



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

**DEBATES
and
PROCEEDINGS**

31-32 Elizabeth II

*Published under the
authority of
The Honourable D. James Walding
Speaker*



MG-8048

VOL. XXXI No. 15A - 2:00 p.m., MONDAY, 28 FEBRUARY, 1983.

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	Virder	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

Monday, 28 February, 1983

Time —2:00 p.m.

OPENING PRAYER by Mr. Speaker.

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

MINISTERIAL STATEMENTS AND TABLING OF REPORTS

MR. SPEAKER: The Honourable Minister of Energy and Mines.

HON. W. PARASIUK: Mr. Speaker, I beg leave to table the Annual Report for 1981-82 of The Manitoba Mineral Resources Ltd.; and The 31st Annual Report for the year ended March 31st, 1982 of the Manitoba Hydro-Electric Board. I just note that this latter report was distributed to members in the summer.

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. B. URUSKI: Mr. Speaker, I beg to table several reports: The Manitoba Water Services Board for the year ending March 31st, 1982; The Manitoba Agricultural Credit Corporation Annual Report 1981-82; The Manitoba Crop Insurance Corporation ending March 1982; and The Manitoba Milk Prices Review Commission 1981-82.

MR. SPEAKER: Notices of Motion . . .

INTRODUCTION OF BILLS

HON. L. EVANS introduced Bill No. 27, An Act to amend The Social Services Administration Act.

MR. G. MERCIER introduced Bill No. 32, An Act to amend The Municipal Assessment Act.

HON. L. DESJARDINS introduced Bill No. 33, An Act to amend The Pharmaceutical Act.

HON. V. SCHROEDER introduced Bill No. 34, An Act to amend The Criminal Injuries Compensation Act.

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we reach Oral Question period, may I direct the attention of members to the loge on my left where we have a former member of this Assembly, Mr. Sidney Green.

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

In the gallery are 35 students of Grade 9 standing of the Alexander Ross School. The visitors are under

the direction of Mrs. McLean; the school is in the constituency of the Honourable Member for Assiniboia.

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

ORAL QUESTIONS

Health Sciences Centre - strike

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. L. SHERMAN: Mr. Speaker, my question is to the Honourable Minister of Health and I would ask him, Sir, whether he can, in the light of the current circumstances relative to the strike taking place at the Health Sciences Centre and other difficulties in the health care worker spectrum in Winnipeg and Manitoba at the present time, assure this House that he is satisfied that up to this point in time there is no threat to the life or health where Manitobans are concerned?

MR. SPEAKER: The Honourable Minister of Health.

HON. L. DESJARDINS: Mr. Speaker, the situation of course is not a pleasant one, be it a strike or a work-to-rule or a seminar; it could be from the providers of services or maintenance people or even the medical profession. It always creates a hardship on people; that's the reason for the strikes. My responsibility as the Minister of Health is to do exactly what the member has suggested, make sure that the essential services are provided and there is no danger, although of course I'm not going to minimize the inconvenience that poses. Sure, I'm in daily contact with the hospitals through the Manitoba Health Services Commission and in contact with the College of Physicians. Also, I'm told that there is no danger at this time.

MR. L. SHERMAN: Well, Mr. Speaker, can the Minister advise the House as to which takes precedence in the difficulty and the conflict at the present time insofar as the question of sanctity is concerned, the sanctity of the patient and his/her life, health and safety, or the sanctity of the picket line?

HON. L. DESJARDINS: Mr. Speaker, I think that the member already knows the answer to this question. There hasn't been any change in legislation since the change of government, in the past strikes were allowed and I say, as Minister, we have different members in the Cabinet. My responsibility as Minister of Health - and I would not hesitate to go to Cabinet - is to make sure that the essential services and the life of the patient be respected. As far as I'm concerned, my job is to protect the patients and the welfare of the health of the people of Manitoba.

MR. L. SHERMAN: Well, Mr. Speaker, I wonder if the Minister would advise the House whether he thinks that

a diversion or a rerouting of an ambulance with a seriously ill patient, bound for the Health Sciences Centre, arbitrarily by the driver of the ambulance involved, to another hospital at which the patient's doctor, of course, was not in attendance because the doctor was at the Health Sciences Centre, that kind of arbitrary unilateral decision by an ambulance driver causing the rerouting of a seriously ill patient because that ambulance would not cross a picket line at the Health Sciences Centre, constitutes a threat to life, health, or safety where the patient is concerned, and constitutes a situation in which his conscience can remain comfortable.

HON. L. DESJARDINS: Mr. Speaker, of course, if there are any problems that are brought to the attention of my honourable friend, I think that I should be informed immediately and I certainly will check into it. But let's remember, Mr. Speaker, that even when there are no strikes there are always cases every year, certain cases - we are human beings, the medical profession also and the administrators of hospitals - where people have been transferred without the knowledge of their doctor to other hospitals for a number of reasons, where an ambulance attendant has been bringing in a patient to a certain hospital and he is redirected to another hospital. It might not be for the same reason and this is something that might happen. Now, I can't go into details. I would imagine that something was brought to the attention of my honourable friend and I certainly would be glad to look into it.

MR. L. SHERMAN: Mr. Speaker, I acknowledge what the Minister says about diversions and reroutings of ambulances in the normal course of events in the health care system. Obviously there are, and quite demonstrably, situations in which hospitals are overloaded in terms of patient capacity and ambulances are rerouted elsewhere, but my question has to do with an ambulance driver's refusal to cross a picket line to transport a patient into the Health Sciences Centre which obviously was not overloaded with patients. The patient volume at the Health Sciences Centre is only about 50 percent at the present time, so my question has to do with the decision of an ambulance driver not to cross that picket line with his patient. I'm asking the Minister whether he finds that acceptable.

HON. L. DESJARDINS: Mr. Speaker, my answer is the same. This is something that I haven't heard anything about and if the honourable member can provide me with all the details I certainly will check into it. If need be, I will call the two parties together to make sure that we understand what essential services are and that the life of the patient is the most important thing. Now, I would ask the member to again provide me with this information and I'll check into that immediately.

MR. L. SHERMAN: Mr. Speaker, I can certainly do that and I will do that, but I'd also like the assurance of the Minister in the House that he will take action to ensure that sort of thing is not continued, and that ambulance drivers and crews in this city are instructed by his office through the Health Services Commission and, if necessary, through the City of Winnipeg, the

two funding agencies, the Manitoba Health Services Commission and the City of Winnipeg, that they are not to risk life, limb and safety of patients by some arbitrary decision to respect a picket line in a dispute in which they are not directly and professionally involved.

HON. L. DESJARDINS: I don't doubt the sincerity of the member, but nevertheless I'd want to investigate and see the other side of the paycheck statements. It seems that the Leader knows all the answers. I don't know why they bother asking questions. There are many I don't know, Mr. Speaker. The answer is exactly the same and I must say that definitely, I'm not a doctor. I must rely on some of the advice that I'm getting from the administration of hospitals; also, from the different medical committees of these institutions. Now we are not doing anything differently that was done just a few years ago when the Leader was sitting on this side and the member that questioned me was the Minister of Health. There's been some difficulty.

MR. SPEAKER: The Honourable Leader of the Opposition.

Picket lines - ambulance drivers

HON. S. LYON: Mr. Speaker, a question to the Minister of Health. Can he give this House and the people of Manitoba the assurance that his office will issue an instruction to ambulance drivers in Manitoba, that if they have sick people in the ambulance they are to take the sick people into the hospital and not to respect some phony picket line, and put a jeopardy of the health of sick people in this province?

HON. L. DESJARDINS: Mr. Speaker, I wish that the Leader would have had the same concern when the medical profession were striking. I didn't hear too much about the safety of the patient at that time.

I'll repeat again, I will investigate and we'll take our responsibility.

HON. S. LYON: Have you got the guts to do it?

HON. L. DESJARDINS: The same member has usually accused me of having too much guts.

MR. SPEAKER: The Honourable Member for Turtle Mountain.

Agreement with Native people

MR. B. RANSOM: Mr. Speaker, my question is for the First Minister. On the 21st of January the government put out a news release that stated, "The Province and Indians Sign Milestone Agreement." That agreement apparently had embodied five principles and one of the principles was, and I quote from the press release, "The Manitoba Government recognizes the aspirations of the Indian people to achieve self-determination and will support the evolutionary process of Indian self-government within the Canadian Constitution."

Would the First Minister advise the House exactly what the government means by self-determination and self-government for the Indian people?

MR. SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: Mr. Speaker, the Indian people of Canada have been gradually moving toward more and more self-government in regard to the running of their affairs. The best example this last period of time has been more and more local autonomy re schools.

MR. A. RANSOM: Mr. Speaker, is the First Minister telling the House that what he meant by signing this milestone agreement with the Indian people, one of the five principles of which was that they would support self-determination and self-government for the Indian people, was that they should be able to control their own schools?

HON. H. PAWLEY: Mr. Speaker, that is certainly part of the overall tenure of the agreement. It's my view that whether it be Indian or non-Indian people, whether it be through provincial, or municipalities, or through bands at the local level, that people should gradually evolve to a state where they have more and more control over the running of their own affairs at the local level and certainly that includes the Indian people of Canada.

MR. A. RANSOM: Mr. Speaker, in view of the fact that the First Minister is going to Ottawa later this month to discuss the Constitutional question as it relates to the Native peoples of Canada, will the First Minister be providing this House with an opportunity to be aware of the government's position prior to that conference and to debate the question in this House before the First Minister goes to Ottawa?

HON. H. PAWLEY: Mr. Speaker, there is plenty of opportunity during the Budget Debate if the honourable member wishes to stress particular points that he would like to ensure the government will take at the Constitutional Conference. I encourage him to participate during the Budget Debate which in fact will continue throughout this week to next Monday, giving us adequate time to fully receive the points of view and expressions of concern that the honourable member may very well have.

Mr. Speaker, the Indian people of this country should indeed move more and more toward self-government at the local level and less and less dependence upon the Department of Indian Affairs in Ottawa.

MR. A. RANSOM: Mr. Speaker, I fear that what the First Minister has described as self-determination and self-government for the Indian people is not what the Indian people have in mind by self-determination and self-government.

Indeed, we would welcome the opportunity to debate the government's position, and we might even be persuaded to use the Budget Debate as a time for doing that, Mr. Speaker, if the First Minister will agree to table the government's position in the House with respect to self-government and self-determination. My question, Mr. Speaker, is will the First Minister prior to going to Ottawa, prior to the Budget Debate concluding, table his government's position with respect to the place of Native people relative to the Constitution of Canada?

MR. H. ENNS: That sounds pretty fair.

MR. SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: Mr. Speaker, the position that Manitoba will be taking in Ottawa will be one that will certainly be tabled at the appropriate time in this Legislature. That position is presently being developed along with the input of other Manitobans.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. SPEAKER: Order please. The Honourable First Minister.

A MEMBER: Can't remember what they signed; he can't remember what he signed; you don't remember signing?

MR. SPEAKER: Order please. The Honourable First Minister.

HON. H. PAWLEY: Mr. Speaker, we'll be delighted to deal with the position that we will be taking at the Constitutional Conference, as well I'm sure that every other government in Canada be prepared to justify the position they take at the Constitutional Conference.

MR. SPEAKER: The Honourable Member for Turtle Mountain.

A MEMBER: Like the MGEA.

MR. A. RANSOM: Mr. Speaker, the Constitutional discussions which will take place in Ottawa later this month will have great significance for all Canadians and a special significance for the Native people of Canada. To my knowledge no other government will be going to Ottawa supporting self-determination and self-government for Native people, described in those terms, Mr. Speaker. So I think it's a very important point that the question for the Legislature to debate, the First Minister has asked us to debate it in the Budget, will he table the government's position in this House in time for us to have an opportunity to debate it?

MR. SPEAKER: Order please. Does the Honourable Minister of Natural Resources have a point of order?

HON. A. MACKLING: Mr. Speaker, I rise on a point of order. The honourable member has asked a question previously; he did so by, first of all, speaking for at least two or three minutes. When asked what the question was by the Speaker then he formulated a question. He's doing the same thing now, Mr. Speaker, and I think you should point out to that member, and all members, that if they have a question they should indicate the nature of the question at the outset and if there is any elaboration, any background in respect to the basis of question, fine; but to stand in their place and make a speech and then be asked to formulate a question is improper.

MR. SPEAKER: Order please. Order please. I thank the Honourable Minister for making that point and I trust it will be borne in mind by all members.

The Honourable Member for Kirkfield Park.

Winnipeg International Children's Festival

MRS. G. HAMMOND: Yes, my question is to the Minister of Cultural Affairs and Historical Resources. At a time of this government's record deficit and record borrowing, is the Minister really planning to fund a new festival called the Winnipeg International Children's Festival to the tune of about \$50,000.00?

MR. SPEAKER: The Honourable Minister of Cultural Affairs.

HON. E. KOSTYRA: Thank you, Mr. Speaker. There is a request in from a non-profit organization to have a major International Children's Festival in the City of Winnipeg later this spring and summer and at the present time the department is reviewing that request in conjunction with the various activities that are supported by the department. I might add that any assistance to this organization for this major Children's Festival will be done in the context of available funds looking at reviewing what has been assisted in the past by the department and maybe that this new endeavour would be supported in place of other activities that have been supported in the past.

Competition Assistance Grant

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

MR. J. MCKENZIE: Thank you, Mr. Speaker. I have a question for the Honourable Minister of Finance. I wonder if the Honourable Minister, or the government, are prepared to grant any new concessions to the service station operators, bulk dealers and garages along the Manitoba-Saskatchewan border now that the Budget and the government's position on the increased fuel tax will raise the energy costs there about 5 cents a gallon. I'm also wondering about new owners who want to come into the area. What kind of gailonage formula is the Minister and the government prepared to grant to them in case they do come in? I doubt it very much but there is some interest already in the area.

MR. SPEAKER: The Honourable Minister of Finance.

HON. V. SCHROEDER: Yes, Mr. Speaker. As a result of the changes announced in the Budget there will be a review of the Competition Assistance Grants. I might add that we do have some time before we come down with a final number because the tax does not go into effect until the next fiscal year.

MR. J. MCKENZIE: Mr. Speaker, that's a big help to the dealers along the Manitoba-Saskatchewan border. I wonder if the Honourable Minister can advise the House - and the trucking firms - what concessions the government plans to give to the trucking firms that now must pay about 6 cents a gallon more for diesel fuel as a result of his Budget.

HON. V. SCHROEDER: Mr. Speaker, when the Budgets of the other provinces are in I think we will see that we are fairly competitive with respect to our diesel taxes in Manitoba. Certainly they are currently, and will be in April, in line with Ontario's - I believe they will be slightly lower than Ontario's. The fact of the matter is that when you have zero taxes across the border we will not be competitive whether we are at the present rate or at the rate that we intend to charge at the beginning of April of 1983.

MR. J. MCKENZIE: Mr. Speaker, what a future the industry has along the border, those that are in trucking, with a Minister like that?

Mr. Speaker, can I ask the Minister about the new NDP government-passed smuggling by-law that was implemented not too long ago along the border of Saskatchewan, is the Minister now prepared to go back and talk to those dealers in the area, or the trucking firms in that area, to give them some hope for the future in their various industries - the gasoline, the bulk dealers, the service station operators, the trucking industry - or is he prepared now to build another wall between Manitoba and Saskatchewan which he's done as a result of this smuggling by-law that he passed in the Cabinet room?

