year as last year, not including the Special Warrant of \$1.5 million that was just passed by Cabinet last week.

HON. M. HEMPHILL: Yes, Mr. Speaker, I can explain that. We are preparing this year to maintain the Student Aid Program completely so that all students, including the 3,000 students that applied, were the additional applications last year, can receive aid. In order to do that we will be making some changes in the Student Aid criteria. Those changes will be announced in a very short period of time so that students know what the amounts of funding are going to be. If there is the additional increase in applications that we're expecting this year we are prepared to honour them when we find out exactly what the additional applications, the number of applications, will be.

MR. G. FILMON: Mr. Speaker, then I have to ask, since the money isn't shown in the Estimates and they are

being anticipated, where is the money going to come from?

HON. M. HEMPHILL: Mr. Speaker, I think that all of the information about the amounts of money that are in all the programs in the department, including Student Aid, will be brought forward when we're dealing with them in the Estimates.

Jobs Fund

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

MR. G. MERCIER: Mr. Speaker, my question is to the Minister of Labour. My question to her is, how many jobs will be created as a result of the creation of the Jobs Fund in the Budget?

MR. SPEAKER: The Honourable Minister of Labour.

HON. M. DOLIN: How many jobs will be created, Mr. Speaker? Mr. Speaker, as I have stated in this House before, it is extremely difficult and I would not pretend to put a number on the number of jobs created. We talk about number of work weeks. Some jobs are created for 12, 16, 20 weeks; some are created that are ongoing jobs and they are dealing directly with employers who will keep them on the job for an indefinite period; others are created for a year, half-a-year. We are not specific in our requirements as to how long those jobs are. It depends on the job being done; some jobs are completed within a year; some are not. I would not attempt to answer how many jobs are created with the \$200 million Jobs Fund.

MR. G. MERCIER: Mr. Speaker, surely the Minister of Labour could give us an estimate of the cost of creating a job for such capital intensive projects as those listed on Page 26 of the Budget. What would be her estimate of creating such jobs?

HON. M. DOLIN: I'm sorry, Mr. Speaker, I believe the member wants an estimate of the number of jobs to be created. We can give an estimate per \$100 million, but that does not tell the story. I don't believe that we should in any way mislead the members opposite or ourselves about the number of jobs created. The number of jobs that are created for a specific employer would vary according to what kind of work that employer is engaged in. I'm sure that the members opposite are quite aware of the variety of jobs that can be created, whether it's within a school division, or for Inco mining, or whether it's for any other employer, or directly for the government, with the Federal Government - it varies tremendously. They will be kept apprised of all of the jobs created with regular reports from my department.

MR. G. MERCIER: Mr. Speaker, I would have expected the Minister of Labour would be able to give us an estimate of the cost of creating a job for such capital-intensive projects as the government has listed and obviously, if it's their top priority, she would have given some consideration to it.

Mr. Speaker, in view of the fact that it is estimated that the cost of creating such capital-intensive jobs is

approximately \$34,000-35,000 per job, and in view of the fact that \$200 million would create at that cost 5,714 jobs, can she indicate whether or not that is the approximate number of jobs that will be created under this \$200 million Jobs Fund and will those all be created in the next fiscal year?

HON. M. DOLIN: Mr. Speaker, I will not give a number of jobs to be created because I do not have that number. If you are employing a journeyman electrician at a certain wage and you are employing perhaps an exhaustee at minimum wage to assist that person, you have two different people working at two different wage levels. Those can certainly both be covered under the fund. They would create two different levels of payout which would change the figures in the expenditures.

So the number of jobs created depends entirely on the type of job done and we will be creating as many different kinds of jobs as we can with the assistance of a number of other jurisdictions out there, whether it's the federal government, municipal governments, private employers, small business, school divisions, whatever. We will be creating a lot of jobs and we will be creating them at various levels and for indeterminate lengths of time.

Gasoline tax

MR. SPEAKER: The Honourable Member for Pembina.

MR. D. ORCHARD: Thank you, Mr. Speaker. My question is for the Minister of Finance. The Minister last night indicated that the gasoline tax will increase by 5 cents per gallon, and in Appendix C(3) he indicates a comparable increase will apply to off-highway uses. He also indicated last night that the diesel tax will increase by 6 cents per gallon, and he indicates that the preferential rates on other uses will be increased proportionately. Does that indicate to Manitoba farmers that they will be paying those 5 and 6 cent respective taxes per gallon on farm fuels?

MR. SPEAKER: The Honourable Minister of Finance.

HON. V. SCHROEDER: No, Mr. Speaker, I can assure the honourable member that's not what the off-road use refers to. It doesn't refer to such uses, for instance, as railroads.

MR. D. ORCHARD: Thank you, Mr. Speaker. The farm community just breathed a sigh of relief, Mr. Speaker.

MR. J. DOWNEY: We still have those people in government, they didn't relieve too much.

Jobs Fund - highway construction

MR. D. ORCHARD: Now, Mr. Speaker, the Minister of Finance tabled a list of proposals under the \$200 million job creation fund. Out of that program, Mr. Speaker, was road and highway projects such as the twinning of Highway 75 to the U.S. border. Could the Minister indicate whether the twinning of Highway 75 included in the \$200 million job creation program is additional

to the ongoing plans that were in place in the Department of Highways? Does it represent a commitment of new money?

HON. V. SCHROEDER: Mr. Speaker, I want to make it clear that particular project was part of our so-called "wish list" to Ottawa which we were requested to make by the Federal Minister of Finance. We were not provided with criteria - and other provinces have responded as well with similar lists to Ottawa - and that is what we had asked for in December, a co-ordinated approach throughout this country led by the Federal Government. That particular project is not one that is contained within the \$200 million; that \$200 million and the negotiable portion thereof with the Federal Government, that's something that we will be negotiating with the Federal Government.

MR. J. DOWNEY: It's time for a new book, "Schroeder in Wonderland."

MR. D. ORCHARD: So in other words then, Mr. Speaker, the comments in the Budget that the Minister wants to dedicate the \$200 million jobs creation fund to leave a stronger infrastructure in fact will not happen, that these projects will not happen without federal co-operation. And further, Mr. Speaker, I would ask the Minister of Finance if he has made an estimate of how many jobs will be lost in the private sector construction industries as a result of the cutback in the highway construction program?

HON. V. SCHROEDER: There will be a large number of jobs created as a result of the Jobs Fund, whether or not the Federal Government comes in on it, but we expect that they will. They have given indications that they are prepared to lead an attack on unemployment in this country and we expect that they will honour that commitment. In terms of the matters of what we have in our Estimates, I'm sure that the honourable member can discuss that with the Minister responsible when that matter comes up.

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

MR. D. MALINOWSKI: Thank you, Mr. Speaker, I would like to put a question to the Minister of Finance. Can he indicate to the House if in this creation program we'll have at least one position which he's paying \$800 a day?

MR. SPEAKER: The Honourable Minister of Finance.

HON. V. SCHROEDER: Mr. Speaker, whether or not people are worth it and even more, there will nobody at over \$800 a day. I'm not sure whether the member was applying for one of those jobs.

MR. SPEAKER: The Honourable Member for Sturgeon Creek.

MR. J. JOHNSTON: Mr. Speaker, I would like to ask the First Minister, after perusing this statement that he made regarding the Jobs Fund Committee of Cabinet, and ask him why the Minister of Economic Development of this province is not on this committee?

MR. SPEAKER: The Honourable First Minister.

Jobs Fund

HON. H. PAWLEY: Mr. Speaker, the Minister of Economic Development is very much involved in many other areas of responsibility, including the participation on the ERIC Committee involving other particular matters. I would like to have all 18 members of Cabinet on the committee; of course, Mr. Speaker, we just can't do that.

SOME HONOURABLE MEMBERS: Oh, oh.

MR. SPEAKER: Order please. The Honourable Member for Sturgeon Creek.

MR. J. JOHNSTON: Mr. Speaker, I would just follow up with the Premier that the Minister of Economic Development has been involved in all of the meetings with industry and business that have been held by this government. I would like to ask him if he doesn't think it's an absolute insult to the business and industry of this province by leaving the Minister of Economic Development off a job creation committee in this province?

HON. H. PAWLEY: I trust the good judgment of the business people of this province that they won't be as insensitive and paranoid as some members across the way pertaining to items such as this. The Minister responsible for Economic Development, in case the Member for Sturgeon Creek is not aware, is Vice-Chairman of the ERIC Committee. She's very much presently involved in following up the discussions and the specific recommendations that are being discussed with the business and the labour community of Manitoba arising from the Portage Economic Summit of last November - by the way, which I believe was a Summit Conference of such a nature and such a type that I doubt whether it has occurred previously in the Province of Manitoba - credit must go to the Minister of Economic Development for her efforts there. Now it is very important that she, as Minister of Economic Development, follow up the results of that conference so that there are concrete results from the conference rather than scattering her efforts in other directions.

Water management and flood prevention projects

MR. SPEAKER: The Honourable Member for Morris.

MR. C. MANNES: Thank you, Mr. Speaker. Page 26 of the Budget Address makes reference to a list of job creation proposals, the eighth of which is "Water Management and Flood Prevention Projects." In the absence of the Minister of Natural Resources, I would ask the Minister of Finance whether he can indicate what these projects will be.

MR. SPEAKER: The Honourable Minister of Finance.

HON. V. SCHROEDER: I'll take that question as notice for the Minister of Natural Resources.

MR. C. MANNES: Well, Mr. Speaker, I notice further in the detailed Estimates, on Page 119, under "Expenditures related to Capital Assets Natural Resources" the total Capital spending in 1983-84 will be reduced from 17.9 million to 11.4 million. I'm wondering if the Minister of Finance can indicate whether or not the funds dropped from the detailed Estimates have just fallen into a new appropriation called "Jobs Fund" - a sleight of hand, if you will.

HON. V. SCHROEDER: Mr. Speaker, I'm sure the honourable member will have an opportunity to discuss that with the Minister of Natural Resources when the appropriate time comes.

TABLING OF REPORTS

HON. V. SCHROEDER: While I'm on my feet, in the excitement last night apparently I did not state that I was tabling the Quarterly Report. I want to now officially state that I am tabling that report in order that it can be distributed.

ORAL QUESTIONS Cont'd

MR. SPEAKER: The Honourable Member for Morris.

MR. C. MANNES: Well, Mr. Speaker, I'm not quite satisfied with that answer. I'm wondering if the Minister of Finance can indicate if this area, or if there are any other areas of normal government spending, Capital spending that have been shaved to create this illusionary Jobs Fund.

HON. V. SCHROEDER: Well, Mr. Speaker, I'm not sure whether the honourable member wants us to further increase spending. I indicated last evening that of the \$200 million, approximately \$100 million, approximately half of it, is new money and that means that about 100 of it is not new money.

MR. C. MANNES: Well, one more time, Mr. Speaker. I'm wondering then if the Minister can confirm or deny the main thrust behind the creation of the Jobs Fund is simply to create a new flashing title for spending that has existed up to now under departmental Capital spending.

HON. V. SCHROEDER: Mr. Speaker, I'll try to explain again. It's a lengthy explanation unfortunately but we are attempting a centrally co-ordinated attack on unemployment. That may mean that some traditional spending will be shifted into other areas because they are more job-intensive. There are cross-departmental questions, so to speak, and maybe items that are a very high priority in one department are not as high when they're viewed overall between different departments. It is a matter that we will be looking into, and as I've indicated to the member, he will have an opportunity to discuss those specific spending Estimates with the Minister responsible. Yes, the

significant thing is that we are providing a large amount of new authority in order to attack the jobless problem in this province.

Treaty Land Entitlement

MR. SPEAKER: The Honourable Member for Turtle Mountain.

MR. A. RANSOM: Mr. Speaker, my question is to the First Minister. On February 4th, a press release was made public which said that the Leon Mitchell Report on Indian Land Entitlement had been released. I would like to advise the First Minister that repeated requests to the office of the Minister of Northern Affairs have failed to come up with a copy of this report for the opposition. I would ask the First Minister whether he would instruct the Minister of Northern Affairs to make a copy available to the members of the opposition immediately.

MR. SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: Mr. Speaker, in case the member is not aware, there just is no problem in receiving any report that has already been made available to the public. If the member would have simply lifted up the phone and called the Minister of Northern Affairs I'm sure he would have received the report immediately. Maybe the Minister of Northern Affairs would like to respond further.

MR. A. RANSOM: Mr. Speaker, my question was to the First Minister. There clearly was difficulty in getting a copy of this report because repeated requests were made to the office of the Minister of Northern Affairs and we were not provided with a copy of the report. I should think, Mr. Speaker, that when a public press release says that a report has been released it should not be necessary for a member of this side of the House to have to personally call the Minister and ask for a copy of that report.

MR. SPEAKER: The Honourable Minister of Northern Affairs.

HON. J. COWAN: Well, Mr. Speaker, since the question is directed to my departmental responsibilities, I'd like to assure the member who has addressed the issue that if he were to call me in respect to any difficulties he has in obtaining information which is of a public nature I would assure him that that information would be made available to him as soon as is possible. Now in a report the size of the report on the Treaty Land Entitlement Commission, there is some time delay in respect to getting enough copies available for all of those individuals who wish that copy. However, if the member had had the courtesy of informing me of his difficulties, then I would have been more than pleased to assist him in whatever way possible to make certain that he had that report available to him in its entirety so that he could make some intelligent comments about it rather than bringing up these sorts of matters without having the courtesy to first inform me of his difficulties.