MR. D. ORCHARD: Only the socialist hoards can get over the wall to get her and . . .

HON. V. SCHROEDER: Mr. Speaker, the previous government had smuggling by-laws with respect to cigarettes, tobacco and other products. This is something that has arisen as a result of the change in Saskatchewan and that happens to be a fact of life. Whether they like it or not, people using fuel in Manitoba ought to be paying Manitoba taxes. I don't think there's anything wrong with that. In fact, I think it is appropriate that citizens of one part of the province pay similar taxes to taxes that people are paying in other parts of the province, and for people to smuggle gasoline that they haven't paid tax on into the province, and then re-sell it to people as though they have paid tax on it, is something that I don't believe the average, ordinary, law-abiding citizen of Manitoba would approve. I don't believe for a moment that the Leader of the Opposition would approve of people doing something like that; and they could have, they could have, as he knows, done that from Alberta before. Now they can do it from Saskatchewan and it makes it more economically feasible.

The member has asked about the Competition Assistance Grants again and I would advise him that we have looked very carefully at those grants and at the charges that the gasoline stations have been making for gas, both before the gasoline tax was removed in Saskatchewan and after, and what has happened as a result of the Competition Assistance Grant. I can tell him that we are concerned that in some parts of the province there appears to be a much larger level of profit-taking now as a result of the Competition Assistance Grant and that some of that grant is going directly into the pockets of the station owners, rather than into savings in terms of what they had been charging before when the rates were the same as they were in Saskatchewan.

MR. J. MCKENZIE: Mr. Speaker, what a future we have in this great province with a Minister of Finance like that sitting over there. Who would ever hear of, in the history of my life in this province, see smuggling by-laws so that you can't transfer . . .

MR. SPEAKER: Order please. The Honourable Minister of Natural Resources on a point of order.

HON. A. MACKLING: Mr. Speaker, apparently the honourable member wasn't listening to your ruling, and I believe it was a ruling when I rose earlier and, Mr. Speaker, let Hansard record that the Official Leader of the Opposition is shouting from his chair and is trying to create some disorder in this House which is completely improper. Mr. Speaker, he continues to rant but I point out that members opposite have the right to ask questions, they have no right to stand and make a speech and then when they are brought to order, then put a question.

I ask you, Mr. Speaker, to indicate to the Honourable Member for Roblin that he is to ask a question, not make a speech.

MR. SPEAKER: Order please. The Citation that the Minister alludes to seems to be 359(2) and it says: "The question must be brief. A preamble need not exceed one carefully drawn sentence. A long preamble on a long question takes an unfair share of time and provokes the same sort of reply."

I would ask members to bear those words in mind in framing future questions and answers.

The Honourable Member for Roblin-Russell.

Gasoline and motive fuel tax increase

MR. J. MCKENZIE: Thank you, Mr. Speaker, I'll try to abide by your ruling. I wonder then, Mr. Speaker, can the Honourable Minister of Finance give me or the people of this province any position papers or any figures that he's calculated in his Budget to give us an idea of what the impact of these gasoline and motive fuel taxes increase will be, say on the trucking rates and the freight rates in this province, after April 1st?

MR. SPEAKER: The Honourable Minister of Finance.

HON. V. SCHROEDER: Mr. Speaker, as the members knows when costs go up to an industry there are possibilities of passing it through; there are possibilities that industries will have to swallow it themselves; there are possibilities that they can pass it on to some other individual or operation and in this particular case the same thing will happen. Maybe the industry will take a part of it. It may well be that there will be an increase in cost just as when the Roblin Government introduced the sales tax, the same thing would have happened to the industry or any other tax that's introduced in this country.

The fact of the matter is though, Mr. Speaker, that this tax is competitive in general with other provinces other than Saskatchewan and Alberta which have chosen to remove the tax from their provinces and just because they remove it doesn't mean that we can be in a position where we can remove it because by

removing it we either increase our deficit further, which the people opposite and we are concerned with, or cut back further on services and we have already cut back considerably on things such as our Civil Service.

Dumping of onions and potatoes

MR. SPEAKER: The Honourable Member for Portage la Prairie.

MR. L. HYDE: Thank you, Mr. Speaker. I have a question for the Honourable Minister of Agriculture. Can the Minister indicate what he is doing to help the producers in the province who are having to dump hundreds of thousands of pounds of onions and possibly potatoes, Mr. Speaker?

MR. SPEAKER: The Honourable Minister of Agriculture.

SOME HONOURABLE MEMBERS: Oh, oh!

HON. B. URUSKI: Mr. Speaker, I know the honourable member comes from the Portage area, the vegetable growing area of the province, which has been faced with huge imports at disastrously low prices thus causing difficulty in the industry in terms of the marketability of a large portion of their product including onions. The potato market as I understand, will absorb the local potatoes although albeit at far lower prices than previous years. The onion situation we did put on complementary with all the wholesalers and the retailers just about a month ago, the matter of promotion of Manitoba grown vegetables in stews and other commodities and we put on a massive promotion right across the province to try and assist and encourage Manitobans to use home-grown products and to make sure the vegetables that we produce in this province will continue to be grown so that our consumers can have good fresh grown vegetables in the Province of Manitoba.

MR. L. HYDE: Yes, Mr. Speaker, I have a second question to the same Minister. Has the Minister requested his federal counterpart to assure that the present surtax on the U.S. imports will not be removed on March 15th as this will create an even bigger surplus and a drop in prices to the producers?

HON. B. URUSKI: Mr. Speaker, the vegetable industry in terms of their marketing structures could, in fact, request certain conditions to be put into place if they, as an industry, thought that this would be the way to go.

Mr. Speaker, we have placed concerns before the Federal Government dealing with interprovincial marketings and the like dealing in the potato industry and the problems that they face. But to answer the honourable member specifically, I know we've had discussions with the federal people but whether or not that specific issue was addressed in some of our discussion, I'll take that question as notice.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. H. ENNS: Mr. Speaker, just a further supplementary on the same issue. I direct it perhaps

to the Minister Responsible for Economic Development. Mr. Speaker, not that I wish to return to the days when a former Minister of Government Services told institutions what kind of pork and beans to buy because they happened to own the plant at Morden - the plant by the way which is doing very well since it's been sold - but seriously at a time when institutions of all kinds are being hard-pressed to help come up with the kind of supplies that they're being asked for, has there been any serious thought been given by government to combine the two problems that the vegetable growers are faced with, that of surplus commodity, and in some way of working with the marketing board in an imaginative way to make some of those supplies available to some of the hard-pressed institutions that are providing foodstuffs for so many people they are being called upon to serve?

MR. SPEAKER: The Honourable Minister of Economic Development.

HON. M. SMITH: Mr. Speaker, it gives me a great heart to realize that as the problems mount in uneven supply and uneven demand that one of the members opposite is finally recognizing that just leaving things to the merciless ups and downs of the market is really a most unsatisfactory solution.

The development of planned supply and also some kind of a sane and responsible purchasing policy are, I think, the ways to go and I will, in my speech later this afternoon, be giving the main outlines of the government purchasing policy which is designed at least to provide some avenues by which such a problem could be dealt with.

MR. H. ENNS: Mr. Speaker, I thank the Honourable Minister for the answer but I hasten to remind her that this particular field is not left to laissez-faire economics. This is a very carefully controlled orderly marketing board situation, a marketing board, Mr. Speaker, that I had something to do with putting in place back in the '60s, but my question is . . .

SOME HONOURABLE MEMBERS: Oh, oh!

MR. SPEAKER: Order please. I'm sure that the Honourable Member for Lakeside had a somewhat extended preamble to his question but intends to get to the question very quickly.

The Honourable Member for Lakeside.

MR. H. ENNS: Mr. Speaker, I rise on a point of order. I'm speaking on a point of order.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. H. ENNS: I believe, Mr. Speaker, it is a point of order when Ministers repeatedly mislead the House. We've just had, admittedly, you know, I'm not going to make a big issue of it, but for the Minister of Economic Development to talk about the vegetable industry in the manner and way which he just did demonstrates a woeful lack of understanding about what's happening there. That is a fully controlled, orderly market industry.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. H. ENNS: It's this kind of stuff that they keep getting away with and throwing it back on the private system. So, Mr. Speaker, I'll simply say whether or not they did not have some reason to raise some objections to the Minister's response.

MR. SPEAKER: The Honourable Minister of Natural Resources to the same point?

HON. A. MACKLING: Mr. Speaker, I am raising a point of order. I'm going to ignore the "sit down and be quiet" from the Honourable Member for Sturgeon Creek. I'm going to draw to your attention, Mr. Speaker, that the Leader of the Opposition from his seat, after you had admonished the Member for Lakeside not to make a speech but to ask a question, indicated to that member audibly in this House, carry on and, in effect, ignore the Speaker's Ruling.

Mr. Speaker, the rules of this House apply equally on each side. You have indicated, and you have read the citation, that members are to ask questions and not to make speeches. If the honourable members will not follow your edict, there will be grave problem in this House.

I ask, Mr. Speaker, that you reiterate to the Member for Lakeside the ruling you made previously and point out to the Leader of the Opposition that the rulings that Mr. Speaker makes bind everyone in this House, including the Leader of the Opposition.

A MEMBER: Destroy this man.

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

SOME HONOURABLE MEMBERS: Oh, oh!

MR. SPEAKER: If I may repeat the citation referred to again in this House; 359(2) says "The question must be brief. A preamble need not exceed one carefully drawn sentence. A long preamble on a long question takes an unfair share of time and provokes the same sort of reply."

The Honourable Member for Lakeside.

Manitoba Vegetable Marketing Board - vegetable outlet

MR. H. ENNS: I certainly accept your admonition, Mr. Speaker. My question to the Honourable Minister of Economic Development then is, accepting now the fact that the vegetable industry is totally controlled as to production, acreage, poundage, distribution, price, and that a government supported agency exists, we, the people of Manitoba, helped provide that facility on King Edward Street, whether or not this isn't a possibility under these circumstances for the government agencies involved to sit down with this agency, namely, the Manitoba Vegetable Marketing Board, talk to the President and the Directors of the Manitoba Vegetable Marketing Board, to help them out of their dilemma and perhaps in an innovative way find some productive outlet for the millions of dollars worth of vegetables

that are now being wasted? That's always offensive to any person who values food in any form.

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. B. URUSKI: Mr. Speaker, the honourable member puts onto the record a statement indicating that everything is controlled by this commodity. Mr. Speaker, far from it. The producers of vegetables in this province, in terms of root crops, onions, carrots, rutabagas, potatoes, there is some loose organization dealing with acreage amounts, but as far as price is concerned, Mr. Speaker, and quantity produced and the market ability of same, they are on the market in the marketplace competing, as one might in the free enterprise system, as much as they can to market their product as best they can. They do try and solicit the support of retailers and wholesalers in this province to promote the use of their product because there is a comparative advantage to producing some of the products during the summer months, Mr. Speaker. But when there is over production south of the border in the free enterprise country of the United States, there are difficulties that the producers face. We have met with producer groups in an endeavour to promote and market the supply of vegetables that are in storage in this province.

Milk Prices Review Commission - members

MR. SPEAKER: The Honourable Member for La Verendrye.

MR. R. BANMAN: I wonder, Mr. Speaker, if I could ask the Minister of Agriculture a question and ask him whether or not he could confirm that the Board of Directors as listed on the Annual Report 1981-82 of the Milk Prices Review Commission have been fired by himself and his Cabinet colleagues.

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. B. URUSKI: Mr. Speaker, the year is 1983. There have been changes made in the board dealing with the Prices Review Commission.

MR. R. BANMAN: Mr. Speaker, I wonder if the Minister of Agriculture could tell this House why he fired that board before its term was up.

A MEMBER: Ask the Member for Lakeside.

HON. B. URUSKI: Mr. Speaker, one could put the question in reverse. Does the honourable member continue to beat his wife? I mean one could put the question in that way.

Mr. Speaker, the board members are appointed at the pleasure of the Lieutenant-Governor-in-Council and they are replaced as such. Mr. Speaker, we felt that in over the period of time the board was in place, for over a year, we started making the transition and we have

replaced the board with appointments of this government.

MR. R. BANMAN: I wonder if the Minister could confirm that the individuals that he has fired from this particular board, those individuals' terms were not up.

HON. B. URUSKI: Mr. Speaker, there was no one that was fired from any board. The honourable member should know that the appointments are made by the Lieutenant-Governor-in-Council. If someone, Mr. Speaker, was appointed . . .

MR. D. ORCHARD: Try the fruit, Billie.

HON. B. URUSKI: Mr. Speaker, the Honourable for Pembina keeps chirping away in his corner. If he has a question, he could rise in his place and I'll attempt to answer the question. When it comes to firing anyone, Mr. Speaker, if they are in a job related position in which they competed with someone else and for some reason or other they were replaced, boards and commissions are not of that way.

Mr. Speaker, anyone's term is either a fixed term or at the pleasure of the Lieutenant-Governor-in-Council, either/or. In this case here, the Lieutenant-Governor-in-Council, the Minister of Agriculture, I myself, have replaced the board during the normal lifespan of a government.

MR. R. BANMAN: A further question to the same Minister, Mr. Speaker. In light of the fact that the individuals were appointed for a three-year term and were released practically a year before that term was reaching its completion, Mr. Speaker, I call that firing. But I'd like to ask the Minister of Agriculture, now that they have adopted this type of a firing policy, is this policy going to be adopted by the NDP Government before the resolution, which will be debated at their convention this next week, which says that 64 percent of government appointees who are not identifiable supporters of the NDP be replaced by NDP supporters at the earliest opportunity? Is this policy of the firing of this particular milk board, one which is brought about because of the resolution on the paper?

SOME HONOURABLE MEMBERS: Oh, oh!

MR. SPEAKER: Order please. The Honourable Minister of Natural Resources on a point of order.

HON. A. MACKLING: Mr. Speaker, yes. My point of order is that the Honourable Member for La Verendrye is asking a member of the Treasury Bench to make comment on something that has nothing to do with the business of this House and that question is out of order.

MR. SPEAKER: To the same point of order, the Honourable Member for La Verendrye.

MR. R. BANMAN: On the same point of order, Mr. Speaker, I have an Order-in-Council before me, signed by the Minister of Agriculture and the First Minister which fires several individuals from a board and I

suggest to you that is the business of this House and should be of concern to all Manitobans.

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

HON. A. MACKLING: On the point of order, Mr. Speaker. The Member for La Verendrye asked questions and received answers to the matter that he raises now. He then asked a question of the Minister to comment in respect to a policy decision that is being guessed at in a newspaper article, and asking him to agree or disagree with that. That question is out of order.

MR. SPEAKER: The matter of people appointed to a board by the Cabinet is of course part of the competence of this government. A convention which is likely to occur in Winnipeg in the near future of a political party is clearly not within the competence of the government and therefore questions should not be asked about that in advance.

The Honourable Member for St. Norbert have a point of order?

MR. G. MERCIER: No, a question.

MR. SPEAKER: The time for question period has expired.

ORDERS OF THE DAY BUDGET DEBATE

MR. SPEAKER: On the proposed motion of the Honourable Minister of Finance and the proposed amendment thereto by the Leader of the Opposition standing in the name of the Honourable Member for St. Norbert.

MR. G. MERCIER: I want to begin my remarks on the Budget with the beginning of this government, Mr. Speaker, because I think what we see in the Budget, the 1983 Manitoba Budget address, is another repudiation of the campaign promises of the NDP in the Fall of 1981. I once again, Mr. Speaker, would like to remind them of the untruths that were offered to the people of Manitoba at that particular time.

We can build a dynamic future in Manitoba; we can turn around the harsh economic circumstances of the past four years; Manitoba and the NDP a great future and that list of promises, Mr. Speaker, a number of members of this House have commented on from time to time, goes on and on. It goes on with respect to immediate development of Manitoba Hydro. It goes on to offering working people job security, Mr. Speaker, and security from layoffs and we know what the experience has been in that regard, Mr. Speaker.

They also commented, Mr. Speaker, on the city cutting back and raising the price of essential services such as ambulances and buses and we know what's happening in that area in recent weeks and months. They promised to open schools up, not close them down, Mr. Speaker, and we know what has happened in that particular area. Now we hear from them, Mr. Speaker, that there is no one single cause of

unemployment, that federal leadership is required, that national averages are important.

Mr. Speaker, whereas they blamed us, while we were in office for virtually everything that happened in Manitoba while we were in government, not only have they not done what they said they would do, they are disclaiming any responsibility for what happens from here on in while they are in government. Mr. Speaker, one thing should be made clear. The public should now be well aware that they simply cannot believe the promises and the statements made by the First Minister and any member of his NDP Government. Mr. Speaker, this government has the nerve and the Premier talks about keeping the faith with Manitobans, they have betrayed the people of Manitoba.

What I would like to do is to deal with some of the words and descriptions that the NDP so humbly attribute to themselves. We've heard them talk about hard choices and hard decisions. We hear them talk about their being co-operative, about caring, about concern, about compassion, about listening and consulting. The Minister of Finance, Mr. Speaker, and the First Minister have told us incessantly over the past few months about their hard choices and their hard decisions. My leader, Mr. Speaker dealt with that issue on Friday last. I don't want to deal with it too much at length other than to quote one of the ardent supporters of my leader, Miss Frances Russel, who accurately described this Budget in Saturday's Free Press as a "cowardly Budget." Mr. Speaker, this government continuously refers to itself, somewhat arrogantly I would suggest, as compassionate, as caring, as concerned and I would like to deal with some of those myths.

First of all, the sales tax increase, Mr. Speaker. In 1982 on page 14 of the Budget, the Minister of Finance, the same Minister of Finance then said, "A sales tax increase was considered. Clearly it would provide substantial additional revenues. However, its impact tends to be somewhat regressive and unfair to most Manitobans. An increase would hit hardest at those living on low and fixed incomes such as pensioners. Furthermore, the government is concerned about the economic impact of the sales tax increase on the current state of the provincial economy." Has it improved since then, Mr. Speaker? Similar concerns have been expressed by organizations such as the Manitoba Chamber of Commerce and the Manitoba Federation of Labour and there have also been indications of potential problems in border communities.

In the index on page 90 and 91, the Minister said, "A general increase in the Provincial Sales Tax would apply to all purchases of taxable commodities and services in Manitoba. Currently exemptions are provided for a large range of essential services including food, children's clothing and footwear, accommodation and medicines. However, the sales tax continues to apply to many frequently purchased items including, for example, adults clothing and footwear, furniture and appliances, hydro and telephone bills, pens, pencils and crayons, soaps, perfumes and deodorants, drycleaning, brushes and combs", etc.

He goes on to say, "Manitoba's Cost of Living Tax Credit introduced in 1974 continues to help to offset the burden of sales taxes on low and moderate income Manitobans. However, these examples of items to which

the sales tax continues to apply underscore the potential impact of a general sales tax increase on the average Manitoban and on pensioners and on others living on low incomes”.

It goes on, Mr. Speaker, “Available information on the spending habits of Manitobans also suggest the sales tax itself, without the Cost of Living Tax Credit offset for low and moderate income earners, is a somewhat regressive levy”. In other words, low income Manitobans spend a higher proportion of their income on sales taxable items than do higher income Manitobans and they have a table which outlines that.

He goes on in the last paragraph in this Budget in 1982, Mr. Speaker, to say, “However, again the above table does not take the Cost of Living Tax Credit into account. However, it leads to the conclusion that a sales tax increase on its own would be regressive and that significant compensating measures such as additional exemptions of Cost of Living Tax Credit increases would be required to ensure that such an increase would not become an unfair burden to lower income Manitobans. Such compensating measures would be quite costly from a revenue of perspective,” etc. Where is the Cost of Living Tax Credit increase that he advocated in 1982, Mr. Speaker, that should offset the regressive nature of this tax increase on low-income people? Well, Mr. Speaker, there was no increase in the Cost of Living Tax Credit, but on Page C1 of the 1983 Budget there is a table. It says: “The following table shows the distributional impact of the sales tax at the new 6 percent rate together with the offsetting benefits provided under the Cost of Living Tax Credit.”

Mr. Speaker, there has been no increase in the Cost of Living Tax Credit; that credit has been in force for some time. It was increased significantly by us in 1980. He’s attempting, in this Appendix, to leave the impression that people on low income shouldn’t be upset with the increase in the sales tax because they have this Cost of Living Tax Credit which has been in effect for years and years and hasn’t been touched in this Budget. If their income has not gone up, there are no additional benefits to them in this Budget, no increase in the Cost of Living Tax Credit, but there is an attempt, Mr. Speaker, to fool people with this Appendix into believing that there has been some increase in the Cost of Living Tax Credit to go along with the increase in the sales tax.

Mr. Speaker, this type of comment, which is misleading, simply follows along the promises that they made in the election of 1981. They are caught in a trap and they’ve continued to attempt to give the wrong impressions ever since that time, Mr. Speaker. In any event, the Minister of Finance’s own words in his 1982 Budget confirm that the increase in sales tax is not, Mr. Speaker, a compassionate increase in taxes.

What about unemployment, Mr. Speaker? While we were in office we created some 30,000 jobs in Manitoba, most of them in the private sector. In less than 15 months, under the NDP Government, unemployment has risen by about that same number, 30,000. Mr. Speaker, it is a dismal record for this government and a tragedy for the unemployed individuals and their families. Mr. Speaker, was it compassion, was it caring, was it concern that led this government to drive Alcan away from this province, that led them to destroy the

negotiations for the Western Grid and to lose the possibility of a potash mine in this province? Those projects, Mr. Speaker, would have involved over 15,000 jobs for Manitoba workers. If there was true compassion, true concern for workers in this province, Mr. Speaker, there would have been better negotiations and more success in those particular endeavours and those projects for Manitoba. Well, Mr. Speaker, what is the NDP solution for unemployed people in Manitoba?

HON. S. LYON: Build a Berlin wall on the Saskatchewan border.

MR. G. MERCIER: The Premier announced on Friday that they had formed a Cabinet committee after 15 months, after unemployment, Mr. Speaker, has gone up every month since they have been in office. Mr. Speaker, the last labour bulletin that was issued demonstrates that in a graph ever since December of 1981 the unemployment graph has risen dramatically each and every month. Fifteen months later they’ve formed a Cabinet committee, Mr. Speaker, to look at this problem.

Mr. Speaker, it’s interesting, it’s sad to note where the largest increases have taken place. In the North, Mr. Speaker, there has been over the past year a 92.6 percent increase in unemployment. In the City of Winnipeg, Mr. Speaker, a 63.2 percent increase in unemployment, and now we have a Cabinet committee to look at that particular problem. What have they been doing for the past 15 months, Mr. Speaker?

The Minister of Labour spoke on Friday last following the Leader of the Opposition, Mr. Speaker. I would suggest that in her comments, Mr. Speaker, she protested too much when she attempted to cite some successful make-work projects which are employing some people, but what about the more than 54,000 unemployed people in Manitoba and thousands more who are not officially recorded in the employment statistics?

Well, they have a wish list, Mr. Speaker, a fantasy land concept.

HON. S. LYON: No fantasy for Scotton, he got a job.

MR. G. MERCIER: The Minister of Labour said there was action in this Budget and she was talking about the wish list. She said the government was tackling tough problems. She used all the usual cliches, Mr. Speaker, that the NDP speech writers come up with, but the fact of the matter is all we have is a wish list. She doesn’t know, Mr. Speaker, and I was amazed that she had no concept, no idea, no estimate, of the number of jobs that were going to be created under their program in the next year to help unemployed people in Manitoba. She didn’t know the cost, Mr. Speaker, she couldn’t give an estimate of the cost of creating those kinds of jobs, and I suggest that the ones listed in the Budget, I believe on Page 26 of the Budget, are very capital intensive projects. If you’re looking at projects like that, I think you would be safe to say that the cost of creating those jobs is going to be at least \$35,000 per job and probably much more, and even if it is just \$35,000 per job, we’re only talking about that \$200,000 creating some 5,700 jobs in Manitoba.

A MEMBER: Less than that.

MR. G. MERCIER: The Minister of Finance suggests in this Budget that other levels of government will be asked to contribute to expand the amount of money available, Mr. Speaker. Well, if he's looking to municipalities, I doubt that they can afford to make any contributions to that Jobs Fund. So we have a wish list, if it comes into effect, will only create 5,700 jobs probably at the most, but the government has no idea when, at what cost, those jobs are going to be created in Manitoba, Mr. Speaker. We are hopeful that they will be created, that there will be some help for unemployed people in Manitoba because it's a desperate situation.

Mr. Speaker, what is discouraging, aside from the record of the NDP in the area of employment and in job creation, is the fact that there's not a mention made of the private sector. Even the current Prime Minister and some of his Federal Government Ministers in recent months have acknowledged that the only hope of long-term job creation is in the private sector, and there's not a mention of creating an economic climate for new employment opportunities in Manitoba, Mr. Speaker.

The private sector appears to have been left out of the Throne Speech, left out of the Budget Speech, and the people who are going to suffer, Mr. Speaker, are the unemployed people because without the private sector we're simply not going to have the permanent, long-lasting jobs that should be created in Manitoba. So, Mr. Speaker, when you set aside the rhetoric and the press releases in this Budget and following the Throne Speech, there is little real hope I think by the unemployed people, in improving the employment situation in Manitoba. Is a "wish list" evidence of compassion, of care, of concern for unemployed individuals and their families?

Mr. Speaker, how many jobs have been lost as a result of this government's policies and their tax increases over the past 15 months and in future months? Mr. Speaker, the payroll tax initiated last year - a tax on employment whether or not a profit is made - the tax has to be paid by both private and by public agencies. How many jobs have been lost in Manitoba as a result of that measure, Mr. Speaker, a measure that the Minister of Finance told us was designed to get at the Federal Government? He apparently wasn't aware at the time, Mr. Speaker, that it took Quebec six or seven years to negotiate a tax agreement. We don't have that revenue from the Federal Government and we've lost jobs in Manitoba as a result of the payroll tax, Mr. Speaker.

How many jobs will be lost as a result of increases in the gasoline tax, in the corporate tax, in the sales tax, in the property tax, Mr. Speaker? We know what the rate of increase was in property taxes last year. On an average home in Winnipeg it more than doubled the amount of the increase over four years in our government. All of these increases affect the cash flow of the businesses and employers in Manitoba and ultimately affect the employees, their rate of compensation, or their jobs themselves.

Mr. Speaker, the Liquor Commission increase in markup is \$5 million. Prices have increased substantially as a result of this government seeking from the Liquor

Commission during the last fiscal year, some \$30 million in extra additional revenue. The Minister was apparently asked, "Why did you not increase the markup on beer?" He replied, "Beer is manufactured and produced in Manitoba and we don't want to affect that activity." Mr. Speaker, I want the Member for Gimli, the Minister of Consumer Affairs, to justify this tax to the workers at Seagram's distillery in his constituency, a distillery that sells its product to all of western Canada. They were laid off last year, Mr. Speaker. With this increase in prices, if they are unfortunately - I hope they are not - but if they are, the demand for their product goes down again as a result of the increase in the price of this product and more than 100 people are laid off in his constituency as a result of the increase in the markup, Mr. Speaker, I want him to go out to the plant in Gimli and justify the government's action.

Mr. Speaker, was it compassion, concern and care for all of the workers in Manitoba that led this government to give the Civil Service a 27.5 percent increase in salaries? Certainly the career civil servants in Manitoba are entitled to fair and equitable increases but as we have said on this side of the House, not to 12.5 percent more than the rate of inflation. It's unfair, Mr. Speaker, and it's inequitable to other workers in this province who have to pay the bill. It's bad negotiation on the part of the government and I said, along with the Member for Turtle Mountain a few weeks ago, that it would lead to labour unrest in Manitoba and what are we seeing happening, Mr. Speaker, in Manitoba? What are we seeing happening at the Health Sciences Centre?

We see a union affecting an essential service, health care, because they won't accept the 6 percent and 5 percent that's being offered to them. They are saying, and saying probably quite logically, Mr. Speaker, "The government who pay us as well as the civil servants, have given 13.3 percent. We're paid by the same provincial taxpayer through the Health Sciences Centre. Why can't we receive the same amount?"

Mr. Speaker, I suggest to the First Minister and his government that if they negotiated properly on behalf of the taxpayers of Manitoba, that strike would not be occurring right now. That strike would not be occurring and this is the type of labour unrest we were referring to, Mr. Speaker, when we offered some criticism of this wage settlement with the Civil Service. It is leading to labour unrest; it is affecting an essential service in Manitoba and this government, through its bad negotiating, is responsible for that situation.

Mr. Speaker, I've referred to the arguments made by the Minister of Finance against the sales tax increase in last year's Budget with respect to the sales tax. I would submit that those same arguments, Mr. Speaker, probably apply to the Manitoba Hydro rate increase in charges. Again, this government is doing away with the freeze on those rates and is increasing those rates on unemployed people, on the poor, on those on fixed income. Is that care, concern, compassionate, Mr. Speaker, for those people affected not only by the sales tax increase but by the doing away with the freeze on Manitoba Hydro rates? Is the increase in public debt and the burden of paying the carrying charges and interest, Mr. Speaker, care, concern and compassion for existing and future Manitobans?

Interest charges are, I calculate, some 9.7 percent of revenues which is probably a more accurate way of

dealing with them than as of expenditures. The total cost has gone up by some 120 percent. This is only ultimately going to lead to hurt the ability of the government to continue to provide the services it is now providing to Manitobans. It's going to hurt the Province of Manitoba in attempting to maintain competitive tax rates with other provinces in order to attract economic development to this province and the jobs that are required for workers in this province.

Mr. Speaker, the Budget Address on, I believe, Page A-9 would indicate that in a very few years this government, if it continues its type of spending and its irresponsible deficits, is going to more than double the per capita debt of each Manitoban. When they look back at the years '78,'79, '80 and '81 there was an increase, Mr. Speaker, but that increase was held down very considerably and I calculate went up perhaps some, according to these figures, some \$524 per capita. The \$1.4 billion to be borrowed this year; I think it was \$950,000 last year, Mr. Speaker, so that the amount of debt per capita, which is the highest in the country, is going up at a pretty phenomenal rate and it's the result of the actions of this particular government.

Mr. Speaker, other members will comment on this, I believe my Leader commented on this, I know other members will comment, I want to comment on one aspect of it, and that is the overstatement of revenues and the understatement of expenditures, Mr. Speaker. This is perhaps a smaller area, Mr. Speaker, but the Third Financial Quarterly Report indicates that with respect to the Liquor Control Commission, as of nine months, they had received some \$83.8 million. In the Revenue Estimates they had sought from the Liquor Commission in the past year, '82-83, \$117.5 million.