Loan Guarantee Program

MR. SPEAKER: The Honourable Member for Arthur.

MR. J. DOWNEY: In view of the fact that since this government has come into office, and the present Minister of Agriculture, we have seen record numbers of farm bankruptcies in Manitoba and farmers in extreme financial difficulties. In last night's Budget, they have announced \$100 million in short-term credit to the farm community. What is the cost of that credit to those farmers?

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. B. URUSKI: Mr. Speaker, the Loan Guarantee Program is on new operating credit and the interest rates to be charged on those loans are to be no higher than prime plus 1 percent.

MR. J. DOWNEY: Mr. Speaker, that does not answer the question. I asked him directly what the cost would be for those farm loans. Another question, Mr. Speaker, to the Minister, is where do the farmers apply for those loans and how quick will they be available?

HON. B. URUSKI: Mr. Speaker, the non-candidate in the Brandon-Souris federal riding, Mr. Speaker, should be well aware, as the former Minister of Agriculture, that loan guarantee programs are in conjunction with the private financial institutions that are in place, and are handled through agreements between those institutions and the Manitoba Agricultural Credit Corporation. Farmers who are dealing and have loans with their own financial institutions will no doubt, in the review of their credit needs for spring seeding and their requirements for operating Capital, then of course, will go through their financial institutions and those applications will be handled direct from the banks and credit unions through MACC.

MR. J. DOWNEY: Mr. Speaker, how many farmers does the Minister expect that program will help in these current difficult economic times that all farmers are facing in Manitoba?

HON. B. URUSKI: Mr. Speaker, based on the revision of the amount of loan funds that would be available per applicant, raising it from a previous maximum of \$60,000 under an old program to the current one of \$125,000, it is estimated that upwards of 1,000 farmers could qualify through their institutions for loans under this program.

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we reach Orders of the Day, may I direct the attention of honourable members to the gallery where we have 40 students of Grade 9 standing from the Whitemouth Junior High School. They are under the direction of Mr. Steinhoff and this school is located in the constituency of the Honourable Member for Springfield.

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

ORDERS OF THE DAY

BUDGET DEBATE

MR. SPEAKER: On the adjourned debate of the Honourable Minister of Finance standing in the name of the Honourable Leader of Opposition.

The Honourable Leader of the Opposition.

HON. S. LYON: Mr. Speaker, I rise to participate in this debate some 12 to 14 hours after the delivery of the Budget last evening by the Minister of Finance. I think we should note for the record that I am here ready to make my comments on the Budget but the Minister, at least temporarily, is not available in his seat, which will not in any way deter me from making a comment about his contribution to the debate last evening.

I start, Sir, by congratulating the Minister for the Budget and for the Estimate material which he provided to the House last night. I congratulate him as well, Sir, for accepting our advice to bring down the Budget and the Estimates at the same time, given the chaotic financial state of the province into which he and his colleagues have driven it. I congratulate as well, Sir, the professional career Civil Service staff of the Minister's department for the work they have put into this Budget.

Mr. Speaker, while we will all criticize the Minister and his colleagues - and heaven knows they deserve it - we acknowledge the dedicated work of the career staff, the full-time professional career staff in helping as they do to keep some order in the fiscal affairs of this province. That task which these full-time career civil servants have, Mr. Speaker, as I am sure you would expect me to say, is made much more difficult when the government in office is profligate in its use of taxpayers' money and is wanton in its fidelity to the trusteeship which it temporarily holds on behalf of the people of Manitoba to administer their affairs.

Mr. Speaker, any comments that I make about this Budget, about the unrealistic expectations from which some of its terms were drawn, should not be taken in any way as a reflection upon the full-time career professional staff which served not only this government but have served many governments in the past in an honourable way. The job of the staff, Mr. Speaker, is to give government options and the job of government is to apply its best common sense to those options to deduce, as God gives man and woman light to see it, the best judgment values and deductions that it can make, given the realities of the circumstances of the province today. Those choices, Mr. Speaker, are made by the political masters of the Civil Service, not by the Civil Service people themselves. All the Civil Service can do is to provide options; it's up to the political masters to make the choices and I think, Sir, we would have to say that there had been some bad choices made by the political masters in this current NDP Government.

Sir, I have no hesitation in embarking upon this review of the Budget this morning just a few hours after its delivery. The opportunity for detailed review, of course, is not available at this moment but my colleagues and the members of the press and other commentators within and without the province and analysts will be looking at this Budget in great detail, I'm sure, and

providing us with more by way of detailed mathematical computations than will I this morning. I will give some general impressions of the Budget against the background of the province as we find it today and my colleagues each in his or her own turn will add to that review during the course of this important debate.

Mr. Speaker, I was interested to see the statement that was made by the First Minister this morning with respect to the Jobs Fund and I think it deserves some additional preliminary comment to that which was given by my colleague, the Member for St. Norbert.

I start, first of all, Sir, by quoting from Page 2 of the First Minister's statement this morning, the third point he makes: "The funds that become available due to the freeze on Cabinet Ministers' total pay and the increases of 2 percent or less for senior civil servants will also be added to the Jobs Fund in recognition of the principle of shared responsibility which is so fundamental to the effort that all Manitobans are making to meet the challenges of this recession." Well now, Mr. Speaker, I hope that there is no unemployed worker out there who heard those Pollyanna words of the First Minister this morning and who is saying, "Isn't it nice that those Cabinet Ministers and the Leader of the Opposition are having their salaries frozen so that I can get a job."

Mr. Speaker, we might estimate, and it's only an estimate, that the amount of the freeze would amount to \$3,000 for each member of the Cabinet and the Leader of the Opposition. We might estimate that there would be 20 people involved in this little posture that the First Minister is putting on for the benefit of easily impressed people among the public. Mr. Speaker, that's why I want to say to that unemployed man or woman out there this morning, don't expect that saving, so-called, from the Cabinet Minister's salary, is going to hire you or pay you to get into a job because, Mr. Speaker, that money has already been spent.

Mr. Speaker, this government, just a week or so ago, announced that it was hiring another one of the growing legion of its political friends into a make-work job under the Temporary Assignment Program. And who was their make-work friend that they hired? - the former National Secretary of the New Democratic Party. This government, that is so concerned about establishing a little posture about freezing the Cabinet salaries, is taking \$50,700 of the taxpayers' money in Manitoba to pay for Mr. Scotton, the former Secretary of the National NDP Party to put him into a make-work job in the Department of Labour.

So, Mr. Speaker, I believe that it's worthwhile to flush out hypocrisy whenever you can find it.

MR. R. BANMAN: The money has been used up already.

HON. S. LYON: I say that the act of the First Minister in making this statement this morning is an act of pure gutter hypocrisy and so long, Mr. Speaker, as nobody in the 54,000 unemployed in Manitoba think that this little charade on the part of the First Minister and his colleagues means anything in terms of help to the unemployed in Manitoba.

Mr. Speaker, we will be interested to see, as well, how the government proposes to handle not only the increase to the senior civil servants in Manitoba, and

I take it that Mr. Scotton and that growing legion of people who have been booted out of Saskatchewan who are finding their unemployment problem looked after by the taxpayers of Manitoba, I take it that the government will take a look as well at the incremental rate of the salaries that are paid to senior and to other civil servants. Because it's well-known by all of us in this Chamber and certainly by the Civil Service and it's not as well-known by the general taxpayers and the people of Manitoba that ranges of salaries are established within Civil Service categories in this province and elsewhere. To use the former National Secretary of the NDP as an example, he was appointed to a high paying position, the starting salary of which is \$50,700 a year. If my memory serves me, the top range for that appointment that he was accorded by his political friends to do God knows what for the people of Manitoba temporarily, while he's here - I don't think he's ever set foot in Manitoba before they hired him onto the staff here - is around \$57,000.00.

So I want to hear from this brave government what they are going to do about the incremental raises that every civil servant in Manitoba gets willy-nilly, allegedly on the basis of merit. But in my experience in government, Mr. Speaker, very few, if any, civil servants have ever been denied the incremental increase year to year. Mr. Speaker, out there where the real taxpayers are, the ones who are making it possible for this government to offer a 27.5 percent wage increase over 30 months, out there where the real taxpayers are, the farmers, the workers, the men and the women with the lunchpails, the people in the service industry who make, according to this Budget, 72 percent of the GPP in this province, gross provincial profit, the ones who are creating wealth, that this government takes away in ever growing slices, they by and large are not on incremental wage scales out there. Ask the miners that Hudson Bay Mining and Smelting in Flin Flon what kind of a wage settlement they got? Steelworkers, one of the toughest and one of the best bargaining unions in Manitoba, what did they negotiate for the real workers at Flin Flon? Zero increase, Mr. Speaker, zero increase. They still have their jobs and they're lucky to have them, the mining industry being in the state that it's in today. But back in here, Mr. Speaker, with this protected group that the NDP are practically pouring money at - the Civil Service of Manitoba - they are getting 27.5 percent over 30 months and they're on increments in-between. So, that in addition to the 13 percent that they got last year, Mr. Speaker, one of the highest settlements in Canada, all of the civil servants who had not reached the top of their pay level got an incremental increase as well.

So when you add the incremental increase to the annual salary increase of 13 percent, you're finding pay increases going to this protected class of people who are not generating wealth. Nobody in this House, with the salary that he earns in this House, whether he's on permanent staff or a member of this House, is generating any wealth for the province at all. The wealth is being generated outside of this building by hard-working men and women who pay for us to be here.

MR. R. BANMAN: That's right.

HON. S. LYON: Mr. Speaker, let's keep in mind when the First Minister talks in his concerned manner about

the unemployed and so on what he's doing and what he is hypocritically doing in here with respect to this special group. Hypocrisy - I'll never fail to mention hypocrisy and I see it all the time across the House in these people.— (Interjection)— And these people who talk out of one side of their mouth, when they're out on the election hustings and then when they get in here, they do completely the opposite. That's known as hypocrisy. If the Member for Ste. Rose can't spell it, I'll refer him to a dictionary and he will find, Mr. Speaker, it means saying one thing and doing another. I suggest, Mr. Speaker, that this government, on Jobs Fund and so on, is saying one thing and doing another.

SOME HONOURABLE MEMBERS: Oh, oh.

HON. S. LYON: Mr. Speaker, on Page 31 of the Minister's Statement last night, he made a comment that I think is worth repeating —(Interjection)— very little of which is worth repeating. He said on Page 31, "As I said earlier, we faced some hard choices in preparing our Budget last year, but this year, the choices have been even more difficult and the same is true for every government in Canada."

Mr. Speaker, I want to dwell upon that statement for a while because I think most other governments in Canada are facing and are making the hard choices that have to be made by any responsible government in this country today. I say, Sir, with respect that this government is being told what the hard choices are by their full-time professional career staff but they're not facing up to their responsibilities. They are not giving leadership. They are dillying and dallying and dithering and they're making political responses to hard economic challenges that have to be met by any government that is worthy of the name "government." They're acting like a chaotic bunch of irregulars. There is no leadership across the way, there is no order, there is no direction; it's just a mass group of people moving around in every direction like a form of disoriented anthill with no direction to their activities whatsoever. Most of this government's troubles, Mr. Speaker, and thereby a good portion of the troubles of the people of Manitoba, arise from precisely the opposite of what they say about hard choices, just as precisely the Premier in his statement says one thing and does precisely the opposite in terms of actual action.

Mr. Speaker, they say that they faced hard choices and that they made them; they did nothing of the sort. They didn't make any hard choices last year or this year. They made only the easy choices, only the politically easy choices. They had some hard choices facing them on the 30th of November, 1981, when they were sworn into office. Some of them come quickly to mind. They had the hard choice right at that time, Mr. Speaker, to abandon the unfounded and the irresponsible comments and objections that they had been making to the Western Grid Agreement. They had that hard choice right then. They could have said, "You know, we were wrong; we're going to swallow the nonsense that we were prating to the people of Manitoba, we're going to get on with real negotiations and complete the Western Grid because the economic future of this province for a generation depends upon."

Mr. Speaker, they didn't face up to that hard choice; they appointed an incompetent Minister of Mines and

Energy and an even more incompetent political friend to be his deputy and those two then proceeded to ruin the greatest economic opportunity that this province probably will have in this generation. There was a hard choice that they had to make, Mr. Speaker, and they didn't make it and what was the result of their failure to face up to that hard choice? Well, the result, Mr. Speaker, was that Manitoba lost the Power Grid and the result is that Manitoba thereby lost the construction of \$2.5 billion worth of new Hydro generating facilities at Limestone and all of the jobs and all of the ripple effect that could have been had because this government didn't have either the will or the integrity to say, "We were wrong. We were wrong when we were in opposition in objecting to this program."

Mr. Speaker, the honesty had to wait for six months, and the honesty surfaced finally, and they had to swallow all of the nonsense and irresponsibility that they had been prating - when this Minister of Mines and Energy went to a conference, I believe it was in July of 1982, and made in effect practically the same offer to Alberta and Saskatchewan that had been signed and agreed to in principle before he came into office. There's the proof of the pudding, Mr. Speaker, and when that document is produced by the Minister, if he has the gumption to produce it, we'll see that the document that he tendered to Alberta and to Saskatchewan puts the lie to every word that he and his colleagues, including the First Minister, were saying about the Grid when they were bound and determined to scuttle the Grid and scuttle it they did. The people of Manitoba are going to pay a price for generations to come because of that hard decision that these incompetent people did not make when they came into office on the 30th of November.