Now, Mr. Speaker, they're well behind in collecting the amount of revenues they sought from the Liquor Control Commission in 1982-83, and yet in the Budget the Minister of Finance is asking for another \$5 million. They are estimating in their revenues that they're going to receive nearly \$10 million more than they estimated for last year, Mr. Speaker.

So I would suggest, Mr. Speaker, on the basis of what has happened to date in the Third Financial Quarterly Report that they are simply not going to collect \$127 million from the Liquor Control Commission in the next year. Mr. Speaker, this is just one small example of many that will be brought to the attention of the government, that their revenues in this Budget are overestimated and the deficit of the province is regrettably probably going to be much higher than the Minister of Finance has estimated so far.

Mr. Speaker, if there is for the second straight year a deficit that is significantly higher than the one that was estimated at the time of the Budget, then there's absolutely no doubt in my mind that the credit rating of the province will suffer. As lenders look at this province, Mr. Speaker, at least if a government is able to keep its Budget in line with the figures that it offers originally to the people, it is an indication that they are able to at least manage within those figures. But if again, for the second year in a row, the deficit is significantly higher than what was estimated, Mr. Speaker, then I would fear greatly for the credit rating of our province.

This government, Mr. Speaker, also claims to listen, to consult and to co-operate with all groups in Manitoba.

Well, Mr. Speaker, have they listened to the Manitoba Chamber of Commerce brief on the payroll tax? Mr. Speaker, the government received a brief from the Manitoba Chamber of Commerce last fall in which the Chamber stated what the business community has received from the government is another kick in the face in the form of a payroll tax. They pointed out to the government that the employment sector will suffer. Planned salary and wage increases will be shaved accordingly or contemplated staff hirings will be deferred, or cancelled, or even worse, layoffs are seriously being considered. So who is paying the brunt of this tax? - the employees who are consumers.

They went on: "Furthermore, the inequity of the payroll tax is highlighted by its significant impact on labour intensive industries, such as the garment and other manufacturers in the service industry." Mr. Speaker, they went on.

The last area which I wish to cover is the negative effect of this payroll tax on the attraction of new business in Manitoba. The author, a Mr. Pearson, says, "I speak from experience as a partner of an international accounting firm that the introduction of this new form of tax represents a significant addition to the list of negative factors about Manitoba. The mere existence of a tax which only one other province has causes concern for the foreign investor. The investor perceives a province which is inventing new ways of extracting tax from business and the negative psychological effect clouds many positive features of our total tax system," Mr. Speaker.

Mr. Speaker, what drives a government that supposedly, allegedly, has such great concern for labour to continue on, to carry on, with a payroll tax for which the major burden is borne by the worker? He's either unemployed or he's paying the increased costs of this particular tax. It's hard to understand, Mr. Speaker, the rationale by this government to continue on with this kind of tax, particularly at a time when unemployment is as bad as it is.

Mr. Speaker, did they listen to the Winnipeg Chamber of Commerce brief in their report on the economy? They said - and it goes on and on, and hopefully they have read it - in commenting on the economy of the province make a number of suggestions. One of which, the province should cease expenditures in areas best served by the private sector: example, ManOil and public sector involvement in life insurance.

Mr. Speaker, we have I believe, as part of the documents tabled by the Minister of Finance, the government asking for \$20 million for ManOil. They purport, Mr. Speaker, to consult, to co-operate with all sectors of the economy. Is this consultation, is this listening, Mr. Speaker, to people who are trying to improve, trying to make recommendations on improving the economic position of Manitoba? They go on and on in their recommendations, Mr. Speaker, all of which the government would appear to have ignored.

Mr. Speaker, did the Minister of Finance in his widely advertised meetings with all sectors in Manitoba, in particular, discuss with Chambers of Commerce, with business groups, his proposed tax on gross income, his version of Judy Erola's position? Did he discuss that at the Economic Summit when he was allegedly working together with business groups, Mr. Speaker? I doubt it, Mr. Speaker. All of these things, Mr. Speaker,

demonstrate that this government does not really listen or co-operate certainly with the business sector of the community.

On the one hand, the Minister talks about attracting high technology industries to Manitoba, qualified individuals required to work in that particular field, and he talks about a tax on gross income, Mr. Speaker. We obviously would be the only province in Canada to have such a tax, Mr. Speaker. I thought the payroll tax was bad, Mr. Speaker, but if he is suggesting that he and the NDP - and he obviously is suggesting - would like to do it. They would like to do it. If he thinks that's the way of attracting investment in Manitoba and expanding employment opportunities, providing jobs for workers in Manitoba, to bring in that kind of a tax, Mr. Speaker, he's badly badly mistaken. It would be just simply the ruin of any new investment in Manitoba if he were to bring in that kind of tax and given, Mr. Speaker, our fairly high rates of taxation at the present time. So, Mr. Speaker, this government doesn't listen I suggest to the business groups. It listens to labour, without question it listens to organized labour leadership, but it certainly has paid no attention to the views, to the recommendations - the well considered recommendations - and I think these groups to which I have referred, the Chambers of Commerce, Mr. Speaker, have been misled by the government.

The suggestion has been made by the government to them, that they should become involved with this government; that they should come and make their recommendations; that the government will listen to them; that the government will act on their recommendations and they have taken I think that invitation seriously. They have worked at making their recommendations; they have taken the time and the effort to put them together; to meet with the government; to make them and the result of all of that, Mr. Speaker, is that there really is no listening, or consulting, or co-operation by this government with the Chambers of Commerce and the private sector who are interested in trying to help the government expand the economy, create new investment in the province, provide new jobs in the private sector for unemployed people in Manitoba and their ideas have been rejected. They have been rejected, Mr. Speaker, because this government has some deeply ingrained political philosophies and principles that are simply contrary to the principles of private enterprise and private development in the private sector.

The silly thing is, Mr. Speaker, it's that the people they claim to represent, the workers in Manitoba, the labour in Manitoba, are the ones who really suffer. They are the ones who are unemployed. They are the ones whose families suffer as a result of their unemployment and with the numbers that we have in Manitoba, Mr. Speaker, this government's actions actually adversely affect most the people whom they claim to represent best. It is difficult to understand how they continue on with that particular attitude when supposedly they would claim anyway, that it's their constituency who are hurt the most.

What is bothersome most in the long run, Mr. Speaker, about a Budget like this and the actions of the government to date is, that although the First Minister says they're doing everything so they will be in a good position to take advantage of a national recovery.

Unfortunately and regrettably, I think the policies and the tax position that we are seeing take place will mean and ensure that Manitoba will not get our fair share of any national recovery that takes place. Any recovery that does take place, Mr. Speaker, will be in spite of their policies and in spite of their tax increases. So the future of Manitoba and what we all, Mr. Speaker, - despite the economic circumstances - face today, have faith in Manitoba, in the future of Manitoba, but with these type of policies things do not look good for Manitoba. We are not going to be part of any national recovery that takes place because with these kinds of tax increases, with this kind of attitude towards the private sector, towards investment in Manitoba, investment is bound to go elsewhere. It is bound to go to Saskatchewan, it is bound to go to Alberta, Mr. Speaker, before it comes to Manitoba.

A payroll tax, Mr. Speaker, a Minister of Finance talking about a tax and gross income, what really is an anti private sector attitude, is not going to attract development to Manitoba, investment in Manitoba and jobs for workers in Manitoba. So they not only are creating a disastrous present day situation for so many Manitobans, the future does not look good for Manitobans with the types of policies and tax measures that they have introduced.

So having considered the amendment placed by the Leader of the Opposition, I think which accurately sets out the weaknesses of this Budget, the taxation system, the tax increases, the difficulties that unemployed and low income people are going to have to bare as a result of the tax increases and the unemployment situation, the amendment to the Minister of Finance's motion is obviously one which deserves the support, not only of members on this side but a number of members on the opposite side, Mr. Speaker, I suggest that they should look very carefully at the Budget and the implications of the Budget as it was introduced.

MR. SPEAKER: Order please. The honourable member's time has expired.

The Honourable Minister of Economic Development.

HON. M. SMITH: Mr. Speaker, the main thrust of this government's Budget is jobs; both the creation of job opportunities for the future and the protection of jobs that are currently in place or threatened.

Mr. Speaker, we have been hearing a lot of complaining from the other side about lack of any constructive approach from this side. We have heard quotes going back, not one year now but two years from election pamphlets. What we seem to have, not coming forward or from the opposite side, is any recognition of the economic context within which we are operating.

Mr. Speaker, the basic principle on which our government approaches economic development is a realistic assessment of what we are up against. We are up against, not only a recession caused by the normal ups and downs, we are into a major depression and an international restructuring of trade and economic activity such as we haven't seen for many decades. Mr. Speaker, it is easy and it is tempting to pretend that we live in a vacuum and in isolation from what is going on in the rest of the world, but quite simply we do not.

The principles that I and my government are following as we address these problems is, Mr. Speaker, to realize that we live with change and that what we need is a strategy that enables us to keep our head and keep our sense of direction steady, as accurately as we can, those conditions of change; getting as accurate information as we can; knowing full well that there are many unpredictable events that affect us. We are not about to be cry babies about changes which are beyond our control. We may critique them; we may wish that policies were different at the national and international level, but basically those areas where we don't have any direct control or influence, we must study, understand, accept and deal with them realistically. However, Mr. Speaker, having said that, our view of realism is that it is our responsibility to maintain a sense of balance in Manitoba; an economic strategy that does not depend solely on the private sector, although we do depend on private sector initiatives to a large extent; a balanced approach, Mr. Speaker, that accepts the basic concept that the members of our society, the people in Manitoba, have a right to share in the benefits of economic development but also in the difficulties, and therefore we're not about to put in a tax regime that relieves those at the upper end and puts the burden of both taxes and unemployment on those at the bottom.

Mr. Speaker, having said that, it is important that we maintain our sense of vision as well, and it is that issue which I'd like to address this afternoon. I'd like to give the main outline of our government's approach to economic development to show what we're doing both to protect the jobs that we have and to create and expand job opportunities in the future.

Job creation has many reactions to it. To those who are unemployed it offers some ray of hope. To those that look at it in a shallow way they think of it as just throwing money at temporary situations which don't leave any lasting benefit. To those of us who want to see our job creation program feed into the development of a stronger, more balanced and healthy economy in Manitoba, we see it as a real opportunity. Mr. Speaker, it would be foolish of us to pretend that we can solve the entire problem ourselves. We can't, but there are areas where there is room for initiative and for strong action.

I would like to report to the House on important economic initiatives being undertaken by this government. First of all, I would like to introduce the details of a Venture Capital Program; secondly, the details of our "Buy Manitoba" Program; and thirdly, the thrust in technological development.

We, in Manitoba, have a balanced economy to build on. We have a diverse set of industries and therefore we are not at zero point; we do have strengths on which to build. Mr. Speaker, we already have developed industries in the goods producing sectors, in our agricultural sector, in our basic resources and in manufacturing. Increasingly, however, we are recognizing that the future pattern of development in Manitoba will depend less on primary resources, somewhat less on the manufacturing field, and more and more on service industries that are emerging as the strong and vibrant sector of Canadian economy.

The Federal Government has only just recognized the important contribution that the total package of

service industries are making to the economy of the country. There is a flow outward of capital and manufacturing activity throughout North America, throughout Europe, towards the developing countries and we can look at this and question it. In some cases we should attempt not to let it go ahead unabated, but in other cases we should accept this restructuring of the international economy as a reasonable development in order to give a fair share of world trade and economic activity to those emerging countries who themselves want to share of the world trade pie.

The implications for Manitoba, Mr. Speaker, and for Canada, indeed, is that we can build more opportunity here through our service sectors, through transportation, communications, trade, finance, insurance, business, professional and community services. I submit, Mr. Speaker, that as the Federal Government collect their data on these fields that we will find that they are the most important area of opportunity for Canada and for Manitoba to improve our currently unhappy balance of trade.

Mr. Speaker, the economy of Manitoba is made up primarily of medium and small size enterprises; we do have a smaller number of larger companies. It is important that we put in place programs which will support the development and meet the special needs of each of these classifications of firms. Mr. Speaker, contrary to the shallow interpretation of the members opposite, we are interested in attracting investment from outside. We do believe that the package of taxation costs and conditions in Manitoba do stack up favourably when compared to other provinces, though individual taxes and prices may vary. But, Mr. Speaker, we do not believe that our salvation is going to come from a bunch of big pumpkins coming from outside rather than promoting a lot of the small cherry variety of developments within Manitoba to borrow freely from my colleague, the Minister of Finance.

Therefore, Mr. Speaker, we are focusing on identifying the opportunities for providing more of the goods and services we need for ourselves here in Manitoba. Mr. Speaker, we are interested in a better balance of trade in goods and services for Manitoba. Taking the public and the private sector together, because when we look at the economy of Manitoba we don't lean one way and look only on the private sector or depend only, but nor do we lean the other way and say that only the public sector can provide dynamism and growth and jobs. What we try to do is look at both and see what is the appropriate and best activity for each to contribute to the whole.

Mr. Speaker, we have a deficit of \$1.6 billion in goods and services in the economy of Manitoba. That to me, those figures do not reflect a balanced or mature economy in Manitoba; therefore, the programs which we are developing are directed to improve the strength and the balance of the Manitoba economy.

We realize we have to improve the productivity and competitive position of Manitoba industry so that we can get our share of national and international markets. But we also believe that no one sector is going to achieve improvement in these areas working on its own, and therefore it's in the spirit of co-operation, not complete agreement with any one sector, Mr. Speaker. I think there's a misunderstanding that somehow consultation means that you must agree completely

with the people with whom you consult. Consultation, Mr. Speaker, means that you have the benefit of all the diverse groups that make up the Manitoba economy and their ideas on your programs prior to your announcing them.

Mr. Speaker, we do have a mixed economy in Manitoba; we think that's a healthy type of economy to promote. We also recognize that we talk often about business and its needs, we talk about government and what it would like to do. How often do we include the third party that is also concerned? Labour has a critical role to play and we maintain that unless they are included in on the discussions, sharing the information, coming up with the ideas that will bring about a change, we're not going to have either industrial peace or the productivity that we all need. Mr. Speaker, we need one another. Unemployment is not just a strain on business; taxes do not just impact on business. They also critically affect the people, the people who, when they are unemployed, may lose hope. They certainly give up income and they stop in many cases developing the skills that we all are going to need if we're going to have a prosperous and a secure future.

MR. J. JOHNSTON: It's all right to listen to Labour, but don't listen to Martin.

HON. M. SMITH: The interjections suggest somehow that if to listen to someone in a consultative environment means that you're going to take orders. Now, when we held the Economic Summit, what we did was put together the three major groups in the society, government, business and labour, and we asked for each group to contribute their ideas on what the problems were, what the understandings as to why we had the problems were, and what the possible solutions were. You know, Mr. Speaker, what we found were people telling us on the business side that they had never sat down and shared a drink or a meal or a debate with a member of organized labour.

We also had government people who were a little skeptical of whether we could sit down and come up with any interesting results in this forum. But, Mr. Speaker, I think what was so evident at that meeting is that when people are concerned about the problems, and when they bring their concepts and their ideas there on the problems, that each party is able to leave with a fuller understanding of how the other person thinks, of the other person's concerns, and the real discovery of taking part in a co-operative and problem-solving forum is that there are more items where we could agree than items where we disagreed - that there was a great feeling for Manitoba, a great common concern for our problems and a willingness to work together to see that we can build for a sounder future.

We do have a continuing group working on the seven main items that were raised at that meeting and, Mr. Speaker, there are currently consultative groups working on how we can better plan together, how we can work on training and retraining so that our labour force has a better skills match with the technical needs of the economy, how we can together promote a healthier capital formation in the province so that we're not perennially dependent on coaxing outside capital in, how we can better consult on the timing of investments,

so that the employment opportunities can be spread out more equally both by region and throughout the months of the years.

We have another group working on a more innovative and constructive approach to labour management relations in the context of collective bargaining and this is based on a fact increasing on a principle increasingly recognized by management as well as by labour that when information is shared, when there is a common understanding of the problems, you can build an atmosphere of trust, and in an atmosphere of trust innovative solutions are possible. But if you try to short circuit this process, Mr. Speaker, and expect co-operation when there is not access to information, when there hasn't been a building up of trust of understanding, then it's a most futile process. We believe on this side in the process of collect bargaining, hard, tough and realistic collective bargaining where we give time to one another to come to common understandings and to work out common solutions.

The sixth item on which follow-up is occurring is the promotion of the development of secondary industry, primarily, by various venture capital tools and the final one was the purchasing policy or "Buy Manitoba" Program. Mr. Speaker, I'd like to compare this approach to a reliance on mega projects. Our government is not against mega projects, but what we submit is that as a strategy for economic development that reliance is a too narrow reliance. It's too vulnerable, as we have seen, both at the provincial and the federal level to changes in the world economy well beyond our control. It also diverts attention to the cumulative thrust and job creation capacity of smaller and medium size firms.

In a study done in the United States recently of where the jobs were being created and which firms were in fact adding to the total number of jobs, it was discovered that it was the newly formed small businesses that were responsible for most of the new job creation. In fact, many of the older industries seem to have plateaued and didn't add to the total field of employment. So as we looked at that issue and looked to see if it would apply here in Manitoba, we then sought for what were the key barriers to the formation of small business here and what were the catalyst type of things which we, along with our friends in labour and in business, could propose in order to stimulate the development of that type of business here in Manitoba.

Mr. Speaker, mega projects such as Churchill Forest Industries can result in a trading off of basic resources in a very poor deal way. The benefits from an unwise mega project can drain benefits out of the province and not leave them here in order to strengthen and enrich our own economy, so we reject putting all your eggs in the mega-basket approach to economic development and in return, in replacement — (Interjection)— hold it carefully now, hold it carefully . . .

A MEMBER: We're not talking about all the eggs, just a few.

HON. M. SMITH: . . . instead of what we consider a one-sided and narrow approach, we believe in a comprehensive approach where all sectors of the economy and all interests can be brought together and

have a multi-track approach to growth and development.

We're not against large projects if the terms and conditions are right and in balance benefit the province, but we are against depending on those kind of developments and coaxing outside investment in as the only strategy for economic development in the province.

The new initiatives which we would like to present have to do with the promotion of the formation of small and medium sized firms. These proposals have been developed in consultation with the private sector both with inviting people in and by tabling them at our Economic Summit and dealing with the critiques that we receive then. We've gone back to the drawing table and come up with what we now think are workable programs and programs which will have a very good chance of support from all sectors.

One of the problems faced by small business enterprises in Manitoba is in the area of finance. Most of them are suffering from a high debt-to-equity ratio; they experience chronic shortages of working capital; there is a great shortage of risk capital. Manitoba is remote from the major capital markets of the world and there's often a disinterest on the part of the large venture capital companies in looking at smaller firms. We, therefore, are inaugurating the Venture Capital Program that was first indicated last year in the Budget Address. This program has evolved, as I say, through comparison or study of the similar programs in other provinces. We've evaluated where they were working and where they were encountering difficulties. We have consulted with our business and labour partners at the summit and we have had further consultations since that time. We are now ready to launch, as a trial program, this unique financial instrument. It is intended to generate new pools of venture capital and through it the province will encourage the establishment of small independently owned venture capital companies through our provision of additional investment funds. As I say, our role will be as catalyst in order to provide incentive for venture investments but we will not be directly involved in the operation of either the venture capital companies or the firms in which they invest. It's our belief that the private sector and the people who wish to invest in the small firms are the ones with the type of management and technical expertise to assist in their early development.

There are high levels of savings in the province in private bank accounts and one of the hopes we have is that we can, through this device, tap these reserves and direct the investment into the formation of small high-growth and relatively high-risk businesses here in Manitoba. As I said, the business skills and expertise of the private venture investors will be assisting the firms in which they invest and therefore I think you realize that we are not adopting a lopsided approach to business. We are saying that there are some functions in the economy which business is best able to carry out in which government is not the prime actor and we are thinking that this will be an effective device.

Just to give you some detail, private investors will incorporate a venture capital corporation under The Companies Act. They will provide 65 percent of the total equity of the company through common voting shares. Eligible companies will receive an additional 35

percent of their total capitalization from the province in the form of non-voting preferred shares. The province's investment in the venture capital company can be redeemed by the common shareholders if and when the company begins to pay dividends, can repay the province on a pro-rata basis to a maximum of its original contribution plus a nominal 7 percent cumulative interest on its shares.

The province would not expect first priority on dividends like a normal preferred shareholder but would share equally on a proportionate basis with common shareholders. The province, therefore, will share the risks. Where the investments are successful, the province will limit its return to a nominal 7 percent because our goal is to act as a catalyst and not as a controller. There will be \$1 million put into this program in the trial period and as we learn from that period of practice we will then be able to expand the initiative. It should result in as many as 14 small venture capital companies with potentially two dozen new and existing enterprises.

The types of investments that will be eligible under the program include manufacturing and processing businesses, research and development companies, commercial tourist attractions outside of Winnipeg, computer software products and the production of film. Companies within these business sectors will have to be Manitoba-owned with 75 percent of their wages and salaries paid in Manitoba. As I say, there will be an arm's length relationship between the venture capital company and the firms in which it invests. Investments will be limited to companies with less than 100 employees. Voting shares will be controlled by Manitoba residents; they may be purchased by individuals, by corporations, by co-operatives, credit unions, caisses populaires, or pension funds. At the outset, the venture capital company will not be permitted to acquire more than 49 percent. It may, however, acquire a controlling interest thereafter. There will be a buy-back option provided to the original members but the provincial contribution will be limited to 35 percent of the original 49 percent ownership level. So we're definitely trying to put in an instrument that will enable companies to get on their own feet and control their own affairs as soon as they are able.

There will be a private sector advisory board to review the proposals. We'll be asking for a minimum of \$25,000 investment initially; a minimum of \$100,000 available for investment by the end of the first year including the government commitment. Maximum size of a venture capital company will be \$750,000 during the trial period. We will be monitoring and reviewing the success of this program and then be willing to go into the much expanded one.

Ontario, Nova Scotia, Quebec and Alberta currently have these programs. We've studied their programs and incorporated the positive features and eliminated those of the pitfalls that we could identify. Of the \$1 million contribution from the province, we should free up \$4.2 million new equity capital and it should stimulate an estimated \$7.2 million of total private investment including both equity and debt. Hopefully, there will be in the neighbourhood of 250 direct and indirect jobs and tax revenues of approximately \$330,000 annually.

We know this is a modest trial program but we're convinced that it's a prudent and innovative way to go

because we can check it out as it goes, learn from our experience and increase the probability of having an effective and efficient venture capital activity.

At the Economic Summit, there was interest in a much more substantial Venture Capital Program, many many hundreds of times bigger and what we will be doing is consulting further as to what's going on in other jurisdictions, learn from this small venture capital proposal and then consider launching a much larger one down the road.

Mr. Speaker, Manitoba is a province that depends a great deal on trade, and as you know, trade is a two-way street. I mentioned earlier that we currently import \$1.6 billion more goods and services than we export. As you know, the drain that produces on the Manitoba economy is intolerable in the long run. To reduce the imbalance in international trade, we're working systematically to build up our export activity. We know that the quality and competitive pricing of our products is essential, and that in order to produce increased productivity and quality, we must build up the capacity of Manitoba to apply state of the art technology in manufacturing.

We currently have the Industrial Tech Centre in Winnipeg and the Food Centre in Portage la Prairie as key components of this thrust. They're well established. They have a growing project base revenue return, but the long-term stability of our manufacturing sector is so dependent on our learning how to adopt these new technologies, that we feel we must make an additional effort. Along with our federal partners, we're now finalizing details of an exciting CAD/CAM initiative - Computer Assisted Design Manufacturing - and in fact, engineering and application.

We are still working to encourage the National Research Council Manufacturing Technology and Production Science Institute to locate in Manitoba. This would give a considerable stimulus to our local economy. As yet, the decision on its location has not been made at the federal level.

Full business and labour support for a more competitive technology are important. We've therefore expanded our Manitoba Research Council to ensure that the human side of use of technology is not ignored. We're working with the Department of Labour and Employment Services to review the adequacy of existing legislation regarding closures, many of which are the result of cross-Canada companies adapting to new technologies, and unfortunately, as we have many of the branch plants that have less advanced technology, we're finding ourselves the victims of closures.

In the future, if we don't acquire the ability and the skill to develop the new technologies here in Manitoba, our ability to resist that kind of economic downturn will not be there.

A MEMBER: That's not what Pawley said about Swifts.

HON. M. SMITH: The appropriate training programs are also a key component. It's one thing to have the machinery and the computerization in the plants, but if we don't have local people with the skills and the abilities to be comfortable with and manage that technology, we won't get very far.

We know there is always the fear of moving into high technology by working people because so often in the

past it has meant that they get left out; that jobs that they used to do are done by the new machines and they find themselves on the unemployment lists. That need not be so, Mr. Speaker, if along with the conversion goes retraining opportunities and an expanded trade market. If the markets are there and the skill retraining, technology thrust can, in fact, be a boon to us all. We believe in an orderly, planned and humane transition to the new technologies.

The third program I'd like to report on, Mr. Speaker, is the "Buy Manitoba" Program. Our approach is to use purchasing by the public sector as an instrument to support the development of competitive local industry to meet our own need. It's not our objective to establish structural barriers in trade or give permanent advantage to local manufacturers. We do not wish to create a dependency or undermine the competitiveness of local industry in the longer term.

Mr. Speaker, what's happening across the country today is that most of the provinces are talking very little about protectionism or purchasing policy, but doing quite a lot in preferential prices. If the provinces to the west and the east of us are not enough of an example, we're still getting the rhetoric of free trade from the United States with the practice of increasingly protectionist policy. Now, Mr. Speaker, we've spent a lot of time developing our purchasing policy. We too, felt that going all the way to a free trade system or all the way to a protectionist system, both extremes were equally unacceptable. They do not give promise or hope of a balanced development in the future.

So, what we have done, Mr. Speaker, is promote a purchasing policy which we will introduce and in time, enforce in the public sector and in time, hope to persuade the private sector to follow suit. In Canada, public sector purchases are estimated at \$35 billion annually. Three-quarters of this amount is at the provincial and municipal level. In Manitoba, we purchase \$95 million directly through government services and an amount much in excess of that through our Crown corporations. Our ability to influence our local market is, therefore, very great.

Public sector purchases will, therefore, follow the following criteria. There will be a limited price preference

· · ·

MR. J. JOHNSTON: It's 5 percent of telephones right now.

HON. M. SMITH: The purchasing agents will be asked to identify —(Interjection)— in tenders where the price and quality are similar, but there's a marginal difference in price between a Manitoba and a non-Manitoba item, that it be referred to the Ministers, at which point, economic assessment will be made and we will determine whether we can justify a moderate price preference. It will not be a price preference that any company can count on over time, but it can be available as an initial development aid.

We will be looking at reducing the sizes of our tenders, so that smaller firms can apply. We'll be moving to the use of generic names rather than brand names, so that local firms can have a better chance. Specifications requirements related to the performance of an item rather than to its physical description will be brought

in. Tenders will indicate the locality where the goods are to be used, so that local firms can have a better opportunity of making a bid.

Mr. Speaker, after the government services has got this program working smoothly, our Crown Corporations and major agencies and institutions will be following suit. We will be then move to persuade the public sector to follow the lead.

Mr. Speaker, where Manitoba products are not available, our second priority will be to go for Canadian products. We are co-operating with the Federal Government in their initiative to substitute for imports wherever possible. We have already taken part in reverse trade shows in order to identify for suppliers what the needs of government agencies are and at the same time we have done in Manitoba, listings of what the capacities of local suppliers are in order to acquaint government purchasers. There is an additional component to this, Mr. Speaker, and that is, that as we review the needs of government institutions we'll be finding new opportunities for local people to launch into new areas and expand. So with this system co-ordinated, we'll be using government public purchasing as an effective and targeted tool to promote the development of economic activity here in the province.

Mr. Speaker, the institutional marketing program - we've already had several components here in Manitoba in the health service sector and then in the general government departments - will carry on. There will be trade seminars for local suppliers and for government purchasers to help identify fresh opportunities in order to increase the government's awareness of what can be produced and supplied locally.

Mr. Speaker, we believe that these selected programs to promote the development of small and medium sized business arrived at in co-operation with our business and labour partners, will over time strengthen the Manitoba economy and give us more stability, more capacity to meet our own needs. Our agricultural programs, our energy initiatives and our forestry of programs along with our application of technology programs, business alert programs as they develop over time, should help us in a strategic way support and expand our existing industrial base.

MR. J. JOHNSTON: The Premier never agreed with him before. Why doesn't he agree with him now?

HON. M. SMITH: I repeat, Mr. Speaker, that we have great faith in the ability of Manitobans to work together in order to give Manitoba a fair share of national and international trade. We know the road may be a very rocky one ahead and there will be many uncertainties, but we feel whether we are in an up or a down swing that Manitoba will be better able to get her fair share of the world trade.

MR. SPEAKER: The Honourable Member for Pembina.

MR. D. ORCHARD: Thank you, Mr. Speaker. Contrary to some of the opinions that you're going to hear expressed on this side of the House, I am going to be at odds with my members in my own Caucus, and I am going to tell you that the Minister of Finance is one of the most popular people in my constituency - I polled

my constituency after that Budget - he's one of the most popular politicians in the NDP Government. The reason is, Mr. Speaker, because he gave all those would-be candy makers in Pembina constituency the best recipe for fudge that they've ever gotten in their lives. They have a fudge Budget, a fudge Budget in which the deficit is underestimated, revenues are overestimated and expenditures are underestimated.

It contains a nebulous \$200 million job creation program to which none of the Treasury Bench can tell us what projects are going to be part of the \$200 million expenditure. They will not tell us how many jobs are going to be created with a \$200 million expenditure; the best recipe for fudge that the Province of Manitoba has ever received and they received it from the Minister of Finance, Mr. Speaker.

Now, Mr. Speaker, the true condemnation from Pembina Constituency on this Budget and this government is: No. (1) - that it is leaderless; that this government is floundering; No. (2) - that it hasn't got the morale integrity to lead the province out of its economic woes right now; No. (3) - that this government in 14 short months has broken all of its promises to the people of Manitoba and I will deal with that at a later stage; No. (4) - that the spending that this government has undertaken is irresponsible, totally irresponsible. In one short year of government, this party the NDP, under the Premier so-called leadership of the MLA for Selkirk, has achieved a deficit in one short year greater than the combined total of deficits in our total four years; total four years of deficits lumped into one given to us by the first year of Socialist Government under the Premier.