Mr. Speaker, they had another hard choice to make when they came into office and that was to abandon the silly and irresponsible objections that they had been making to the Alcan negotiations which were proceeding very well. In fact, that same incompetent Minister of Mines and Energy in January, February and March of 1982 was saying to this House and to anyone whose ear he could catch, "Oh, the negotiations are proceeding swimmingly, just beautifully. We're just moving ahead tremendously." At the same time he or his deputy, that vagabond that they brought in from Ottawa from Mr. Broadbent's office, they were calling in Alcan and saying, "We don't like your advertising, we're not going to agree to let you buy part of the Hydro generating station at Limestone," and so on. They were doing everything they could to persist in the perversity of their irresponsible position with respect to development for Manitoba which in turn would have meant thousands of jobs for the people of Manitoba.

A MEMBER: He's on the Job Creation Committee.

HON. S. LYON: I'm told, Mr. Speaker, that the Minister of Mines and Energy is now on the Job Creation Committee. He's been operating as a one-man job destruction committee since he got sworn into office.

A MEMBER: . . . Willie in Wonderland.

MR. G. FILMON: He's the captain of the Titanic.

HON. S. LYON: He's the captain of the Titanic, one of my colleague says and we know who the navigator of the Titanic is, his deputy.

They had to abandon that silly and irresponsible objection to Alcan negotiations, negotiations that were well advanced, and they didn't and as a result of their failure to face up to that hard choice, Mr. Speaker, what happened? Well, we lost Alcan. Now I know that the Minister is going to say, "Oh well, it's just a temporary delay," and so on, and last year we had to remind him that at the same time Alcan was moving out of province, giving up its rented space in Manitoba, keeping on a part-time employee when they'd had full-time staff heretofore before this benighted government came into office, giving up the options on the land in the Interlake while at the same time they were taking up options on land in Quebec and in British Columbia. There was a hard choice that they had to make, Mr. Speaker, and they didn't make it.

Mr. Speaker, as a result of that we have lost for Manitoba and for job making in Manitoba one of the biggest potential Hydro customers that we could have had in the Alcan smelting operation. It was going to take 10 percent of all of the generated capacity that Hydro presently generates. It's going to become one of the biggest customers in Manitoba but my honourable friends opposite, aided and abetted by the Minister of Industry of Commerce - remember what she said - she didn't want any of these big multinational companies coming in here with their profits going elsewhere. Well, she got her way, Mr. Speaker, and thousands of Manitobans lost jobs because of the ideological stupidity of people opposite us who had a hard choice to make, who failed to make it, and as a result the people of Manitoba lost job opportunities by the thousands.

Mr. Speaker, at the same time as I've said that Alcan was taking up options in Quebec and B.C., it was giving them up here. Only recently Alcan announced that it was proceeding with hundreds of millions of dollars of new plant construction, some replacement and some new construction. Where? - in the Province of Quebec. I know that the Minister of Energy who is now the most discredited Minister in this government or, Mr. Speaker, in any government that I've ever seen in this House - I've been here a while - this Minister, the most discredited one who fumbled away two of the biggest economic opportunities that this province could expect to have is going to stand up in his place probably in the course of this debate, if he's brave enough to participate in it in other than scurrilous kind of debate that he usually participates in, if he's brave enough to stand up, he's going to stand up and say, "Oh, but that was replacement capacity that they were putting into place, part of it was, and part of it is new capacity." I suggest, Mr. Speaker, that the likelihood of Manitoba getting any of that new Alcan capacity, so long as this Minister of Mines and Energy, and this First Minister and this collection of people sit across the way, the likelihood of Manitoba getting that kind of development is practically nil. We may be able to retrieve it further down the line, three years hence when a new government, thank God, will take office and try to pick up some of the broken pieces that this tinker-toy bunch have been spreading around in the course of trying to provide government for the people of Manitoba.

Mr. Speaker, the potash mine, similarly, they were going to negotiate with the then NDP Premier of Saskatchewan about potash. They told IMC with whom Manitoba was in close negotiation for development, they said, you go back to Square One, you're the same as any other supplicant at our door now; we're not going to complete an agreement with you because we think we may be able to make a better deal. Well, they got another good deal out of that, Mr. Speaker, they got no potash mine. No potash mine. Another great triumph for this job-destroyer across the way who's still clinging tenuously to his office along with his NDP Deputy, drawing down one of these big pay salaries that they're now going to restrain by 2 percent.

Well, Mr. Speaker, they had a hard choice to make about potash which was to continue the negotiations in good faith and they didn't do that and as a result the people of western Manitoba have been denied one of the biggest economic developments that part of the province could ever have hoped to see.

Mr. Speaker, they had another hard choice to make last year about expenditures because they came into office saying that they were going to turn the economy of Manitoba around. They said that nobody was going to be laid off in Manitoba. They said that they were going to be developing limestone right away. They made all of these grandiose promises to the people of Manitoba and then proceeded within a period of about three months to destroy, to destroy - and there is no other word - the opportunities that had been years building.

By the way, Mr. Speaker, with respect to Alcan, just to move back to that point for a moment, when will the Minister produce for us the report that he commissioned, the Minister of Mines and Energy, the report that he commissioned looking into the question of whether Manitoba would be acting in the public interest if it allowed Alcan or any other large smelting company to put up up-front capital for Hydro development. And that report as it is reported in the paper, authoritatively Mr. Speaker, says that issue which was so close to the heart of the NDP across the way was, to quote the words of the report a "red herring." When will the Minister be brave enough to produce that report for the House so that we can begin to see the depths and the degradation that he and his staff, particularly his Deputy, have been inflicting upon the people of Manitoba in their disastrous 14 months in office. Let's see the report if he's brave enough to produce it to show how irresponsible and how deleterious to the public interest his management of public affairs has been.

So they had a hard choice when they came to their first Budget last year, this same Minister who got up rather sheepishly last night to announce all of the areas in which he'd been mistaken last year.

Remember last year, Mr. Speaker, he brought in his Estimates of Expenditure early on in the Session just after the Throne Speech. I think if my memory serves me the first figure they gave us as an increase over last year was 14 percent, 14 percent he said last year when he brought in the Estimates, that was the increase that the Estimates represented. Well, we knew it wasn't 14 percent and we told him that day that he was fudging his figures because it wasn't 14 percent.

We had to wait for the Budget on the 11th of May, I believe it was, of 1982. In that Budget he said no, it

isn't 14 percent anymore, it's now 16 percent. We told him back in May 12th of 1982 I think it was, Mr. Speaker, that the 16 percent figure wasn't right, that he was still fudging, that he wasn't telling the truth, and that on the basis of his own figures the increase was going to be 18 to 20 percent and lo and behold, Mr. Speaker, we had to wait until what, the second Quarterly Report when we found out that the actual increase is 19 to 20 percent, which it had been all along, and which I suggest, Mr. Speaker, this Minister knew was going to be the case all the way along.

Now, Mr. Speaker, that kind of toying with the facts and toying with the truth is not good enough for a Minister of Finance in this province. He had a hard choice to make last year about expenditures knowing this new-found wisdom that he acquired when he was sworn into office on the 30th of November, he said all of a sudden, from we're going to turn the economy around, he said, my God we're in an international depression, this madman Reagan is doing terrible things to the Manitoba economy. That's what he and his First Minister started to talk about. Well, what did they do in the face of these rather hypocritical statements about the President of the United States, at the same time, Mr. Speaker, as this Minister was going down to New York rattling the province's tin cup down there to raise money to finance his ill-conceived deficit that he was well on the road to pushing over 400 million at that time.

He had a chance to apply some common sense and prudence to the expenditures of the province and what did he do? He let them rise up by 20 percent. He had a chance last year, Mr. Speaker to, if he restrained his spending by just \$100 million, save the people of Manitoba from one of the most invidious taxes that has ever been inflicted upon them - the payroll tax, but no, he was bound and determined that he was going to have the payroll tax. So he brought in a tax full of that kind of phony bravado that we see from time to time from this Minister and some of the others across the way. He brought in a tax and gave all of the touted-up reasons that he could think of, or that his staff could hand to him, as to why this was a better tax than an increase in the sales tax and boy, what they had saved the people of Manitoba from by putting on this tax. And remember his words, "it's a tax against the employers", Mr. Speaker. It wasn't to be against the employees, it was against the employers and in the funny little class system that operates in many of the minds across the way, that all of a sudden became sort of a trigger word. You see if it's against the employers they automatically are bad guys. They don't vote for the NDP anyway so everybody who is not an employer understands the jiggery-pokery of that, and if it's against the employers, why that's fine. You could almost see them subtly nudging one another in the rib when they brought that tax in as to how smart they'd been.

Somebody said they'd been too smart by half. Mr. Speaker, I would never say that of the honourable members opposite. They're not half smart enough never mind too smart by half.

So they brought in that invidious tax, Mr. Speaker. They said it was going to raise \$70 million in the portion of the first year that it applied, and was going to raise 110-120 million in that area in a full fiscal year. We asked some questions to them about why they would

be taxing provincially funded groups such as school divisions, such as hospitals, such as other institutions that are 100 percent or largely financed out of the provincial revenues, provincial taxpayer, and all that was passed off, don't worry we're going to make compensating grants to the municipalities and to all the other people. And then the question was asked, well why would you have the dog chasing its tail around the straw stack, moving money from one pocket into the other pocket? Why don't you just exempt publicly-supported, publicly-funded institutions; that is, institutions funded by the taxpayers of Manitoba, not, Mr. Speaker, by this Government of Manitoba - funded by the taxpayers of Manitoba for whom this government acts as a trustee, or is supposed to act as a trustee. Oh well, they said, if we do that and by implication, that great legal wizard who is not here, the Attorney-General said if we do that, we might be creating a situation of exemptions which would then get us into trouble with the federal taxing authorities and so on, because the feds could then be able perhaps to avoid the tax.

But don't worry, don't worry, said the Minister of Finance, having received that marvelous opinion from the Attorney-General, we have the right to tax the Federal Government, said he - I only asked the question - I didn't make a pronouncement. I asked the question and was subjected, as is usually the case, to a fair amount of abuse about why would anybody ask such a silly question, as to the constitutionality of a tax. Why, of course anybody, said the Attorney-General, would know that the province had the right to impose such a tax on the Federal Government and on and on it went.

So finally, Mr. Speaker, you'll recall - because I think it's worthwhile for the record to put this back on the record - failing to get any reasonable comment or advice or legal opinion from across the way - before we were asked to vote upon this employment tax, I asked by letter, the Legislative Counsel of the Province of Manitoba about the constitutionality of this employment tax that the Minister of Finance was imposing upon the people of Manitoba. And it's a matter of record, Mr. Speaker, in fact, that opinion was filed in this House - it's one of the documents of this House - that the Legislative Counsel of Manitoba wrote back to me and said, no, I know of no authority by which the province can constitutionally tax the Federal Government. He said, there have been cases perhaps where they've worked out an accommodation, but there is no constitutional authority for doing that.

Well then, what did my honourable friends across the way do? They've got a particular friend out at the University of Manitoba; he's known as Professor Gibson. He wears so many hats. He's one of their friends who wears so many hats around here, I don't know how many pay cheques he draws from the Government of Manitoba. He's Chairman of the Human rights Commission where he does a great "snoop job"; he's the constitutional advisor to his former colleague, the Attorney-General, on constitutional matters, about which his knowledge is at least dubious; and he acts in a number of varied ways. So they got this friend of theirs to give a legal opinion 11 pages long. I suppose they paid for it by weight, rather than by substance and that opinion said, well, comme ci, comme ca, - a

little of this- a little of that - possibly you have the right and so on.

Well then, Mr. Speaker, the Minister of Finance of the day was asked in the House of Commons and he said what his legal officers had told him; mainly that the province didn't have the right constitutionally to impose such a tax. Isn't it funny that the Minister of Finance got exactly the same opinion as the Legislative Counsel gave here? Not the rather gilded opinion that they commissioned from their friend at the University of Manitoba. No, Mr. Speaker.

So that was just a by-play on this invidious tax but I think it's important that the House knows the extent and the distance that this government will go to cover tracks, to make black appear to be white; round, square; up, down; or whatever. It's part of this syndrome of hypocrisy that I was talking about earlier, Mr. Speaker.

So we got the employment tax and we got in the employment tax - and we'll deal with this a little bit later - we got in the employment tax a great dissertation by the Minister of Finance as to how clever he and his colleagues were for putting on an employment tax instead of a sales tax. Do you remember that, Mr. Speaker?

I'm going to refresh our collective memories about some of those statements in the course of my remarks today, because I want the record to be replete with the backing and the filling and the oiling around, that this Minister and his colleagues have been doing on financial matters in this province in the last 14 months. I think the record has got to be made crystal clear to the people of Manitoba, as to just what kind of administration they're getting from this group of people across the way, who are pleased to call themselves the government.

Well, Mr. Speaker, we got the employment tax. They had a hard choice to make there and boy did they make a tough choice, that was going to be on the employers. And then you remember, Mr. Speaker, that a number of people started to settle in Manitoba for zero increase and a number of employers in this province, said we're not paying the 1.5, we can't afford it. A number of other people said the 1.5 - and the Chambers of Commerce in Manitoba were pointing this out - the 1.5 percent sales tax is the straw on the camel's back. We can't afford it; we're not making any money; you're putting that tax onto companies that are going bankrupt; they got to pay the tax even if they're not making any money; it isn't fair, it's perverse, it's wrong. But that's the hard choice that the Minister of Finance had to make last year and that's the result we got from him. He was taxing employment to avoid sales tax.

Well, Mr. Speaker, this year we've still got the employment tax and what did we get last night? We got the sales tax increase as well. Imagine that. The people of Manitoba got, one year later what this government tortuously argued last year should never happen to the people of Manitoba, an increase in the sales tax.

Mr. Speaker, that was a hard choice they made, wasn't it? To do this year what they didn't have the will or the guts to do last year, which was to cut expenditure and to avoid either tax. They didn't have the common sense to do either of those things. They wanted to be the

modern "Santa Clauses" in government, when everybody else in this country and everybody else of sane propensity in the Western World was trying to hold down expenditures. Not this bunch, not this bunch. They say that everybody is out of step, but our Howard. That's the way they judge things.

The First Minister of this province goes to a meeting of the Premiers, everybody agrees on FIRA except the First Minister of this province. He's right and nine are wrong. Even the Premier of Saskatchewan used to agree on FIRA. He goes to a meeting of the Western Premiers and everybody agrees that there should be restraints put on public expenditure, but not the Premier of Manitoba. No sir, he's right and Loughheed and Bennett and Devine - they're all wrong, but this man here, the First Minister of this province - is right.

So, Mr. Speaker, the hard choices that are being made by this government are not hard choices at all. They're taking all of the easy choices. They had a hard choice to make last year when they engaged in their first negotiation with the Manitoba Government Employees Association. And we raised the question at that time when they came into this House and said that they had signed an agreement for 13.5 - I think it was - percent in the first year or a fraction; 13.3 in the first year and the second year was to be CPI plus 1.5, I believe it was, and what a great agreement they'd made. No other government in Canada, Mr. Speaker, was looking at agreements that were that generous at that time and we pointed that out to them. They didn't make a hard choice in that agreement at all, Mr. Speaker, they caved in.

I congratulate the President of the Manitoba Government Employees Association and his executive and his staff for the great job of negotiation that they have been doing on behalf of their constituency, the government employees. I think they've been doing a splendid job and it wasn't hard for them to do it because they had a bunch of doormats that they were negotiating with and I only say this, Mr. Speaker, that when the government is negotiating with the MGEA and salaries - the salary bill for the inner-government service, if my memory serves me, runs around \$350 million a year. When this government gets closeted with the Manitoba Government Employees Association, who in God's name, is representing the taxpayers of Manitoba? I don't expect the MGEA to represent them, they're there to do the best job they can on behalf of their membership. God bless them. But the government is supposed to be representing the taxpayers of Manitoba and it's not. It's acting as a doormat and making unconscionable settlements with respect to public employees in this province, which are in turn triggering unconscionable aspirations and desires among other groups in the public and some in the private sector.

They say, well, if the government's got money to settle for 13 percent last year, I guess 13 percent's a good figure. So the City falls in, and the teachers fall in, and a few others all fall in to the trap created by this government's failure to make a hard choice, this government's failure to act out its trusteeship on behalf of the taxpayers of Manitoba. So they didn't make a hard choice, Mr. Speaker, when they opened up the agreement this year.

All this fandangle that the First Minister has been talking about, saving \$10 million, and then putting \$10

million, I noticed, into the Estimates last night as contribution by MGEA. How fatuous. I mean, a three-year-old could see through that, Mr. Speaker. That kind of fatuous nonsense has no place in the proper administration of public affairs in this province.

So what did they do, they opened up the two-year Civil Service agreement, that generous one that they had negotiated last year, which provided 24.5 percent over two years, and really got down to tough negotiating and when they came out and held that piece of paper, something like Chamberlain flying home from Berchtesgaden, and said, "Peace in our Time." You know, we've got peace with the Union - but at what price? 27.5 percent over 30 months. That was the price, they negotiated themselves from 24 up to 27, and they said, isn't this a great victory for the taxpayers? My God, Mr. Speaker, who was at that table representing the people of Manitoba?

MR. G. FILMON: Dick Martin.

HON. S. LYON: Well, yes, we see the President of the Federation of Labour lurking around the building from time to time, is he calling the shots? Is he the one sitting at the table? Is he the trustee for the people and the taxpayers of Manitoba? He's a close political friend of the government opposite; they seem to be dancing to his tune all the time. Maybe he's the one who's advising them. Have they put him on the payroll yet, the same as they did Mr. Scotton, to give them advice about labour negotiations?

A MEMBER: He's the dollar-a-year man.

HON. S. LYON: Oh, he's the dollar-a-year man, I'm told.

A MEMBER: Worth every cent.

HON. S. LYON: Well, Mr. Speaker, if he's the dollar-a-year man and he's giving advice - and this is hypothetical - he's costing the people of Manitoba tens of millions of dollars because this government is not standing up on behalf of the taxpayers and doing what every other government in Canada is doing, settling at a reasonable amount. I don't think the civil servants of Manitoba are unreasonable, I think they're as good citizens as any other citizen in this province. They're fine, upstanding people, but when they run up against a bunch of lollipops like this government in a negotiation, I don't blame them for licking them right down to the stick, and that's what they've done. All that's left is the stick.

Mr. Speaker, some hard choice they made on behalf of the people of Manitoba, when they opened up that MGEA agreement. 24 percent goes up to 27.5 percent. No hard choice there, just tens of millions of dollars more out of the pockets of the taxpayers of Manitoba, tens of millions of dollars more.

Mr. Speaker, they had another hard choice to make last evening. They had one to make last year and they fell short. I've mentioned to you how they wouldn't tell us the actual increase in expenditures, 14, 16, ended up 19 or 20. They wouldn't tell us last year about the deficit. Remember we told them they brought in a deficit

on May 11th or 12th, whenever it was, and said it was \$334.9 million, I think it was, and I stood up in my place the next day and to the press that same evening and said that deficit is fictional. It's no longer - it was only in existence for the time it took the Minister to use the words "334 million." It went up to 335. You could hear the meter click right after he spoke the words, and the meter kept on clicking.

In my usual posture of non-exaggeration, I said that night to the press, Mr. Speaker, I don't think that the deficit is 334 million, I think it's going to go beyond 400 million. I said it within a half-an-hour of when I heard this silly figure from the Minister of Finance. And oh, no, they said, that's not the case at all. Well, all we can say is, you've got access to the books, we haven't, but we left in place a trigger mechanism that's going to keep you honest. We left the Quarterly Reports in place, so we'll wait and see what the Quarterly Reports say.

Well, sure enough, along comes the Session, November of 1982, we're all waiting for the Quarterly Report, remember that. The meter had stopped clicking, Mr. Speaker, the Quarterly Report wasn't available. The Minister was sitting on it, and he wouldn't produce the Quarterly Report even when the House was in Session. He wanted to wait until after the Throne Speech had opened up, and this member, along with one or two others, had made their contribution to the Debate. He held back; he withheld information from the House on the financial state of this province for his own cheap, tawdry, political purposes. He did that, Mr. Speaker, and that's a matter of record.

When that report came out, what did it show about the deficit? Mr. Speaker, I wish that I had been accurate. I wish that the deficit that report showed had only been \$400 million, because that would be \$100 million less than all generations of Manitobans are going to have to pay because of the incompetence of this Minister in estimating the finances, the expenditures and the revenues of this province.

So last night, he bravely told us that the deficit has improved marginally, it's going to be \$495 million. That's up from \$334 million, which he swore by in May of 1982.

MR. G. FILMON: Now he's swearing at it.

HON. S. LYON: Mr. Speaker, he had a hard choice then, he could have told us, he could have levelled with the people of Manitoba then, but he didn't.

Well, with regret, he dodged that choice and he never answered when we warned him about the expenditure increase of 20 percent; he never answered when we warned him about the deficit going over 400; he never answered when my colleague, the Finance critic, the House Leader, told him last year in the course of the Budget Debate, you have vastly overstated your corporate tax income. It was pointed out to him within days of when he sat in the House and delivered his Budget that he had vastly overstated his income and, lo and behold, what happened when the Quarterly Report came down? The Quarterly Report showed yes, the revenues, the income, had been overstated and, as a result, they say the deficit was going up. We say the deficit was going up because their expenditures were also out of control.

Well, Mr. Speaker, there was a hard decision. They vastly overstated the revenues of the province, and this year I suggest that they have fallen into exactly the same - I won't say it's a trap - I think they have put themselves knowingly and wilfully into the same posture of vastly overrating revenues this year in order to understate a deficit which they say is going to be \$579 million, and which I think any reasonable commentator looking at their ability to manage expenditure, looking at their track record thus far in terms of their predictions, would have to say is going to be vastly increased over that figure, vastly increased.

I'll make a conservative estimate again, Mr. Speaker, I think that deficit is going to approximate \$700 million before this year is out and I hope that I'm wrong. I honestly and sincerely hope that I am wrong when I make that prediction. I hope that the Minister has come to his senses this year, has seen the kind of damage that he has done to our economy and to the fiscal integrity of this province and is going to start levelling with the people, telling the truth to the people of Manitoba about the state of their finances. So I hope I'm wrong, but I fear, Mr. Speaker, that I am not going to be wrong. They had a hard choice to make, Mr. Speaker, to keep their promises - and I see the First Minister is getting up and I want to mention before he leaves this Chamber one promise that he made to the people of Manitoba. He went out to Steinbach during the election campaign in the fall of 1981, and he was asked a direct question as to whether or not he would lift the hydro rate freeze that the Conservative Government of that day had put on to benefit the people of Manitoba. And he said, "No, we will not lift the hydro rate freeze."

Mr. Speaker, why couldn't the First Minister keep his own promise to the people of Manitoba? The poor, the elderly, those on fixed income were depending upon that as one area where they knew that their costs were controlled, and everybody in Manitoba uses hydro. There was one element that had been put into place that was inflationproof, and this government was barely in office, having installed one of their political friends into the Chairmanship of Manitoba Hydro before they started chewing and gnawing away at the hydro rate freeze - oh, they had to get the hydro rate freeze off right away. Mr. Speaker, because we and others raised a fuss about it, about their failure to keep their undertakings, they left it on for the fourth year, but there was no saving it this year. The Minister of Mines and Energy, in his usual perverse way, got his way again; and every time he gets his way this province suffers. He got his way and he got a jacked-up report from Hydro saying that they wanted a 15 percent increase and then he brought in a rate increase of about 8 percent or 9 percent, thereby attempting to make himself look like a compassionate hero.

But, Mr. Speaker, that was against the solemn promise of his First Minister to the people of Manitoba that he wouldn't tinker with that hydro rate freeze. That was a promise that a lot of people in this province believed, a lot of people, and I think that the First Minister of this province, by allowing this incompetent Minister of Mines and Energy to cajole and to trick his Cabinet and caucus colleagues into this move, has done an incredible amount of harm to the credibility of this government, to say nothing to the credibility of all people

in public life. You don't casually go around breaking promises like that. And I want to tell the First Minister, if he goes back into Steinbach, and he gets on a public platform in the Town of Steinbach, I hope somebody down there asks him how well he kept his promise to the people of Manitoba that he gave in the Carillon News. I don't know, Mr. Speaker, that he's going to have the intestinal fortitude to be able to respond to that question when it's put to him in Steinbach.

Well, Mr. Speaker, hard choices have to be made; keeping one's word is sometimes a hard choice and this government seems to avoid keeping its word. Mr. Speaker, there have been very few hard choices made by this government. They have avoided decisions; they have dillyed and dallied and waited about; they've been weak sisters in negotiation; they have thrown away development opportunities in this province that were meant to benefit generations yet unborn, all in 14 months.

Mr. Speaker, they sit across from us, a party riven with dissension. Their backbench is not consulted about matters that are ordinarily - certainly in our caucus - in government or opposition time caucus discusses as a matter of policy; their backbench isn't consulted at all. I happen to know of at least one or two instances where members of their backbench have had to be told by the opposition what was going on, what this great Cabinet was doing. They've got their dissensions and the disputes; they've got their hawks and their doves and they really don't know where they're going. As I said, they're like the anthill with the spray that's been put on it; they're moving around in every which direction and they don't know where they're going.

A MEMBER: Like the fight on how much sales tax is going to be put on. Remember that fight in Cabinet.

HON. S. LYON: The result, Mr. Speaker, is that there is no direct and clear policy being enunciated by this government that gives the kind of confidence to the business community, to the farming community, to the working community in our province. They don't know where this government's going. A government that says one year "we will never bring in a sales tax increase," and then the next year increases the sales tax; a government that says it believes in increasing employment and sets up a \$200 million Jobs Fund and then puts a tax on anybody who creates a job in Manitoba. What kind of a government is this? What kind of confidence can that inspire among the people of Manitoba? No policy, no direction, no strategy for development at all, other than throw money at problems, tax, tax, tax, spend, spend, spend, that's the only philosophy of these people opposite, that's the only philosophy. Throw money at problems, hope that President Reagan will bring about a recovery in the United States, and if he manages to bring about a recovery in the United States as my colleague has said, then they'll throw out a hook and try to catch on to the boxcar when it goes by them. That's their idea of strategy.