The fifth condemnation from Pembina Constituency is, that because of this deficit they have nothing to show for it. There are no roads; there are no hospitals; there are no capital spending projects for the future in our area as a result of a \$500 million deficit this last year.

The sixth condemnation is, this government has increased their taxes and I won't have to tell you what they are; they range from sales tax, to payroll tax, to income tax.

They also criticized this government in a seventh way, that they have hired more civil servants than the province needs to carry out the job of providing services to Manitoba and their biggest complaint is that a lot of these high profile hirings have been ones that the NDP hired and retained in Saskatchewan and were fired. They are people from Mr. Broadbent's office in Ottawa, not Manitobans who are unemployed, but rather unemployed NDP Party supporters from the rest of Canada; a shameful and despicable condemnation of this government, Mr. Speaker.

They have in 14 months - my constituents tell me - seen the loss of 30,000 jobs in Manitoba. There are 30,000 more unemployed people in Manitoba. It took us four years of careful nurturing of the provincial economy to get 30,000 more jobs in the Province of Manitoba and they lost them in one short year, Mr. Speaker, one short year. This is also the government that is renowned in my constituency for the Premier wrestling the MGEA to the ground, kissing him in the ear and giving him a sweetheart deal of a wage contract, 27.5 percent over 30 months - more money, no layoffs, no rollback of salaries and a 1 percent total disability

benefit - a real sweetheart deal with this government and their unionized employees. That's the record that the residents of Pembina constituency have gained of this government over the last 14 months.

Mr. Speaker, the Minister of Finance in his Budget, in his opening remarks, the first page, he said that, unemployment because of the recession, "Unemployment has caused a loss in the Province of Manitoba of \$1 billion of production", and he says that amounts to \$1,000 per person or \$4,000 per family. He says, "These are not temporary losses, they are permanent. They can never be recovered." His example here, Mr. Speaker, is akin to the rancher who said that I lost half of my calf crop this year because none of my cows gave birth to twin calves. He's talking about production that was lost that never was and he claims it's a great loss to the people of Manitoba, a \$1,000 per individual. Well, that's pure posturing, Mr. Speaker. That's creation of more fudge, Mr. Speaker.

He doesn't mention in the next line that his government, the Minister of Finance and the Premier, brought down a Budget which give Manitobans a \$500 million deficit. He doesn't mention that the \$500 per individual Manitoban and \$2,000 per family - and that isn't an imaginary loss, Mr. Speaker, - that's a real debt that the people of Manitoba have assumed because of the mismanagement of this government, a real debt that has to be repaid at some point in time and the problem with it is, Mr. Speaker, is that in this coming fiscal year each and every resident of Manitoba is going to pay \$60 interest per individual to pay the interest on last year's \$500 million deficit. Now you roll the projected \$600 million deficit for this upcoming fiscal year into that calculation and you've got \$600 per person in Manitoba, \$2,400 per family, and you've got \$1,100 per person. That's \$100 more per person than this imaginary loss in the economy. The difference is, Mr. Speaker, that Manitobans, future generations of children yet unborn, are going to pay that \$1,100 back, plus interest, and the interest bill at the end of next year is not going to be \$60, it's going to be \$60 plus \$60 plus another \$30 - \$150 next year. That's the legacy that the Minister of Finance should responsibly have been talking about but no, he casually avoided that. He didn't tell Manitobans that his deficit, his simply deferred taxation as the Chamber of Commerce so ably pointed out to this government when they indicated, that to cover last year's deficit the sales tax would have to be 13.6 percent.

The Minister of Finance doesn't tell Manitobans those kinds of facts that are real, that are imposing upon the future of Manitobans. No, Mr. Speaker, he chooses to pull some nebulous figure out of the air. He himself, while he's been Minister of Finance for two short years, has created \$100 more loss in obligation by the people of Manitoba than this nebulous reference that he makes a great point of in the first page of his address.

Mr. Speaker, the Minister of Finance on page 4 said, "Administrations in the past have turned their backs on the people of Manitoba." But he said in November of 1981, "The people of Manitoba made it clear that they want a government which is not afraid to admit to the problems which are threatening the province and which is not afraid to confront them directly in a responsible and creative way with every resource we can marshal." Well, Mr. Speaker, that has to be the

most phony statement in the Minister of Finance's entire Budget Address. "A creative way," he's talking about. He's talking about a choice Manitobans made in 1981.

Well, I want to tell you what choice Manitobans made in 1981. I assume Manitobans made a clear choice in 1981, and what were they choosing for? Well, the first one they chose for was a promise by one Howard Pawley, Leader of the Manitoba NDP. I suppose that now Howard Pawley would be cowardly Howardly after the editorial that we have just seen in the Free Press about a cowardly Budget.

MR. H. ENNS: Say, where did you get that from, Don? I never saw that.

MR. D. ORCHARD: This was election material passed out by the NDP in the last election. But the promises in here are, "That we can build a dynamic future. We can turn around harsh economic climate." That was a promise; that's what people chose in 1981. It said, "That no Manitoba homeowner or farmer would lose their farm or their home because of high interest rates." It said, "It would provide interest rate relief so that no small business would go out of business in Manitoba." It promised the construction of Limestone. It promised a 12-month layoff notice by employees and possibly compensation if it was violated that someone was laid off before 12 months.

They were promised health care and not cutbacks. They were promised an ease to the property tax burden by giving the City of Winnipeg a fairer share. They were promised jobs, Mr. Speaker, that was the biggest promise. That's the kind of background under which the choice was made in 1981 and I submit now that Manitobans are realizing they made a bad choice, they made a very bad choice. Instead of turning the economy around as Manitobans expected the Premier to do, he turned it down from a gradual growth in the economy of Manitoba to a drastic fall-off.

We've had a record number of foreclosures in the Province of Manitoba, not only in the farming sector but in the small business sector. We've had homeowners who have lost their homes. We don't have Limestone being built as it was promised by Howard Pawley back in the election of '81. Layoffs, my goodness, can you remember the hollering and the screaming that went on when Burn's closed and the Tribune closed? Have you heard one word from the Premier about Kimberley Clark closing, about Shell closing? How many other plant closures have there been in the Province of Manitoba, not to mention the layoffs, Mr. Speaker, - the layoffs at Versatile, Monarch, Triple E - we can go on and on in a litany of layoffs that the Premier promised the people of Manitoba would not happen.

Mr. Speaker, in hospital care, rural Manitoba hospitals are cutting staff; they are cutting services because not as promised, health care, not cutbacks, that promise is long gone. The Minister of Health says it's not true but it is true, Mr. Speaker. If he were to tour Manitoba rural hospitals he would see that it's true but he doesn't even know that people are refusing to cross the striker line at the Health Sciences Centre, so I don't expect him to have any touch with rural Manitoba.

They promised property taxes which would be lowered. They promised that property tax burden would

not be shoved onto the homeowners in the City of Winnipeg and what has happened in the last four years? Well, in the last four years they had a given increase in property tax and this government, in one year, more than doubled the increase over the last four years in property taxes. That wasn't what was promised, Mr. Speaker, but I submit that's what some Manitobans voted for. They voted for the promise of lower property taxes and he said they were going to give the city a fair share. Well, talk to Mayor Norrie right now and ask him about the fair share that they are getting out of this Budget. I believe he's estimated that there's another \$1.5 million of direct costs on account of the gasoline tax increase and the sales tax increase that this government has now foisted on the City of Winnipeg. That's quite a help to the Manitoba people and the City of Winnipeg.

But back in that august day of October 16th, 1979 when the Minister of Finance, who was then just a simple MLA for Rossmere, got elected, here's what he promised way back then. He said, "Jobs now, Hydro development can create needed employment." They promised it in the election and they haven't delivered it.

A MEMBER: Who said that?

MR. D. ORCHARD: That was the MLA for Rossmere, the current Finance Minister. He said, "Fair taxation." Well, he gave us fair taxation, he gave us a payroll tax, increased sales tax, higher income taxes on upper income living people. He gave us increased gas taxes. Lord knows what other taxes he's going to cook up. He's already given us an indication of what's coming next year. He said the City of Winnipeg should get more provincial funding. Well, he's added \$1.5 million of taxes to them and he says they need aid to small businesses when small businesses have been going bankrupt. So much for Vic Schroeder's election promises of October 16th that delivered him to this Chamber.

Mr. Speaker, I want to deal with a treatment that the Minister of Finance has given us on Page 16 of the Budget Address. He says, "Also, without altering the definition of capital, we have found a number of additional expenditure items of a capital nature which formerly were not included in the totals." He goes on to identify some of them which include, capital grants to the City of Winnipeg, acquisition and construction costs under the A.R.C or Red River Corridor agreement and he finishes off by saying, this is the Minister of Finance, that the changes "were made in consultation with, and with the agreement of the Provincial Auditor." Well, we're going to find out, Mr. Speaker, whether that's true because we believe, and I believe, that what the Minister of Finance has done is fudged his definitions just a little bit.

He makes reference to the Provincial Auditor agreeing to Capital grants to the City of Winnipeg, but he fails to tell us that the Provincial Auditor agreed to this very interesting definition under the Estimates which says: "Expenditures Related to Capital Assets."

Now bear the trickiness of the words, "Expenditures Related to Capital Assets," and I draw your attention to Page 93 of the Estimate book, it's Item 7 of the Highways and Transportation Department in which he

has (b) Maintenance of Manitoba's Primary and Secondary Road System \$49,949,100 as Expenditures Related to Capital. Mr. Speaker, you know what those expenditures are? That's the salt that goes on to remove ice from the roads, the pavements, of Manitoba; those are costs related to the snowplows to plow a blocked road because of snowdrifts; those are the graders which go down those roads in the summer and maintain gravel roads in the Province of Manitoba, and they are claiming that those are capital expenditures. Those are maintenance expenditures, that's akin to a farmer going to his banker and saying, I want to take out a 5-year loan for planting my crop this year and part of the 5-year loan I want you to lend me money on the seed that I'm going to plant this year, the fertilizer that I'm going to plant this year, and the herbicide that I'm going to plant this year because I need 5 years to pay for them because they are a capital expenditure. That is the phoniest definition of capital expenditure that I have ever seen, Mr. Speaker. The further one that he has here, in Highways and Transportation, is winter roads, he's got \$2.3 million, \$800 of which is Recoverable from Canada; so he's got a \$1.5 million net of a Capital Asset in winter roads, something which is built over a period of a month, used for two months, and then disappears. It disappears, and yet he's calling that a capital asset.

I suggest that when the Minister of Finance goes down with the organ grinder, as in the cartoon in the Winnipeg Sun today, to New York, to Wall Street, the money-lending people are not going to be terribly impressed with having sand and salt being included as capital assets, snowplowing being included as capital, even painting white lines down the centre of the highway is capital assets for the Province of Manitoba; they won't be impressed.

Mr. Speaker, they did the same thing in the Natural Resources Department; they put in over \$3 million in maintenance of drainage works in Capital and what it has done, Mr. Speaker, is it has caused the Minister of Finance to fudge his Capital figures by a total of 18 percent. The deficit is really only 43 percent Capital and is really 57 percent Current Expenditures; just the exact opposite to what the Minister of Finance says, the exact opposite, Mr. Speaker. The Current deficit for typewriters, ribbons, paper, stamps will be \$329,337,700 and, Mr. Speaker, you can bet your bottom dollar that when we total the deficit and it goes up to \$750 million it will go up entirely because of Current account expenses and not Capital account expenses so that that figure could go well to \$500 million Current account deficit to pay salaries with the MGEA "sweetheart deal" that this government gave us.

The Capital Budget is down by \$10 million in Highways and Transportation and yet we have the Minister of Highways and Transportation in the latest Highway News Magazine saying that road construction is labour-intensive, and here he presided over a Budget that cut \$10 million from the top of the Highway Construction Budget in the Province of Manitoba. Their "sweetheart deal" with the MGEA, Mr. Speaker, where they've given more money, no rollback, no cuts, in the contract, the "sweetheart deal" they made with the MGEA has cost the road construction industry in the Province of Manitoba \$10 million and they have transferred the layoffs from the MGEA to the private sector, Mr.

Speaker. There will be construction firms in the Province of Manitoba who do not have enough work for highway construction and they will be laying off longstanding employees. That's what this government thinks is fair because they don't believe that the private sector should exist in the Province of Manitoba. They evidenced that when they never mentioned the private sector once in the Budget Speech.

Can you imagine the Minister of Economic Development and Tourism who just finished her Address to the House; she talked about this co-operation with the private sector. Well I'd like to ask her where in the world was she when the Finance Minister drafted his Budget Address. She certainly didn't tell him of the importance of the private sector then because he never even mentioned the private sector in his Budget Address, Mr. Speaker.

Mr. Speaker, there's an old saying and the old saying is "what a difference a day makes," and I'd like to demonstrate to you what a difference some 9 months make. Do you know that it was only May 11th of last year when the Finance Minister delivered his first Budget and, Mr. Speaker, from page 8 of his Budget Address - I know you'll be deeply interested in this - he mentions negotiations are proceeding actively with the Governments of Alberta and Saskatchewan on the Western Intertie. This will lead to the construction of Limestone - that's only 9 months ago they were talking about that.

MR. H. ENNS: I remember that.

MR. D. ORCHARD: He also says that other major projects, such as, the expansion of the Manfor complex are being negotiated; and he says, also we are proceeding in discussion with a number of interested companies regarding the long-term feasibility of viable aluminum smelter operations and potash developments in Manitoba. That is only 9 months ago that the Minister of Finance was talking about that. What do we hear today, or Thursday of last week, just 9 months later in this Budget Address? No reference to any of those projects, because his colleague the Minister of Energy and Mines blew them, he blew the negotiations. He threw them right out the door, and now we have the Premier making some nonsensical statement this weekend about how Alberta is irresponsible in that they're not negotiating with Manitoba to take power and that they're going to build on the Slave River.

Well, Mr. Speaker, he had a deal in 1981 when they took over this government and they threw it away, and as a result 9 months later, Mr. Speaker, there's not one reference to the creation of jobs in the private sector in the Province of Manitoba; not one mention. Pardon me, there is one mention and it is taken paraphrased out of the Bishop's condemnation of Trudeau and it says the Bishops, according to the Minister of Finance here . . .

MR. SPEAKER: The Honourable First Minister on a point of order.

HON. H. PAWLEY: Yes, the Honourable Member for Pembina suggests that this weekend I made a statement to the effect that the Government of Alberta was

irresponsible and it was proceeding in its own direction re the Western Power Grid. Mr. Speaker, at no time this weekend did I discuss the Western Power Grid.

A MEMBER: Well you should have.

MR. SPEAKER: The Honourable Member for Pembina to the same point.

MR. D. ORCHARD: No, I'm just going to continue my remarks, thank you. Once again that just proves how out of touch the First Minister is, he should have been talking about the Power Grid this weekend and he wasn't, he wasn't caring for the future of Manitoba.

A MEMBER: Tried and true.

MR. D. ORCHARD: Mr. Speaker, the . . .

MR. SCHROEDER: Admit you're a liar.