Well, Mr. Speaker, that's not good enough, they've got to start showing; they've got to start showing some leadership because this province is in bad shape. This province has come to be in much worse shape than

it need be because of the errors or commission and omission of this government over the past 14 months. I'm going to take a little bit of time, Mr. Speaker, before concluding today to tell some of the members opposite what is happening in Manitoba because obviously they don't know. They think, I suppose, if they go over and have a beer with Dick Martin at the Labour Temple, that's Manitoba. Well, that ain't Manitoba, that's part of Manitoba but that's not all of Manitoba. Why don't they get out among the people and find out what's really concerning the people of Manitoba?

Well, Mr. Speaker, one reason I know that they don't like to hear some of the sounds that are coming forward from the people of Manitoba is that they don't like to face, any more than the Premier likes to face, the people to whom he and others made solemn promises 14, 15, 16 months ago, and now those people find that they've broken all of those promises. What were they saying in the fall of '81? Unemployment was too high; Tory times are tough times. Remember that one in the fall of 1981? No Manitoban should be without a job said this bunch of job wreckers across the way.

Well, Mr. Speaker, in the last year alone, in 1982, there are 50 percent more Manitobans unemployed than there were when these people came into office, 54,000 people unemployed in Manitoba in January of 1983, an all-time record. Since November of 1981 unemployment has gone from 28,000 in Manitoba to 54,000 in Manitoba. And what did we hear last night? This government has finally realized that unemployment is a crisis in Manitoba, and what has it done? Well, the First Minister stood up this morning and said he'd formed a Cabinet Committee, and who did he put on it? The Minister of Mines and Energy, who managed to fiddle away most of the job opportunities that this province could have had but for his incompetence. Well, Mr. Speaker, almost 25,000 to 30,000 more unemployed people in Manitoba than there were 14 months ago.

The number of employed Manitobans in November of 1981, Mr. Speaker, when these people came into office, was 461,000. Fourteen months later, that figure has fallen to 442,000. We've experienced a net loss, according to the Stats Canada figures of about 19,000 jobs. And yet this Minister stands up last night and his colleagues applaud him, but he said, isn't it great we've got 10,000 more people in Manitoba. We've got 10,000 more unemployed people in Manitoba, that's for sure.

You know, Mr. Speaker, that's like saying in the middle of the war, when Hitler . . .

A MEMBER: We had a loss to other provinces as far as people are concerned.

HON. S. LYON: Mr. Speaker, I'm not going to waste analogies on my honourable friends opposite, I think that even their minds can grasp the fact that a population figure, as I think it was the Member for Brandon East once said, is not necessarily an indicator of economic improvement in the province, and if any proof of that fact be needed, we've got, according to their figures, a 10,000 increase in population, which they all applaud, and we've got 24,000 more people unemployed than we had when the population was 10,000 lower.

And in the course of their Budget - I've only had a chance to read it quickly - the background papers, they

say, of course the increase in population is largely due to the fact that job opportunities dried up in western Canada. You remember 15, 20 months ago, what they were saying? The population was down in Manitoba because of the Conservative Government. Now the population's going up and they have to say well, it's really because the jobs have dried up in western Canada. It hasn't got anything to do with them. They're at least honest enough now to say that.

Mr. Speaker, unemployment rate - every new entrant, whether it's a high school graduate from university or community college, or a woman re-entering the work force, a mother, or whatever, is coming into the work force with the prospect now of being unemployed. I hope that's registered on the Minister of Labour. She's a person of some intelligence, Mr. Speaker, I hope that she realizes, if no one else does across the way, the depth of the seriousness of this problem which her colleagues are contributing to, day by day. Is this the great future that was promised to the people of Manitoba - 19,000, 24,000 more unemployed, and a net loss of 19,000 jobs? An unemployment rate that's gone from 5.8 percent in November of 1981 to 10.9 percent in January of 1983, that's the record.

Well, Mr. Speaker, that's a sad situation. Unemployment is in a crisis situation in Manitoba, and we have work to do together to ensure that that kind of confidence is rebuilt within the job-creating sector of the community, which is the real sector, where men and women, working on their farms or in the factories or in their own small offices or in the service industries and so on, are creating the real wealth. That's where the job has to be done. Creating \$50,000 jobs for discarded NDP people traveling from Ottawa to Regina and so on, that doesn't help anybody, except the beneficiary. That doesn't help anybody. If they want to run a pension scheme for the NDP nomads who are wandering around the country, let them do it out of their own funds not out of the taxpayers of Manitoba's funds. We haven't got enough money to support all of those people who are wandering into the province, as I say, like a bunch of nomads with their tents, hoping to camp here for a brief while, while this group of incompetents is in office. Then, as I said the other day, they'd better be ready like the Arabs, to pack their tents in about three years because their services, such as they are, will not be wanted, required, or indeed paid for any longer when a proper government gets back into office in Manitoba. I hope that's clear to all who are within the sound of my voice.

Mr. Speaker, we've lost 7,000 manufacturing jobs in 14 months; we've lost 8,000 jobs in construction; we've lost 4,000 jobs in agriculture, and these are all Stats Canada figures distributed by this government from across the way. And what are they doing? They're setting up a Cabinet Committee to take a look at what's been happening while at the same time, they ruined the opportunities that we had for job creation through the Grid, through Alcan, and so on.

Mr. Speaker, what are they being told? We heard the First Minister yesterday try to quote as approving the statement from the President of the Winnipeg Chamber of Commerce, saying that he approved of the wage settlement that this government had reopened with the Manitoba Government Employees Association, and I daresay - the story has come to me, I haven't checked

it out personally - I daresay that what happened was the press phoned him up and used the figure that had been given by the First Minister, said that there had been a saving of 10 million and any person in their right senses would say, well, if there's been a saving of 10 million, that's got to be a pretty good thing. But Mr. Speaker, there was no saving of 10 million. There was a deferral of the expenditure of 10 million. That's all that it was. A deferral of the expenditure of 10 million, at the time they were raising the rate of pay from 24 percent in two years to 27.5 percent over 30 months. That's what really happened.

And Mr. Speaker, what is the Winnipeg Chamber of Commerce saying when it writes a brief to the Government of Manitoba? This is a brief that was approved by the council of the Winnipeg Chamber of Commerce, January 25, 1983. That's a pretty up-to-date document. I didn't hear the Minister of Finance quote from it last night in his Budget. Some have said that he and the First Minister have made an art form out of listening. Well, let them listen to this while I read a few sections from it.

Here's the Winnipeg Chamber of Commerce, Commentary on Manitoba's Financial Position. I'm not going to read it all, I'm just going to read the highlights of the brief.

"No. 1." And I'm quoting, Mr. Speaker. "Because the Manitoba Government spending is so out of control, the province faces an imminent crisis regarding the deficit." That's the first thing they said. I wonder if the Member for Rupertsland was given a copy of this document by the Winnipeg Chamber. I wonder if he read it? I wonder if he's asked the Minister of Finance, hey, what do you think about this.

The second thing they said, Mr. Speaker, was, "This year's budgetary deficit," and they were talking about the 1982-83 deficit, not the whopper we heard about last night, "This year's budgetary deficit has increased to a staggering \$498 million." Well, they're off by 3 million, we heard last night.

"3. Total debt load now amounts to \$5,809 per Manitoban, an increase of 47 percent in three years, the recurrent cost, general government program portion alone, which excludes major Capital expenditures, amounts to a debt of \$2,150 per Manitoban.

"4. As a result, the province runs the risk of losing its AA credit rating, meaning higher borrowing costs and endangering out ability to acquire financing.

"5. In spite of these appalling circumstances, the government indicates further increases in spending and deficits." And I pause to say, Mr. Speaker, how prophetic was this document, approved on the 25th of January by the Winnipeg Chamber of Commerce. How prophetic. They heard last night that the government meant what they said in that regard, they were going to increase spending and the deficit; the only thing is they didn't tell us quite how much they were going to do that.

"6. The potential for increased revenue is limited. An across-the-board tax increase of 37 percent is needed to merely offset the 1982-83 deficit.

"7. This alarming trend must be arrested by (a) getting spending under control; (b) no further increase in debt load; (c) a balanced Budget by the late 1980s."

I pause, Mr. Speaker, to interject. Instead of selectively choosing a piece out of the Winnipeg paper, which I presume the First Minister did yesterday in his attempt

to defend the indefensible, that is the increase of the MGEA settlement, why didn't the First Minister read what the Chamber of Commerce said in their brief to all members of the Legislature.

"8. Public sector wage increases have been excessive. The public sector must bear its share of the ailing economic conditions. A zero percent increase for those paid from the public purse is appropriate at this point in time because of the job security they enjoy."

Mr. Speaker, that's what the Winnipeg Chamber of Commerce was saying to the government and to the members of this House, not what the First Minister said yesterday afternoon. Why doesn't he level once in a while with the people of Manitoba and with this House? Why doesn't he tell us what the Chamber really thinks? We've all got this document. We can all read it and we know what the attitude of the Chamber is. That's what's happening in Manitoba today. There's a great deal of concern and fear among ordinary citizens out there that this government doesn't know where it's going; this government doesn't know what it's doing; this government has no direction; this government has no leadership; this government doesn't even tell the truth, Mr. Speaker; and that's the worst indictment of all.

Mr. Speaker, the real condition of the province is also set forward in a document that I'm sure the members opposite have seen. It's dated January 12, 1983. It's a document that is turned out by Standard and Poor's Credit Week and it's a document that was put out to announce that the Province of Manitoba, the Manitoba Hydro-Electric Board and the City of Winnipeg - the ratings of those three groups were all placed on credit watch. Now here's what dispassionate people who are asked by this government to give a rating about its credit ability, here's what they're saying about Manitoba. Isn't it funny, Mr. Speaker, the Minister of Finance is chuckling away - I didn't see him mention any of these facts in his statement last night - indeed he didn't even talk about how the province's credit rating is being viewed in those markets where he goes and rattles his tin cup. No, he didn't talk about that at all.

Because of his lack of candor, Mr. Speaker, perhaps I can put a few of their thoughts onto the record of the House, so that we know what Standard and Poor are saying about Manitoba. And they're dispassionate in their review. They're given most of the figures, God knows, by the departmental officials of the Minister of Finance. But here's what they say: "The AA rated debt of the Province of Manitoba and the provincially guaranteed debt of the Manitoba Hydro-Electric Board are placed on credit watch."

Then they go on to say - and I'm not going to read it all because it's a voluminous document - but I'm going to give you portions of it, Mr. Speaker: "Two record harvests have softened the recession's impact on Manitoba. However, the province's current budgetary deficit has increased sharply this year. Large recurring deficits and the borrowing necessary to support them would strain debt service capacity. Manitoba's own source revenues are nearly as volatile as its economy. In addition, Manitoba's total public-sector debt, including a large amount of utility debt, is already among the highest in Canada. S and P, Standard and Poor, will evaluate the effect on the province's long-term financial position of the budgetary variance for fiscal

1983, the fiscal 1984 budget due in the spring and projected transfers from the Federal Government."

Then they go on to say, Mr. Speaker, "Manitoba's overall deficit is now significantly wider than budgeted. The province forecasted a total deficit of \$498 million compared with an already large \$335 million budgeted deficit. Revenue shortfalls, particularly an \$80 million adjustment in anticipated corporate income tax revenues account for \$103 million of this budgetary variance. Manitoba's budgetary deficit as a proportion of revenues, 20.8 percent, is among the highest of all the Canadian provinces whose debt Standard and Poor rates. By comparison, in 1979-1980, Manitoba's deficit was among the lowest in Canada. The province's expenditures have increased at a faster, more stable rate than its revenues. Unless Manitoba implements significant austerity measures," - Mr. Speaker, I repeat for the benefit of the Minister of Finance who may not have had these words sufficiently impressed upon him - "Unless Manitoba implements significant austerity measures, its fiscal position could deteriorate further. Our own source revenues are likely to decrease in real terms this year. Economic recovery has been slower in Canada than in the United States. In addition, a third consecutive year of record harvests is unlikely. Over the long term, revenue volatility will become more pronounced if federal transfers continue to decrease as a proportion of total revenues."

Now, Mr. Speaker, those are, in essence, some of the comments made by Standard and Poor about Manitoba. It was against that background; it was against the background of unemployment that I've just detailed; it was against the statement by the Winnipeg Chamber of Commerce, contrary to what the First Minister said yesterday, that this Budget was created. And against that kind of a background, what did we get, Mr. Speaker? How did this government meet the challenge, the hard choices that the Minister of Finance spoke of last evening?

Well, Mr. Speaker, let's give him credit for what's not in the Budget, first of all. Let's give - not him credit - because he's perverse enough to go ahead with it - but let's give a little bit of credit to the Federal Government for stopping the perversity that he was prepared to inflict upon the unsuspecting people of Manitoba in the form of a 1 percent tax on gross income. Mr. Speaker, when he and some of his minions were floating balloons about this kind of a tax in the press two or three weeks ago, one had to believe that they were living in some kind of fantasy land. A 1 percent tax on gross income in Manitoba? He was heard to say to one of the media people, "That would raise \$100 million." You could almost see him, like Uriah Heep, wringing his hands in anticipation of getting his clammy socialist hands on \$100 million of hardworked money that people in the private sector have had to work to earn.

Well, Mr. Speaker, he apparently floated the balloon with the Federal Government and they said no. The Federal Government, according to his own words, said that they wouldn't agree to that kind of tax collection. So, I think that the people of Manitoba today, and I offer on their behalf to the Federal Government a word of thanks for dissuading this government, at least for this year, from a disastrous course of new taxation that would have made Manitoba become, in terms of

economic development, the Typhoid Mary of Canada. The present government already contributes to that image. If they were to invoke all of the policies, all of the wrongheaded policies that they apparently have clutched away in their mean little minds, then, Mr. Speaker, they would make this province an economic wasteland and they're somewhat on the way to that goal right now. Imagine, indeed, a 1 percent tax on gross income which no other province in Canada has; imagine that. Well, Mr. Speaker, the threat is there; the threat's implicit. And people in this province, people in the rest of Canada, people in the rest of the world looking at this province are going to be saying, "But this Minister, in this government, said that they were looking at a 1 percent tax on gross income. We're going to detour around that province just as we would around a house carrying a disease sign, a quarantine." You're going to quarantine the development out of Manitoba just by putting in the Budget last night that you're even thinking of such a silly tax. You have no understanding of the psychology of economic development, of how investment decisions are made by individuals in Manitoba, individuals in the rest of this country.

Do you expect that the Alcans of this world, to say nothing of the man or the woman who is thinking of opening a beauty parlour or a style shop in Steinbach or in Thompson or wherever, do you think they're going to make that kind of an investment decision when they have this Minister of Finance saying, "Boy, we're giving serious consideration to a 1 percent surcharge on gross income." They'll say, "Thank's a lot, but no thanks. You have your 1 percent surcharge, we'll put our business and our investment and our employment opportunities somewhere else." Mr. Speaker, a Minister and a government that isn't sane enough to understand that that would be the automatic reaction of people in the investment community, small, medium or large, are not fit to sit on the government benches of any province in this country.

Mr. Speaker, I have never seen, in terms of gross - I won't say 'dereliction of duty' because they do that day by day, their presence in government is a dereliction of duty - crazy, kooky, fringe ideas that are born out of a mean streak of envy which animates most of the people opposite are the things that are going to make of this province the kind of economic wasteland that they are bound and determined they will do.

Mr. Speaker, I had thought that four or five years ago we had buried once and for all the other iniquitous suggestion that was made by the present Governor-General of Canada, Mr. Schreyer, when he was Premier of Manitoba. Do you remember two-and-a-half times one, Mr. Speaker? There was another beautiful taxing idea that the NDP had. The present Minister of Mines and Energy was the head of one of the planning committees that probably thought up that beauty at the time, the same kind of prudent judgment that he brought to bear on Alcan and the Grid, he brought to bear probably on that taxation scheme. The First Minister sat as a member of that Cabinet defending two-and-a-half times one. The Minister of Transportation sat as a member of the Cabinet; he defended two and one-half times one. No doubt about the Minister of Agriculture; he defended it. He doesn't even believe in private property so he defended two-and-a-half times

one. I remember my colleague, the former Member for Morris, succeeded by the present Member for Morris, saying to the then Premier of the province that the NDP ladder of success has two-and-a-half rungs on it. And that's what you want to inflict on the people of Manitoba.

Well, the thought has been reborn in the 1 percent surcharge, Mr. Speaker, on gross income. It didn't die with the departure of Mr. Schreyer. It's been reborn and I daresay it will become a bastard child that nobody over there will want to claim, but they've raised the spectre of it again. They've raised the spectre of it again and this province, unfortunately, is going to have to live with the ill-considered, irresponsible mouthings of this Minister of Finance and his colleagues who will scare investment out of this province in a way that even more perverse tax policies might not have done. Mr. Speaker, do they not realize the damage they have done to the image of this province in even saying that they were thinking seriously of such a tax? Gross damage that they have done.

I see the Member for Wolesey, the blowtorch expert, laughing at that expression.

SOME HONOURABLE MEMBERS: Oh, oh.

HON. H. LYON: We all know, Mr. Speaker, where her interest is directed. But on the serious matters that confront this Legislature, the damage that has been done by this Minister standing up his place last night and saying, isn't it a shame the federal government wouldn't permit us to impose this 1 percent surcharge on gross income, has done irreparable damage to the future of this province. And, Mr. Speaker, before this debate is finished I hope the First Minister will stand before this House and the people of Manitoba and say, "That was wrong, we should not have been considering that tax. I give a solemn undertaking to the people of Manitoba and to all whom we want to invest in this province that that tax will not be considered again. We're through with it; we're done with it." Otherwise, he and his colleagues - but worse still, because I don't worry about them, they're only going to be here for three years - but, Mr. Speaker, the people of Manitoba will carry that cross of irresponsibility on their backs unless the First Minister stands up and disavows this piece of stupidity uttered by his Minister of Finance. Mr. Speaker, he not only has a Minister of Mines and Energy who needs a change of job, he's got a Minister of Finance who needs a change of job because he has demonstrated his complete incompetence, his lack of understanding of this province, of the taxing structure of this country to even propose such an outrage on the people of the province.

So two-and-a-half times one is alive and well in Manitoba, more's the pity. If you are willing to make an economic wasteland of this province then you've certainly embarked upon policies and upon foolish statements that will lead to that inevitable result.

Mr. Speaker, any government that talks about tax exemptions as tax expenditures is a government that has to be watched pretty carefully anyway. You can only talk about an exemption as a tax expenditure if you believe in your heart and soul that all of the money belongs to the state in the first place; if you believe

that then, of course, an exemption becomes a tax expenditure. I come at it, and most people in this province come at it from a much different angle. The money that they go out to work to earn is their money and unlike Mrs. Erola and unlike some of the funny thinkers across the way and in their planning sections, the exemptions are in there for good reason. A spouse, male or female, at home, is entitled to an exemption. There's nothing wrong with that. That's not a tax expenditure. That's a proper exemption in a free country where there is proper balance paid to the position of man and woman, but if you want to call it a tax expenditure you're almost making it a sin for the man or the woman who went out to work to earn their own money, to keep their own money, some more of it. It's not a sin, not a sin in the eyes of the people of Manitoba, not a sin in the eyes of anyone on this side of the House. It's apparently a sin in the narrow mean view of the Minister of Finance and his ideologically doctrinaire hidebound colleagues who look upon a normal tax exemption as being, in their terms, a tax expenditure.

Well, Mr. Speaker, we're not going to change their way of thinking. Their way of thinking is skewed, it's a way off the mainstream of thinking in this country; we know that. They represent the outer sort of funny fringes of society and that's about it in terms of what they really believe. It's only once in a while, Mr. Speaker, that they do pull aside the veil so that we can see the depths of the perversity of their thinking toward their fellow-man when they talk about tax exemptions being tax expenditures; when they talk about putting a 1 percent tax on gross income so that they can get \$100 million more of money from the working people of Manitoba, the men and women from Thompson, the men and women from all parts of this province who work hard. They don't go out to work to earn that money in order to line the coffers of this government. That's not the reason for life, Mr. Speaker. Life is much bigger than anything this government can do for the average man or woman. I wish they'd remember the fulfillment of life is much greater than anything these people across the way can ever do. What they can do is harm the quality of life in this province, and by foolish talk about 1 percent gross income taxes, 2 1/2 times 1, foolish talk about tax expenditures, that's precisely what they're doing.

Well, Mr. Speaker, I promised earlier in my remarks that I was going to deal with a few of the matters that were in the Budget. The first one I want to deal with is the increase in the sales tax. I can think of no better way of dealing with that subject, Mr. Speaker, than to quote from the words of wisdom of none other than the Honourable Minister of Finance. The only thing is I'm going to quote from some of his statements in the last Session and, when I talked earlier about hypocrisy, I think you'll begin to see whereof I speak when I quote back to this House some of the things that were said by the Minister of Finance about the sales tax.

Now, first of all, Mr. Speaker, I remind all members that we received last year a 1982 Budget Address and Appendix B to the Budget Address was entitled the Manitoba Levy for Health and Education. That's the euphemism for the employment tax, the 1.5 percent they put on all new jobs at the time of the highest unemployment since the Depression. This background

paper and I'm quoting from it, Mr. Speaker, describes the new levy for health and education which takes effect July 1, 1982. It outlines the government's reasons for introducing the levy which will apply to employers, not to individual Manitobans, instead of an increase in the sales tax rate. The paper also outlines the major factors which made it essential for the province to seek additional revenues this year. Remember that beautiful document? What was the date of this, Mr. Speaker? Why, this was in May of 1982; this is May 11, 1982. This was only about eight months ago, Mr. Speaker. Listen to these words of wisdom that the Minister of Finance included in his Budget at that time. Where did he really get into all of the meat? I don't want to read all of these matters to the House.

A MEMBER: We've got lots of time.

HON. S. LYON: Well, Mr. Speaker, I'll break the suspense because the Member for Dauphin was waiting for me to look up the specific quotes. I know how dearly he wants to hear them read back but let me give him, before I get to those specific quotes, May 17, 1982 - this is from the question period in the House and this is the brilliant Minister of Finance answering a question at that time. He was responding to a question asked by my colleague, the Member for Turtle Mountain, and here was the answer. "Mr. Schroeder: 'Mr. Speaker, those are background papers that have found their way in the form in which we will publicize them, in the background papers to the Budget. The background papers clearly set out the effect of that levy and I would ask the member to look at it and ask him to look at it in comparison to the other alternative, to the alternative of a sales tax increase and the impact that would have had on the retail sector in Manitoba. I suggest it would have been disastrous; our studies showed that and the background papers showed that. The studies showed that if we didn't impose this particular tax, we would get no funds out of the investment community, the insurance community, the banking community, the professional community,'" and on and on with his mean little litany of the people into whose pockets he was going to stick his clammy hand.

Mr. Speaker, he was referring to this document, this Appendix to the Budget of last year in which he tortuously argued that the employment tax was a substitution for the sales tax and hadn't they been a clever bunch of people by avoiding an increase in the sales tax which would have been, in his terms, a disaster. It would have been disastrous; our studies showed that and the background papers showed that.

So, Mr. Speaker, last year according to the brilliant statements of the Minister of Finance whose brilliance escapes everyone within sound of his voice usually, we were told that we were being saved from perfidy by his selection of the employment tax in substitution for the sales tax.

Then what did we get last night, Mr. Speaker? Well, last night, Mr. Speaker, we got the ultimate denouement. He said to the people of Manitoba, conveniently, forget all of the background papers, all of the tortuously argued case that I made last year for no increase in the sales tax, because this year that's exactly what I'm going to do, I'm going to raise the sales tax.

Well, Mr. Speaker, I don't know what kind of credibility the people of Manitoba can attach to a Minister or to a government that spends a good portion of its budgetary expression last year arguirtuously, as it may have been, that a sales tax increase under no circumstances could be justified, and then turning around eight months later and imposing an increase in the sales tax in addition to, not in substitution for, but in addition to the ill considered tax that they placed on all employment in Manitoba which is still in force - the employment tax.

Mr. Speaker, there's an expression that people like to get the best of both possible worlds. The NDP are doing, Mr. Speaker, what very few others can do; they're giving us the worst of both possible worlds. We've got the employment tax and now we've got the increase in the sales tax as well.

Mr. Speaker, the poorer people of Manitoba who pay the argument used by the Minister of Finance at that time, which I think still has merit, the poorer people of Manitoba are the ones who are hit by a consumption tax just the same as all other people in all other levels of income, but it was this expressed concern that the NDP had for the poor and for the downtrodden. It was so touching last May when the Minister of Finance was giving all of his tortuous reasoning for avoiding the sales tax. What about that concern this year and how is he going to explain, Mr. Speaker, to the people of Manitoba, that he's putting a 1 percent consumption tax that is going to go right across the board, the elderly, the poor, the unemployed, everybody's going to pay that tax this year; in addition to the employment tax, and the product of that tax - which is they say about \$64 million - is going to go in large measure to provide a 27.5 percent wage increase for the Manitoba Government Employees Association, with whom this government didn't have the guts to negotiate in a tough way, on behalf of the people of Manitoba.

I want the First Minister, when he makes one of his listening tours around Manitoba, I want him to ask the people of Manitoba how they like his going back, and his Minister going back, on the undertaking made last year that the employment tax was in lieu of the sales tax increase. How is he going to justify and stand up before the people of Manitoba and say, what was wrong eight months ago is right now? And all of the arguments that he marshalled at that time for not putting up an increase in the sales tax, wiped out in one swoop, so that he can pay the bills for a 27.5 percent salary increase for the government employees; so that he can hire out-of-work NDP people from Ed Broadbent's office, or the NDP federal office at \$50,000 a swack; so he can raise money to hire his political friends. How are the people of Manitoba going to like that, at a time when they say they're controlling the growth of the civil servants and they have signed a no-cut contract, in effect, with the MGEA - thereby taking from them the leverage that any government should have in a time of economic depression, to tailor the size of the Civil Service and the wages of the Civil Service to meet those standards that the taxpayers can afford to pay.