MR. D. ORCHARD: . . . now we hear the Minister of Finance talking about liars over there, he's an expert in telling who's lying I can tell you that. He's the biggest fudger of figures in the whole Province of Manitoba, Mr. Speaker, and the Minister of Finance can approach the news media and tell them that they're liars because they reported the First Minister saying that this weekend. So go and talk to the media who reported your First Minister as saying those kinds of remarks about the Power Grid; don't talk to me.

Mr. Speaker, what a short . . .

MR. SPEAKER: Order please, order please. The Honourable First Minister to a point of order.

HON. H. PAWLEY: Yes, I had occasion as well to hear the news media this weekend. At no time did I hear any such reports by the news media in the Province of Manitoba.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. SPEAKER: Does the Honourable Member for Pembina wish to reply to the point of order?

MR. D. ORCHARD: Mr. Speaker, I don't believe the First Minister had a point of order. I don't consider it worthy of my time.

Mr. Speaker, —(Interjection)—

MR. SPEAKER: Order please, order please. I remind the Honourable Member for Pembina that he does not decide in this Chamber what is or is not a point of order. Furthermore, I distinctly heard the word "lie" and "liars" mentioned several times in this House. I'm sure that Hansard when it comes up, will show who the member was that uttered that. In any case, it is not a parliamentary word to use. Members should avoid using in the future.

The Honourable Member for Pembina.

The Honourable Member for Turtle Mountain on the point of order.

MR. B. RANSOM: Did the First Minister have a point of order, Sir?

MR. SPEAKER: I will review Hansard to see whether he did or did not have a point of order.

MR. D. ORCHARD: Thank you, Mr. Speaker. Well, that's nine month's change in the Minister of Finance's predictions on Manitoba. I want to point out two month's change, Mr. Speaker.

On December 16, 1982, at Meach Lake, Quebec, the Honourable Vic Schroeder, Minister of Finance, for the Province of Manitoba is presenting notes for a statement on policies for economic recovery. He says, "A number of measures to preserve and protect the productive base of the Manitoba economy and employment opportunities for our people have been undertaken by our government. Among our more important measures were," Mr. Speaker, and I quote from D2: "freezes on many provincially determined prices and fees, including hydro rates, the gasoline tax, tuition fees and transit fees."

Mr. Speaker, that's only two months ago that the Minister of Finance was talking about that. What have we seen? The hydro rate freeze is gone; the gasoline tax is up; the tuition fees are up at the universities and colleges and transit fees are up in the City of Winnipeg. How little the Minister knows over the longer haul of this province.

Mr. Speaker, also just two short months ago, the same Honourable Vic Schroeder, the Minister of Finance, December 16, Meach Lake, talks about the unemployment crisis in Canada. He says that Manitoba's 1982 Budget set out two main goals: To help sustain and strengthen our economy and to underpin our economic foundations and to provide as much protection and assistance as we can to relief Manitobans of the worst effects of national conditions and national policies.

He goes on to say, Mr. Speaker, on Page D10, "Freezes on a number of prices and taxes, including the gasoline and motor fuel taxes; university tuition fees; urban transit fares, and an extension of the hydro rate freeze. That is a phoney statement, the extension of the hydro rate freeze. It was in place for five years and they cut it short, Mr. Speaker. In total, it's estimated, according to the Minister of Finance for the Province of Manitoba, that these measures will save Manitobans more than \$50 million during the current financial year. It must follow, Mr. Speaker, that in the two months since the Minister of Finance presented that, they have now cost the taxpayers of Manitoba an additional \$50 million.

You add that to the \$102 million that they're going to raise from consumption taxes such as the sales tax, fuel tax, cigarettes and alcohol, that they're impacted on the people of Manitoba in just two short months for a total of \$150 million. This is some friendly, compassionate, caring government. The Minister of Health has confirmed, he says that's right.

HON. L. DESJARDINS: That's right. First priority.

MR. D. ORCHARD: If you add that \$150 million impact from the taxpayer's pocket with the \$600 million deficit that he's going to have to bear, you've got an impact on the people of Manitoba of a total of \$750 million. That's \$750 per person in the Province of Manitoba

in one short year. That's dangerously close, Mr. Speaker, to the \$1 billion or \$1,000 per person that the Minister of Finance decried so loudly in Page 1 of his Budget Address.

Once again, Mr. Speaker, I think you can clearly see why we believe this Minister of Finance has presented a phoney Budget, where he's fudged the figures.

One other Act, The Revenue Tax Act, 1964, Part I, Mr. Speaker, puts a 1 percent additional tax on natural gas and electricity. What does that do, Mr. Speaker? We had the major employer in Brandon, being Simplot Chemical now being imposed with an additional hydro rate, because the freeze is off. They are paying the payroll tax from last year, and now they're going to get charged an extra 1 percent on their natural gas they use for the production of anhydrous ammonia and electricity to drive the compressors to make that production. Some help to the private sector and to the farming community of Manitoba, Mr. Premier. I hope you're indeed proud of what you're doing for that basic industry, the only basic chemical industry we have in the Province of Manitoba, and you've hit them with every single tax increase that has come along in 14 months.

What, Mr. Premier, will that do for the cement industry of Winnipeg? Currently the cement industry is paying tax on natural gas. They're paying the payroll tax and they're paying now, an industrial 1 percent on the electricity they use. Maybe, Mr. Premier, you can give those factors to the California consultant firm that you've retained to study the Manitoba cement industry when you couldn't find any expertise among the consulting firms in Manitoba. I think it's a shame that you've gone out-of-province to study the cement industry with a California consulting firm when we have expertise in Manitoba that could do it.

I only hope, Mr. Premier, that you make a phone call to California and you tell the consultants down there that now the cement industry is going to bear an additional 1 percent sales tax burden on their production costs in making cement in Manitoba. It would seem as if, from what the Minister of Finance said earlier today, the biggest job for the cement industry in Manitoba is going to be building the concrete wall on the Saskatchewan border, so that he can set up Checkpoint Victor and prevent all that smuggling into the Province of Manitoba.

Mr. Speaker, the real tragedy of this Budget is not in what it said, but in what it didn't say. There's no recognition of the role the private sector must play in the Province of Manitoba to bring this economy back to a normal stead. There's no reference. This government doesn't recognize the private sector.

They barely recognize, Mr. Speaker, agriculture. They did mention it in a couple of places, but I think the most important thing to note in the Budget Address about agriculture is the fact that - and it's admitted by anyone who will take a look at the agricultural economy in the Province of Manitoba - it's probably in as shaky a position as it's ever been in. There are people who have real problems out there.

What do we have on Page A7 of the Budget? Well, we have the Manitoba Agricultural Credit Corporation being given an additional budgetary authority of \$20,654,000.00. Mr. Speaker, right below it, we have Manitoba Oil and Gas Corporation getting \$20 million.

Isn't that a fine comparison which tells the priorities of this government. They are going to sink the same amount of money into an oil company which isn't needed in the Province of Manitoba as they're going to put into the entire agricultural industry in the Province of Manitoba.

MR. H. ENNS: Which might never bring a return.

MR. D. ORCHARD: The biggest single contributor to GNP, they are going to give the same amount as they will to their ideological bent on creating ManOil. ManOil is being created at a time of the most turbulent pricing situation in the international oil market that we have seen since 1973. This government puts \$20 million into ManOil and slightly more only, into MACC to provide real relief to the real producer, the efficient producers in the Province of Manitoba.

The other reference that I think is most shocking in this Budget is the reference that the Premier and his Minister of Finance have given us on Page 21 of the Budget Address itself. "This latter-day disciple", to quote Frances Russell in her article in Saturday's paper, "in the form of the Premier is now bringing in to the Province of Manitoba the spectre of a 1 percent gross income tax." Are we to call this the socialist tithing - tithing to the NDP Government of Manitoba? Is that what it's going to be? Because that's what tithing is - it's a cut right off the top of a person's gross income. Now we are going to ask the people of Manitoba to tithe to this left wing government in the Province of Manitoba. What kind of an incentive?

MR. A. ANSTETT: It's a darn good idea.

MR. D. ORCHARD: Oh, and the Member for Springfield says it's a darn good idea. Well, I don't think the business community is looking at Manitoba as a favourable place to locate is going to think it's such a "darn good idea", the Member for Springfield.

What hope is there for Manitobans that they're going to have a real and permanent job in their lifetime in the Province of Manitoba as recommended by the Bishop's Conference which the Minister of Finance has so lovingly quoted? What chance have they got when this government is talking about a gross income tax? That's a high degree of encouragement to a high tech industry paying large wages to highly technical people. That's a real incentive to get them to come to Manitoba. We've got the payroll tax in Manitoba for any firm that wants to move here or set up here; we've got a burgeoning deficit which, as firms locate in Manitoba, they are going to have to assume their fair share of. It's 600 million projected this year; it was 500 last year. These people still have two more Budgets to go. Every single business that locates in Manitoba is going to have to assume their fair share of those burgeoning deficits. What kind of an incentive does that provide to the private sector to move to Manitoba? Mr. Speaker, I suggest none. None.

They have increased the corporation taxes in the Province of Manitoba. They are now increasing the Hydro rates in the Province of Manitoba by 9.5 percent, one year in advance of the freeze coming to a logical end. They are unloading costs on the local municipal

governments faster than any government has ever done in the history of this province. That means property taxes, Mr. Speaker, are rising. All of those things, increasing property taxes, increasing hydro rates, increasing corporate taxation, increasing personal income taxation through the sales tax, the payroll tax, increasing taxation on natural gas and electricity used in any industrial process. The burgeoning deficit is simply a deferred tax on the residents of Manitoba. What incentive is there for anybody to move to this province with this government at the reins of power?

Mr. Speaker, I suggest none. Therein lies the true tragedy of this Budget. It's not what was said. all the fudging of the figures that the Minister of Finance did on Thursday night. The true tragedy, Mr. Speaker, is that Manitobans elected this government on the basis of a series of promises that each and every New Democrat elected to this House was part of. They offered Manitobans in 1981, in November, some hope for the future; some growth; some job security; some security from interest rates. What have they got, Mr. Speaker? I suggest now, they have no hope.

This government is not in tune with what Manitoba truly needs. They have made sweetheart deals with the MGEA. They have shirked their responsibility to properly control expenditures in the Province of Manitoba. They have, once again, played a dangerous precedent with the people of Manitoba in developing expectations of the very worst in the sales tax. They did it last year. There was no sales tax increase; people sighed a sigh of relief. But then they got the payroll tax and on July 1st when they started paying it they realized they'd been had by this government. They did the same thing in preparing for this Budget. They buoyed people up for a 2 to 3 percent increase in sales tax and they brought in 1 percent.

"Pretty soon," and I don't often quote Frances Russell but, "pretty soon the people of Manitoba will be saying that this government is a little boy crying wolf to the people of Manitoba." Mr. Speaker, the people of Manitoba will not be toyed with in that respect. They were toyed with enough in the election promises and now they see, Mr. Speaker, that this government was incapable of delivering even the smallest of the promises that they made in 1981. They have delivered increased taxations, they have caused more people to lose their jobs - 30,000 more - and they have raised the costs of every single item in Manitoba through the payroll tax and increased sales tax and now increased energy taxation.

Mr. Speaker, this is a government that is bankrupt of ideas, is leaderless and doesn't deserve the confidence of Manitobans. Manitobans will increasingly turn away from this NDP Government and say that we were fooled in 1981 and we shall not be fooled again, Mr. Speaker.

Thank you.

MR. SPEAKER: The Honourable Member for The Pas.

MR. H. HARAPIAK: Mr. Speaker, I would like to add my congratulations to my colleague, the Minister of Finance, on the content and the delivery of his Budget Speech. At a time when we are faced with the most difficult economic recession since the Great Depression,

the Budget addresses the greatest concerns of the citizens of this province, and that, Mr. Speaker, is a need to create jobs.

Everyone realizes that during these tough economic times our options were limited. We could have followed the route of the previous administration and practised "acute protracted restraint." There are people in this province who are still recovering from the last time the practice was followed. A practice which said, "Welfare was a better alternative."

SOME HONOURABLE MEMBERS: Oh, oh.

MR. H. HARAPIAK: What a terrible human price many Manitobans paid in lost self-pride and lost hope. There are many people who would have gladly participated in any job creation projects so they could have gladly made a contribution to their homes and to their families if they were given an opportunity.

In traveling through parts of my constituency, a constituency with a high unemployment rate, I find there is never a lack of people who are willing and able to contribute to any job creation programs if they were to be given an opportunity to participate.

Mr. Speaker, I made a tour of Northern Manitoba recently, at the request of the Minister of Energy and Mines, to get a first-hand look at the effects our job creation programs have had in the North. In Thompson, where Inco had just shut down their operations, ordinarily the community would have been depressed. I found no depression in the community of Thompson. There was total commitment to the job creation projects that were going on in that community. Credit must be given to all the people involved: the co-ordinator for the program, John Harkness, local sponsors, business and of course the local MLA and the provincial and the federal governments. There were over \$3 million in assets realized as a result of the funding and local project management that were carried on during the time of these projects. There were renovations in schools - renovations that were badly needed and will make long lasting improvements to the community. Job creation gave the Thompson Hospital some badly needed storage place and numerous other community projects were planned and completed.

There are two other northern communities, Lynn Lake and Leaf Rapids, who also had several job creation projects and who will have some long-lasting effects on their communities.

I believe that there should be co-operation between business, labour and local government in each community so there is a list of potential projects in the event that there is a shutdown of a major employer in any of these communities. There are few economists predicting that this recession is at an end, and that is the reason there is more thought that should be put into projects now so they are more meaningful, worthwhile and longlasting.

Mr. Speaker, as the Minister of Labour stated last Friday, "This government makes no apology for emphasizing meaningful job creation as central to its policies. We make no apologies for the practical steps we are taking to put Manitobans back to work. We make no apology for mustering the resources of our Manitoba community, through this Budget, to work

towards that goal." She asked all Manitobans to join us, so that those without jobs can be helped by those who are employed and that, more important, it can help the less fortunate. I congratulate the Minister of Finance for making jobs the central thrust of his Budget. We, as a province, cannot allow a large number of Manitobans to be unemployed.

Mr. Speaker, it is my personal opinion that we should participate in job creation programs with private industry. The recent shutdowns have shown us the value of having a healthy resource industry. If job creation projects put industries in a better condition to respond to an economic recovery sooner, the entire province gains.

Mr. Speaker, I believe that we are entering an era of industrial, cultural change. The industries which recognize the decisions must include the working people on the floor and the working people who realize that with industrial democracy comes a greater responsibility for the well-being of the complete operation are going to be the survivors in these tough economic times.

We, as a nation, cannot continue to negotiate with a confrontational attitude. We cannot afford it; it has too high a human cost and it affects our production as a nation to too great a degree. As the Finance Minister stated in his Budget Address, the Economic Summit at Portage la Prairie started the process of business and labour sitting down on a joint basis to plan for the long term. The summit got off to an excellent start, based on far more common ground than was realized that existed and on remarkable amount of goodwill.

Mr. Speaker, this Budget shows a concerted and consistent effort towards job creation, but it is also important that we, as a government, take an active role guided by the principles of compassion creativity and co-operation. These are the principles that must be our guide as we deal with an unsettled economy.

Compassion reflects our determination to ensure that basic human services are met and improved. We must ensure that the basic public services are supplied and assist those hardest hit by the recession. For these reasons the Department of Community Services and the Department of Health have received the largest increases of all departments. We will continue to be guided by the principle of compassion. We will not deny the people the services they require during this tough economic time. We cannot follow the previous administration's example of acute protracted restraint. Their idols south of the border are presently practising this philosophy. An article on January 17th of the U.S. News and World Report shows that our neighbours to the south are not getting the same treatment as the citizens of this province. Many are being forced to live in tents and get their nourishment in soup lines.