Well, Mr. Speaker, I don't think I have to say more. I don't think I have to say anything more about this turnabout on the sales tax. How this man, eight months later will turn around and discard all of the reasoning,

all of the arguments that he advanced ad nauseam last year, when he thought he was being so clever, when he brought in the employment tax.

Mr. Speaker, he brings in what he calls "tax adjustments." They used to be called in my time, "tax increases." The NDP like to use euphemisms though, 1 percent surcharges on gross income; 2.5 times 1, you know, anything that's confiscatory - they call an increase an adjustment. Well, their adjustment is going to cost the people of Manitoba \$104 million.

They say, Mr. Speaker, and you can compute this from the Estimate of Revenues that was provided with the Budget; they say that their revenues this year are going to increase 15.6 percent. I haven't had the opportunity to do a detailed review of those Estimates of Revenue, Mr. Speaker, but I raise at this moment in time, a very serious caveat about that percentage increase in revenue. I don't think it's going to be there. If it is, fine and dandy, but I don't see it with the economy in the condition that the economy is in now. I can see that the Minister of Finance doesn't like to hear the truth about his Budget because there are so many things that he didn't say in the Budget, that we have to say on this side, in order that the people of Manitoba can get the truth, which they didn't get out of his Budget. But he will have to answer, Mr. Speaker, to his own conscience and to his own God, if he has one, with respect to matters of that sort.

Now, Mr. Speaker, they say in the Budget that their expenditures are up 17.2 percent. How can they justify a 17.2 percent increase in expenditures, when the taxpayers of the Province of Manitoba are labouring under one of the worst recessions that this province has seen since the 1930s? How do you justify a 17.2 percent increase, which is going to shoot your deficit up, in the absence of real expenditure control - shoot your deficit up to \$579 million, which is the minimal figure?

Mr. Speaker, I think we're looking at a case of economic madness being practised by a bunch of fledglings, who really are out of touch with the condition of the province, the condition of the country. And it's the same kind of aberrational response that we have found from the First Minister, to meetings with the Prime Minister and the Premiers, to meetings with the Western Premiers; they are aberrational in their thinking. Everybody else is wrong and they are right. While everybody else is curbing expenditure, they're increasing expenditure. Everybody else is trying to put a lid on debt creation; they're trying to increase debt creation.

They announced last night, very bravely, that they want to raise in the public market \$1.1 billion. Well the people at Standard and Poor's, the people at Moody's, the people in New York, the people in London, the people in Zurich, in Paris, in Toyko, in Dusseldorf and so on, and the people in Toronto and Montreal - they're going to be looking at this document. I hope they're going to be looking, as well, at some of the comments that are made on this side of the House, wherein the truth will be told about the economic state of the province, in order to determine how well or how badly this government is carrying out its mandate.

Revenue is up 15.6 percent - I question it. Expenditure is up 17.2 percent - I question that too, Mr. Speaker, because based on their track record last year, that

figure will probably go higher, because they have no management control across the way. Their debt servicing, Mr. Speaker, last year - debt servicing - some people find that a complicated word. You know when you borrow money you've got to pay interest on it. The Province of Manitoba, as Standard and Poor has said, is one of the most debt-ridden provinces in Canada and the servicing of that debt, that is, the paying of the interest on that debt last year represented 5 percent of the province's revenues.

This year it's going to represent something between 10 and 11 percent of the province's revenues. In one year the interest charges on that debt have doubled and, Mr. Speaker, my honourable friends across the way may not be concerned about that, but I tell you that the average ordinary taxpayer in Manitoba is starting to get pretty concerned about it, because he and she knows that he and she and their children are going to have to pay for this huge mountainous debt that these people are building up and have added to so substantially since they came into office in November of 1981.

So, Mr. Speaker, \$282 million, which is the net figure for servicing the in-government debt - that's not the utility debt, that's not the utility debt at all, that's just the government debt - \$282 million is the price tag that the Minister of Finance has put on debt interest charges this year, 10 percent of all of the revenues. Ten cents out of every dollar that every taxpayer in Manitoba pays to the coffers of the Government of Manitoba now goes to pay just interest on the inner-government debt.

Everybody who pays the 6 percent sales tax - .6 cents of that sales tax will be going to pay for the interest charges on the debt. I don't know if the Member for The Pas, or the Member for Rupertsland, or the Member for Wolseley, or any of the other members were told in such stark terms that that's what they're going to be asked to vote for eight days hence. That's what they're going to be asked to vote for - a doubling of interest charges in one year, because of incompetence among their colleagues and if that keeps on and there's no prospect, Mr. Speaker, of the kind of recovery occurring that would obviate the necessity of that kind of borrowing. If that keeps on, it's going to be 15 percent next year and the province can't afford 10 percent, Mr. Speaker, of its revenues going into debt servicing, just for the inner government debt. So I issue a warning to my honourable friends opposite that they're getting into deep water and we know they can't swim and the trouble is that when they go down they may be taking this province down with them and the job of us on this side is to throw out a lifesaver for the province. If my honourable friends go down it won't be any loss, but the province is too big and too important and the people are too important to be led into this kind of fiscal degradation by a group of incompetents who don't know their work and who don't know their job.

Mr. Speaker, the debt is the highest in Canada. We are satisfied that this government is not leveling with the people of Manitoba; it is not forthrightly telling the truth to the people of Manitoba about the state of the province's finances. It is not based on its projections of revenue and expenditure and deficit last year; it is not able to make projections based upon realistic fact,

even though we in opposition have been closer in our predictions as to what was really happening in this province without the resources that my honourable friends have. We can usually give a closer figure as to what the truthful picture of finances is and, you know, Mr. Speaker, that comes from a state of mind that is expressed probably as well as anything by one little example that I want to point out about the fudging, about the willful evasion, about the willingness to distort, about the happiness to mislead the people of Manitoba which unfortunately has become endemic with this government. It's a disease that afflicts them; it's bad. It reflects negatively on their credibility. They're not capable of being believed anymore, Mr. Speaker, and that reflects on the whole political process and that's bad for the whole political process.

I cite as one small example of this kind of nonsense of misleading information to put into a Budget document the page that shows up in the 1983 Budget Address marked A 10, Provincial Total Debt Per Capita Comparison as of March 31, 1981. Mr. Speaker, we were still in office on March 31, 1981 and the debt was still under control on March 31, 1981. Why didn't my honourable friends attempt to update those stale 18-month-old figures and put in the figures for January of 1983? Why would you go back and try to fool the people of Manitoba that the per capita debt of the people of Manitoba was, according to them at that time, \$4,014.00? Well, it probably was then. It's closer to \$6,000 now and they know it. Why do they have to fudge the truth all the time?

Mr. Speaker, we hear people on the other side of the House particularly wondering about why, from time to time in this House, there is animosity between this side of the House and that side of the House. I think, Mr. Speaker, I have just outlined one of the great reasons for some of that animosity. It's the inability and the failure of this government and its individual Ministers, by and large, to tell the truth and I cite that one small example, Mr. Speaker, as only one small indication of how they will try to fudge the figures, put in phony graphs, do anything at all to kid the people of Manitoba to believe, for instance, that the per capita debt in Manitoba is the same today as it was on the 31st of March, 1981. That kind of behaviour, that kind of portrayal of statistical information is unworthy of an elected government in a free country. I call upon, again, the First Minister of this province, if he has the ability to do it - and that's a serious question in itself - to ask his Ministers to observe at least the lowest standards of probity when they are answering questions in this House, when they are participating in debates in this House, when they are making budget statements in this House.

The people of Manitoba are entitled to the truth, nothing less than the truth. We have been getting much less than the truth from this government, from its Ministers, First Minister on down, for the last 14 months and it's got to come to an end. Mr. Speaker, so long as I live and breathe and stand in this House to speak, I will call out untruths as they utter from the mouths or from the writings of those people across the way as will my colleagues. We will attempt to make them honest where their natures don't permit them to have that character. So, Mr. Speaker, that kind of fudging has no place in a document that is attempting to show the financial status of the people of Manitoba.

Mr. Speaker, it is because of all of these reasons that I find this government again has failed its mandate to the people of Manitoba and it is because of this that I am moving an amendment to the motion placed by the Minister of Finance last evening, seconded by the Honourable Member for Turtle Mountain, that all of the words following the word "House" be deleted. Copies will be distributed, Mr. Speaker. Listen to the words before you applaud.

THAT all of the words following the word "House" be deleted and the following added:

"regrets that in presenting its second Budget, the government:

"1. has failed to portray accurately and clearly the financial affairs of the province;

"2. is following a course of fiscal mismanagement that is potentially ruinous;

"3. has established a taxation system and investment climate that discourages job creation;

"4. has imposed tax increases upon the unemployed and other low income people to provide one of the largest pay increases in Canada for provincial government employees, and

"5. has seriously damaged its credibility and has thereby brought the democratic process into disrepute."

MOTION presented.

MR. SPEAKER: The Honourable Minister of Labour.

HON. M. DOLIN: Mr. Speaker, it is my great pleasure and honour to contribute to this discussion of the Budget that was introduced by my colleague the Minister of Finance.

A MEMBER: Hear, hear.

HON. M. DOLIN: As the Minister of Finance noted in the introduction to his Budget Address, the major priorities of the New Democratic Government are the creation of jobs and the saving of jobs. Now we are aware as is any reasonable person that Manitoba does not operate in a vacuum. We are subject to the forces of economic recession in the world and in Canada. The severity of the recession and its devastating impact on employment has not been seen for more than 40 years. It's tempting to put everything on hold or on freeze as some of our friends opposite have suggested.

Perhaps they feel that if we all hunker down we will somehow survive the storm. Well in that sort of case some do survive but some don't. It's the belief of this government that we must act to mitigate the worst effects of the economic storm. Action is what the Budget prescribes, action to create jobs, to maintain jobs, that's the keynote of this Budget.

A MEMBER: Hear, hear.

HON. M. DOLIN: The alternative prescription of layoffs, of freezes, of government inaction has been made in the vain hope that the dynamics of the so-called free market economy will straighten things out. Ask Manitobans who are feeling the corrosive effects of unemployment, those corrosive effects on their minds and on their spirits, ask them how much faith they have

in Tory nostrums of the so-called free market approach. What a terrible price they've had to pay in terms of lost self-esteem, in terms of lost hope, in terms of the devastated families and their communities, and in terms of their lost sense of an ability to contribute to their communities. This government, Mr. Speaker, makes no apology for emphasizing meaningful job creation as central to its policies.

MR. R. DOERN: Makes sense.

HON. M. DOLIN: We make no apology at all for the practical steps that we are taking to put Manitobans back to work. We make no apology at all for mustering the resources of our Manitoba community through this Budget to work towards that goal. We ask that all Manitobans join us so that those without jobs can be helped by those who are employed so that the most fortunate can help the least fortunate.

A MEMBER: With a tax on employees.

HON. M. DOLIN: Manitobans for many years have shown that they will keep faith with governments that keep faith with them, governments that concern themselves with practical solutions to their very real problems, problems like unemployment. Historically in Manitoba it is those governments that address these real problems, that address them with compassion, with creativity, and do so in a spirit of co-operation, those are the governments that have held the trust of Manitobans. I'm proud to say that our 1983 Budget Address, the one delivered by my colleague last evening, is in keeping with the best of these historical traditions.

A MEMBER: It was terrible.

HON. M. DOLIN: The Jobs Fund established in this Budget through the creative application of tax revenues, through redirection of planned expenditures, and through the utilization of saved wages and salary expenditures is the clearest evidence yet of this government's dedication to several things - to our dedication of tackling tough problems like increasing unemployment, tackling that in the most creative way possible. It's an indication of our dedication to not backing away from the most pressing of human problems, in fact, addressing these in a real sense of compassion and co-operation.

This government, Mr. Speaker, realizes that the protection of jobs is sometimes just as important as the creation of new jobs. This is particularly true in times of labour market crises such as we are now experiencing in Canada, and in fact in North America, and certainly in Manitoba, and indeed to an even greater extent in the other parts of our country and the world. Activities begun by our government during the past year have been addressed to this crucial aspect of the labour market problem.

A MEMBER: That's why there's so many unemployed.

HON. M. DOLIN: The key is to act and to remain adaptable, to be flexible to the needs of people and employers, to be ready with direct job creation, with

training, with retraining of our work force, with layoff prevention, with job sharing, to be ready with whatever it takes to protect people from the ravages of the current recession.

We need to be constantly ready with effective measures which seek co-operation in finding solutions to tough problems and that is the hallmark of a caring government, of this caring government. The Jobs Fund, Mr. Speaker, is an example of this caring and of this readiness. I congratulate, in fact, the Minister of Finance for making the issue of jobs so central to his Budget, and to his Budget Address.

As was mentioned in the Budget Address the dedication of \$200 million to the Jobs Fund more than doubles the amount dedicated to job creation in the current fiscal year, that is 1982-83. This is not a completely new thrust on our part but it is a continuation and in fact a far stronger emphasis which we believe to be essential.

Some successes have been notable in our current undertaking and hopefully will form the basis for our decision making on what can be done with the Jobs Fund in the future. We have had job protection take place in our mining communities. I can give you examples of Thompson, and the Inco factory there; Leaf Rapids, and Lynn Lake in co-operation with Sherritt Gordon. These projects involved collaboration with communities, with labour and their representatives, with the companies, with the Federal Government and with the province. Provincial funds were combined with federal funds, with monies from the companies, and with municipal contributions to enable local workers and local works to be undertaken in the community.

Thompson is the most dramatic success of these. 370 jobs were created during the Inco shut-down, that's just during the shut-down. Over 70 projects, jobs for both Inco employees and for unemployed citizens as the projects expanded, \$3.1 million left behind in assets for the City of Thompson were directly realized as a result of the funding and of local project management.

In Leaf Rapids and Lynn Lake 154 jobs were created in five major projects. Job creation grants were given to nonprofit groups as well, principally in the north where unemployment is of course, the highest. There are three programs taking place in the job creation endeavour in that area. One of these is the Northern Employment Projects. Labour and Employment Services is responsible for the management of this project, which gives grants for community projects; 177 jobs have been created in roughly 28 projects.

Northern job creation, through the Department of Northern Affairs, is aimed primarily at remote areas: employers, co-ops, nonprofit organizations, Band Councils and so on. All received grants for viable employment projects; 622 jobs were created in that endeavour.

The Northern Youth Corps is an ongoing program of assistance to persons in the north. This particular project creates summer jobs for northern young people; 363 jobs were created through that program in the current year.

HON. M. DOLIN: We also give grants to consumers for their own grant of job creation. Housing and home improvement related activities have been undertaken

by individual consumers with government assistance and that entails a series of direct and spin-off benefits. Some of the more important of these are the creation and protection of trades-related employment.

Some of the examples of the projects under which consumers can apply and therefore, put these trades-related people back to work, are the Home Energy Savings Demonstration Program; the Small Scale Energy Demonstration Program; the Homes in Manitoba Program, which includes affordable new homes; the Buy and Renovate Program and the Nonprofit Family Housing Program. We also have a Home Insulation Loans Program and the Critical Home Repair Program, all heavily subscribed by consumers.

We have a number of Wage Assistance Programs where we co-operate with other employers to put people back to work. The foremost of these is the Manitoba Employment Action Program, sometimes called MEAP. It includes grants to businesses, to farmers, to nonprofit groups and communities who only apply under this program to receive assistance in putting people to work. We have estimated 1,700 jobs, either already on stream or coming on stream in the next couple of weeks, under the Manitoba Employment Action Program. You've probably seen news releases in the last few days commending this program.

Northern Job Experience Program offers wage assistance to small business in the north, those with less than 50 employees, and that takes care of a lot of employers in Manitoba, small business and nonprofit community organizations; 205 jobs were created under that program. I hope you have your calculators out.

The Career Internship Program offers employment to students and, in many cases, allows them to continue their education, which they would not be able to do unless they had employment in the summer. It's as a career focus which then has the double benefit of offering them experience, so that when they go out to find a career-related job after graduation from university, they already have experience; 3,981 jobs were created through that program.

In our accelerated capital works activities, we have several other programs that have created numerous jobs. In co-operation with the City of Winnipeg through the Department of Urban Affairs, there has been a Winnipeg Water and Sewer Renewal Program, obviously a much-needed program by the city. It has also put 956 people to work.

Through repriorization within our departments and within our departmental budgets, we have accelerated various programs that have provided an additional 258 jobs.

Something that should be of interest to the members opposite - the renovation of rural public housing - 600 jobs will be created in that program.

In co-operation with the federal government, we have been working out the details of the Employment Development Program. I expect to make an announcement with the Federal Minister and the Minister of Education on Monday, that will appoint an advisory board. The membership is a combination of both provincial and federal members, that is, the Need Program that you have been hearing about and the announcement of the first projects under that program will also take place on Monday. Mr. Speaker, these current activities are among the most far-reaching set

of job development, job creation and job protection programs ever established in Manitoba.

Mr. Speaker, the Jobs Fund announced in the Budget Address will more than double the resources devoted to these types of job activities. We'll also introduce a new set of mechanisms for more effective implementation of job activities; in other words, the special legislation, a senior committee of Ministers, chaired by the Premier. We will build on the strength of our current experience in this area, especially on two strengths: immediate jobs connected with valued, physical assets, and the valued heritage of people working together in a common cause in a time of crisis. I am referring here, Mr. Speaker, to the dedication of this government to those various groups who are instrumental and who are key actors in the Manitoba economy. Whether they are at the level of a local shop owner, a labour organization, or a large enterprise such as Inco or community organizations that range all the way from the City of Winnipeg to the Senior Citizens' Job Bureau. We make a pledge in common cause with all of these groups, Mr. Speaker, that we will work together to ensure that the Jobs Fund achieves practical results, jobs for Manitobans, and assets for the future.

In his Budget Address, the Minister of Finance referred to some major projects which we are hoping to develop in co-operation with the federal government. Incidentally, these types of projects, Mr. Speaker, have an obvious and direct spin-off effect on the private sector and I refer again to our experience in Thompson. I'm going to quote from the Free Press, December 24, 1982, being Christmas Eve, you may have missed this one. I will quote from an article entitled, "Thompson Work Projects Termed Unmitigated Success." — (Interjection)— That's right. This is a quote from Project Manager, John Harkness. "Harkness noted a healthy financial spin-off also has reached the local business community. Northwest Lumber Company has received orders for \$100,000 worth of material for the school program. NorMan Glass Company has orders of about \$70,000, he said." Direct spin-off for the business community.

The Thompson Improvement Projects have been reported upon in this report filed by those groups that were directly involved - not the provincial government, not the federal government, who were involved in getting the groups together but a report authored by Inco Metals Co., the City of Thompson, the School District of Mystery Lake, Thompson General Hospital and USWA Local 6166. Let me read to you from the conclusion:

"The Thompson Improvement Project Program, encompassing the opportunity to work for approximately 370 people, while realizing lasting assets, can only be described as incredible, involving the coordination of many individuals and groups which to single out any one individual or group would be an injustice to the many others involved.

It is with some sadness that the economic plight of the community was the seed that brought the TIP Program to Thompson. However, it is with great pride that, as the manager and one of the many who worked on the projects, I will always remember the success, the quality and quantity of work carried out, only surpassed by the very high moral of all of the workers, coordinators and sponsors to whom the City of Thompson owes so much. The camaraderie formed by

all involved will surely last as long as the fixed assets for many, many years.

To conclude, the Thompson Improvement Project Program has been an unmitigated success to stand as a model for Manitoba and for Canada."

A MEMBER: Another testimonial. The list goes on.

HON. M. DOLIN: Mr. Speaker, we are kept well aware of this through repeated and recent representations from a series of private employers. The members opposite are quite aware of this benefit if they would care to recall the devastation heaped upon the private sector when that government restrained and froze construction projects immediately upon their short-lived term in office in the beginning of 1977.

Some of the major projects which this government hopes to bring into being, and with no apology at all for doing so, are the industrial development projects such as the National Research Council Institute for Manufacturing, Science and Production Technology. Transportation projects such as the upgrading of the Hudson Bay rail line from The Pas to Churchill, forestry projects, including expansion and modernization of the ManFor plant, Hydro projects such as the extension of power lines to the Port of Churchill, special facility construction and infrastructure projects such as the new Remand Centre, a new materials testing and research lab, flood prevention projects and technical education facilities.

Business projects will include the acceleration of Main Street Manitoba in co-operation with our rural friends.

These projects, Mr. Speaker, represent two of the key objectives of our government in a concerted attack on unemployment. Various groups, in this case many senior governments, must work together and our future heritage that is our key, tangible and long-term assets can and should result from many of our job creation programs.

A specific example of how these objectives can be achieved, Mr. Speaker, is seen in the example which I just presented to you, in the City of Thompson. We have seen this approach come to fruition where we have \$3.1 million in assets being realized by that city. At that same time local people were employed, happily employed in the renovation of the elementary and high school facilities and many other programs in Thompson.

Those projects, initiated during the past number of months are a stunning example of how people in organizations can work together and I'm not saying it was easy. It is difficult to get people together and get them working together but it was done. Jobs were created, community facilities were improved and we rekindled a sense of hope during a time of dire need. Mr. Speaker, this tells us what is possible and actually what is crucial to the success of the Jobs Fund and it's people working together.

Mr. Speaker, I would like to remind members that special legislation will be introduced to implement the Jobs Fund. The purpose of this legislation will be, in part, to enable the advisory and the joint input of a range of employers and employee representatives in the crucial judgments, in making those crucial judgments that relate to the uses of the fund. As the Premier has mentioned, the MGEA will be part of that

advisory role immediately in recognition of the money that they have given to that endeavour and this has already signalled the sense of community and co-operation that is the hallmark of this undertaking and in fact of our government.

We believe, Mr. Speaker, in working with people and with organizations, not against them, not above them but with them. This is particularly true in an area as difficult as that of attacking unemployment and of creating jobs. The economic summit of business, labour and public sector leaders which was held last fall marked the beginning of that process. The Jobs Fund will be the next major step. In short, Mr. Speaker, our approach is quite simple. People have the right and indeed they have the responsibility to be involved in tough decisions that are facing us all. The government has an obligation to convene these joint undertakings and to therefore deal with people honestly and openly. No one gains anything by trying to fool anyone else. This is an essential aspect of this government's 1983 Budget and it will characterize our approach to the Jobs Fund and to the whole employment situation. We do not pretend that the \$200 million Jobs Fund will completely solve Manitoba's unemployment burden and will bring us to full employment.

Firstly, no government can solve the unemployment crisis alone. Co-operation needs to exist between government, business and labour and that's essential to our success. Secondly, different orders of government must develop and maintain certain initiatives jointly. The Minister of Finance's telex to the Honourable Marc Lalonde requesting federal participation in certain major projects is an example of how our government actively seeks to maintain the spirit of co-operation that has been established during our term in office. Manitoba alone will have little impact on those factors plaguing the national and international economies and causing such severe unemployment across many nations. Manitoba's history though is one of co-operative cross-governmental relations designed to maintain a record of steady growth in good times and relative strength in bad times.

Manitoba's history is one of co-operation, co-operation between various public and private sectors of our own economy, a mixed economy of relative strength and endurance. Manitoba's history is one of progress, progress being achieved in the face of adversity when there is a government that cares, a government that is not afraid to tackle tough problems and a government that realizes that government itself can and should be used as an instrument for that progress.

Mr. Speaker, Manitoba's history is respected in this Budget. In particular, the creation of a Jobs Fund signals a respect, a respect for co-operation across governments, respect for co-operation among the public and private sectors of our economy and the positive role of government in addressing crisis situations.

Mr. Speaker, in closing, I am compelled to draw the House's attention to the stark contrast that exists between this approach that is based on compassion, on creativity, and on co-operation, and compare that with that advocated by others in this House who in the past and even until today have advocated a lesser role for positive government action, mean-minded, slashing restraint, a do-nothing approach, government stay out.

As I have said, Mr. Speaker, we could have followed those prescriptions and hoped like Mr. Macawber that something would turn up. We could, like Scarlett O'Hara, think about it tomorrow. We could sit and speculate on what might have been as the Leader of the Opposition did this morning on CBC Information Radio. He said that he would have introduced a real restraint program had he been able to hang onto the government. We all know what Tory real restraint is. Manitobans know, they experienced it and you know what? - they didn't like it. They threw it out; they threw out real restraint as proposed by the Leader of the Opposition and they threw him out along with it. Tory restraint bites deeply into those elements of society which are often least prepared to deal with it.

MR. R. DOERN: Right, hit the little guy.

HON. M. DOLIN: Tory restraint means reduce services to those most in need.

MR. R. DOERN: One percent.

HON. M. DOLIN: Tory restraint means cutbacks and layoffs. Those only further swell the ranks of the unemployed. Tory restraint brings a chill to the hearts and minds of those still employed as they live in fear. It's like a prescription to a patient that's suffering from the flu, a prescription that says, go take a dip in an icy lake and then roll in the snow.

Well, there are some in this House that perhaps think that would work. We think it just might bring on terminal pneumonia. Our government believes that we must be creative in finding new approaches to the job situation. The range of jobs stimulating projects which will be developed will attest to this belief. This government believes that we must have co-operation of the total community in the task of job creation if our efforts are to be maximized. This government believes that it must operate on the basis of compassion, giving most to those who are most in need. Harnessing the resources and goodwill of those with jobs to the crucial task of expanding job opportunities for those who are denied them now.

I'm proud of this Budget, Mr. Speaker. I'm proud and confident about this Budget's commitment to action and to courage as evidenced in the establishment of the Jobs Fund. I am proud to commend this Budget; I'm proud to commend the Budget and its provisions to all of you and, indeed, to all Manitobans.

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

MR. G. MERCIER: Mr. Speaker, I have a question for the member if she would be willing to answer it. I would ask the Minister of Labour, Mr. Speaker, if her prepared notes which she read so well contain any information about the cost of a job?

Mr. Speaker, I move, seconded by the Honourable Member for Pembina, that debate be adjourned.

MOTION presented and carried.

MR. SPEAKER: The Honourable Minister of Highways.

Friday, 25 February, 1983

HON. S. USKIW: Mr. Speaker, I believe there is agreement that we call it 1:30. I move that we adjourn.

MR. SPEAKER: If it is the will of the House to call it 12:30, the House is accordingly adjourned and will stand adjourned until 2:00 p.m. on Monday.