Mr. Speaker, once again, this government has demonstrated that Northern Manitoba has a place in this province's future. We have always believed that Northern Manitoba would play a large role in the economic recovery. I am especially pleased to see the continued support for housing projects. I look forward to the Housing Conference which is being planned for Thompson during the month of March.

Mr. Speaker, there are many reports which show the future of forest products being very positive. I am pleased to see that Manfor is included in the plans for

expansion and modernization. We must have the courage to move forward with this long-awaited project.

Mr. Speaker, the Port of Churchill must play a greater role in meeting the transportation needs of Western Canada. The extension of the Hydro line to Churchill will give the community and the port the energy needs that are required for industrial growth. We must promote the Port of Churchill for the movement of grain as well as an importing and exporting port for other goods. We must also explore the natural attractions that are in this area for the tourist industry.

Mr. Speaker, although members opposite may boast about their years and experience in the Legislature, they do not seem to realize the role of an opposition in a democratic system. I have not heard one positive suggestion from the opposite side of this House. They should forget about the mega projects or mega dreams. They were never in place and begin with a more positive, co-operate attitude that has been demonstrated by the rest of the province and begin making some positive suggestions.

Mr. Speaker, the acting Leader of the Opposition accuses the Cabinet of posturing when they announced there will be no increase in their salaries. I would suggest they are showing leadership, an example for the rest of the province to follow. We, as Manitobans, are in a time of concern but we are not without hope for the future. The Cabinet and others have shown their willingness to share with others who are less fortunate than ourselves.

This reminds me of a poem I heard this last Sunday with which I would like to close: "Let's not tell ourselves - we would if we could. Because before we know it, life's sun will set and really our life is not a possession to be defended, but rather, it is a gift to be shared."

Thank you.

MR. SPEAKER: The Honourable Member for Kirkfield Park.

MRS. G. HAMMOND: Thank you, Mr. Speaker, I enter this Budget Debate with a heavy heart - heavy heart is exactly how you can describe it. I don't have to . . .

HON. A. MACKLING: Don't be heavy-handed though.

MRS. G. HAMMOND: . . . be heavy-handed as the member said. They're heavy-handed enough - speaking of the government, of course.

Mr. Speaker, on Page 4 of the Budget, one of the things that was said was that our Budget last year required a number of hard choices and hard decisions. The choices and decisions this year have been even more difficult. I want to say that, although they may be hard choices and hard decisions, this government certainly didn't make any. Nothing in this Budget has given any indication of confidence for the people of Manitoba.

Further on in the Budget, Mr. Speaker, it said, "But in November of '81, the people of Manitoba made it clear that they want a government which is not afraid to admit to the problems which are threatening our province." Now, Mr. Speaker, the people of Manitoba never said anything of the sort. They bought the promise

of the Premier of Manitoba and it won't go away. We can build a dynamic future in Manitoba; we can turn around the harsh economic circumstances of the past four years." That's what the people of Manitoba wanted, Mr. Speaker. They didn't want someone who is not afraid to admit to the problems. They've got enough problems of their own to admit to.

Mr. Speaker, the theme of the Budget is jobs, jobs, jobs. We've heard the Premier, he's been talking about job creation, job priorities. All he has been doing is talking, talking, talking. I think the people of Manitoba are getting a little tired of just talk. Now we have \$200 million dedicated to the Budget for jobs, but are any of these jobs long-term? None of them; they're all short-term, six weeks, eight weeks, 20 weeks, maybe a few a bit longer but nothing that someone would be proud to take and do for any length of time. They know there's nothing here of long-range.

Mr. Speaker, on Page 14 of the Budget the Minister of Finance was talking about realities. He said a fifth reality is the impact of the recession. Well I think maybe this government has just discovered the recession, something that we've all known has been here all along. He went on, Mr. Speaker, to say, "For 1983-84 we have reduced the number of positions in government departments, the number of staff years by almost 500 from last year's total." Mr. Speaker, in 1982-83 they created 500 staff years. It sounds like we've got a revolving door going here. I don't understand what is going on but it sounds like a bit of slight of hand and I don't think the people of Manitoba are going to buy it, in fact, they're complaining right now.

On Page 16, actually I should cut back to Page 15 because the next next thing they're going to do now is they're going to have a zero increase for Members of Cabinet, 2 percent at the \$50,000 income level and less above that level - pure tokenism, Mr. Speaker. What have we seen so far? We've seen the Premier's car; he's driving a smaller car - energy efficient. I haven't noticed too many other smaller cars around the front row of the Legislative Building but the Premier's car. They don't say anything about the redecorating of his office with an imported carpet; they don't say anything about the increased political staff. Order-in-Council, when our people went out of government, let go 25 people. Right now the Orders-in-Council for political people are at 44 positions. Now Blakeney, when he went out of office had over 60. Maybe that's what this government is headed for now. That sounds like a reasonable situation because, in fact, we have one of their new members, and it's the first appointment under the TAP Program, and I just love the name, Temporary Assignment Program, TAP. Well the tap is open now and running and the first appointment has come in, Mr. Scotton. Clifford A. Scotton has become the first senior administrator to be appointed by the Manitoba Government under the TAP Program at a salary of over \$50,000.00.

MR. D. SCOTT: Fine man.

MR. D. ORCHARD: Not just a drip, it's a big run.

MRS. G. HAMMOND: Mr. Speaker, Mr. Scotton sounds like he has, when I read his press release, or the press

release the government put out on him, has gone from the Federal Secretary of the New Democratic Party, for two years Provincial Secretary of the British Columbia NDP, he's gone from one political job to another and this is the man that they're bringing in to develop innovative approaches to collective bargaining and worker participation in decision-making. Now we've seen the first of his job creations and his approach to collective bargaining and that was the MGEA settlement.

During the Throne Speech Debate I said there was a growing resentment about public sector agreements and that this issue was going to hurt this government in the long run more than any other issue. I went on to beg the government to start looking at Manitobans in the public sector. Well they looked all right, and never in my wildest dreams could I have imagined that they would come up with the kind of settlement they did, and I certainly don't blame the members of the MGEA because, boy, did they have a good negotiator, Mr. Doer. He certainly, in hand I suppose with Mr. Scotton, managed to get a wonderful agreement - 27.5 percent over 30 months, no layoffs for regular employees, no layoffs for term. No one in the private sector has that sort of thing. It's absolutely unbelievable, Mr. Speaker, that this sort of thing could be allowed to happen. We weren't asking for layoffs in the public sector. What we were asking for is reasonable settlements. Now, Mr. Speaker, what we have, we have in the private sector people frozen, their salaries are frozen; and then this First Minister is standing - I heard over the weekend - he's going to ask them to renegotiate their agreements so that the private sector can help out too. Well do you renegotiate a freeze? Do they go down then further? What is happening with this government that they would encourage this sort of thing. What we have now is the strike at the Health Sciences Centre, I think Misericordia and Grace, by the Operating Engineers. Now I cannot put any blame on the Operating Engineers.

Mr. Speaker, this government has raised the expectations of people that work for organizations such as the health community, that they in turn could get these outlandish settlements, at 13 percent. This is unbelievable in this day and age of layoffs. Now there's violence. In the Winnipeg Sun of February 27th, and I quote, "Smith said workers picketing the Health Sciences have been forced to run for their lives on at least two occasions when disgruntled motorists ran up over the curb narrowly missing the strikers. The pickets have been the target of fist shaking, name calling and obscene gestures since they walked off the job last Monday." Mr. Speaker, what I am trying to say today is that this government has definitely misjudged the mood of Manitobans. They do not want to see the government employees get wage increases that are so far out of line with the private sector where most of the people are working. Even the spokesman for the union says the government has a double standard, finds the government inconsistent. I can understand that, Mr. Speaker. I'd feel the same way if I was one of the engineers; feel exactly the same way. They look around and they see the kind of wages that this government has negotiated for their own staff.

MR. G. FILMON: Hard to believe.

MRS. G. HAMMOND: Unbelievable.

MR. D. ORCHARD: Leadership you can trust.

HON. L. DESJARDINS: What did you give the engineers the last two years?

MR. D. ORCHARD: Leadership you can trust.

MRS. G. HAMMOND: Mr. Speaker, when the Minister of Labour was speaking, she talked about a caring, compassionate government, protections of jobs, just as important as creating. Of course they are, but where is this protection? In the public service, nowhere else. We have layoffs, bankruptcies, people out of work. Then she talks about co-operation being the hallmark of this caring government. That's all this government does is talk about caring and compassion.

MR. G. FILMON: All talk.

MRS. G. HAMMOND: All talk and no action. She's proud of this Budget, Mr. Speaker; and then went on to say that our government when they were in power were mean-minded. Well, I asked the people of Manitoba . . .

MR. A. ANSTETT: That's putting it mildly.

MRS. G. HAMMOND: . . . just how they enjoy this government, this compassionate, caring government.

First of all, we've got the employment tax - a tax on employment, 1.5 - a brand new tax; something that they were really planning to raise at this Budget, but they got caught with their hand in the till. So now, of course, they were forced to face up just a bit - couldn't face anymore music. They increased the sales tax. Now, there's the hydro increase. The real property taxes went up last year; school taxes were up; tax on gasoline; unemployment, 54,000; over 30,000 more unemployed in this province, and that's not counting the people who have given up looking for work. They're not even in the statistics. They're just sitting at home.

Mr. Speaker, then with all of that, the Minister, I can't believe that he would bring up a tax. Recently, we indicated our possible interest in proceeding with a minimal tax applied against total income over the tax based incomes program which would involve the levy on increases beyond a specified dollar. They didn't even get that increase and yet they have told the world about it.

I plan to come back to that particular tax, but this is something that probably the people of Manitoba can expect for next year. They didn't get it this year. They'll get it next. That's added on to the tax on employment; the sales tax increase; hydro increase; real property tax increase; school tax increase; tax on gasoline - another increase; and high, high unemployment. This is the caring, compassionate government.

This is the government who bought a big ad campaign and that's what they got. If this sort of thing had happened in industry and they'd had an ad campaign like that and it had turned out to be such a disaster, they would have been recalled. That's what should have happened with this government - absolutely recalled. This is a totally demoralizing type of Budget.

I don't see anything in here to give the people of Manitoba any type of hope for the future.

MR. H. HARAPIAK: You're not talking to the people.

MRS. G. HAMMOND: I hear the Member for The Pas saying I'm not talking to the people. Well, I am talking to the people. That's exactly what's happening. In fact, they are talking to me. They want to tell me, "What next?"

MR. S. ASHTON: That was a good sign for an MLA.

MRS. G. HAMMOND: When I have senior citizens, women who are coming up to me in the store to tell me, how often are they going to raise the tax - and this surprised me - on cigarettes and on hard liquor. Even the senior citizens today - no, you think this is fine. They laugh, Mr. Speaker, but I want to tell you, it's that kind of a tax that finally gets to the people. That's the sort of tax that stops someone who is a senior and who is on fixed income. It's fine for them to sit and drink. They can guzzle their beer all they like on that side, and then they probably will.

Mr. Speaker, when you have seniors coming up to you and they are perfectly serious - funny to this side - because they can't afford to have one of the small luxuries of life, then I think this government has got a bigger problem than they ever imagined.

MR. A. ANSTETT: Are you opposing those two taxes?

MRS. G. HAMMOND: Mr. Speaker, we have layoffs every day. School closures - that's another thing - four in St. James-Assiniboia and probably more to come. Now, Mr. Speaker, I am not speaking out against school closures, but this government in the promises, the messages of the promises on Page 14 - I numbered it; it wasn't numbered there - they indicated that they would open schools up, not close them down. An NDP Government would ensure school facilities would be made available to the community at night for recreation, evening courses, and community programs. Mr. Speaker, you can't get into the schools at night. It's hard to book one. They're all booked. They always have been. This is some promise, but they're going to open the schools up. An impossible promise, a foolish promise, a silly promise, and a promise that shouldn't even have been included in there, but this is one of the reasons that people elected them, because they said that they would keep schools open. Utter nonsense, it wasn't possible. Not only that, the people themselves are deciding in many instances to close these schools down.— (Interjection)— You're right. As the Member for Gladstone says, in spite of the government. Utter foolishness.

Then, they have the nerve to say that this side of the House gloats about layoffs, about bankruptcies. Mr. Speaker, it's all we can do to keep from crying. The government today has been a disgrace up-to-date. You can laugh all you like, the members opposite, because I want to say that this is going to be a short, short four years; but in the meantime, I feel as though it's like a stack of cards, a house of cards that you're building, and you pull just one little thing out and it all

comes tumbling down. It's hard to imagine the kind of mess that we'll be left to clean up.

Mr. Speaker, the other point I would like to make on the savings that this government is going to produce which as the - I think the Member for Morris used the word illusionary, and I believe that probably describes this whole Budget very well.

They started off with 13 Ministers and they added - let's see - another 5 at least and probably still more to come. Mr. Speaker, I really have a very great problem in even taking a Budget like this seriously. We are stuck with the 1.5 tax on employment that the spokesman for the Canadian Federation of Independent Businesses said is one of the main reasons for the loss of jobs. The 200 million will not create long term jobs. Another reason is the government's generosity to its own members. Mr. Speaker, I have a great problem in the 1.5. Here we have the government levying a tax on employment, keeping the tax on employment in spite of the fact that they know what it has done. You talk to businessman today, they've laid off the very people that this government now is going to encourage them with their 200 million to employ. In fact, 100 million of that are people that will be laid off and they're going to be employing them again. It just doesn't make any sense and neither does this Budget, Mr. Speaker.

Mr. Speaker, I just feel that the people of Manitoba have been duped in a way that they couldn't have imagined possible. I think that as the year proceeds on and we find out just exactly how short they are going to be in revenue and how heavy their deficit is going to be, that it's going to become harder and harder for this government to rationalize the type of Budget and the type of things they are doing to the Province of Manitoba.

Unfortunately, Mr. Speaker, I do believe that this Manitoba Government believes that the recession is over. Well it may well be over for some of the other provinces in this country at the end of the year, but I am afraid Manitoba has put itself in such a position that it won't be able to recover. Thank you, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Springfield has a question.

MR. A. ANSTETT: Yes, Mr. Speaker, if the Honourable Member for Kirkfield Park would permit a question. It was unclear from her remarks, when she was speaking on taxes on alcohol and hard liquor, whether or not she was saying she was opposed to those tax increases. I am wondering if she would clarify that.

MR. SPEAKER: The Honourable Member for Kirkfield Park.

MRS. G. HAMMOND: Mr. Speaker, it is not up to me to decide whether I am opposed to it or not. I am not a member for the government. What I am suggesting is they're the ones that have to make the decisions, not me.

MR. SPEAKER: The Honourable Minister of Housing.

HON. J. STORIE: Mr. Speaker, in view of the long hour and before beginning my remarks, I wonder if it would be possible to get agreement to call it 5:30?

Monday, 28 February, 1983

MR. SPEAKER: The Honourable Minister of Natural Resources.

MOTION presented and carried and the House adjourned and stands adjourned until 8:00 p.m.

HON. A. MACKLING: Mr. Speaker, in view of the hour, I think that if all members agree we could call it 5:30 and adjourn.