



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

31-32 Elizabeth II

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Speaker*



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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Second Legislature

Members, Constituencies and Political Affiliation

Name	Constituency	Party
ADAM, Hon. A.R. (Pete)	Ste. Rose	NDP
ANSTETT, Andy	Springfield	NDP
ASHTON, Steve	Thompson	NDP
BANMAN, Robert (Bob)	La Verendrye	PC
BLAKE, David R. (Dave)	Minnedosa	PC
BROWN, Arnold	Rhineland	PC
BUCKLASCHUK, John M.	Gimli	NDP
CARROLL, Q.C., Henry N.	Brandon West	IND
CORRIN, Brian	Ellice	NDP
COWAN, Hon. Jay	Churchill	NDP
DESJARDINS, Hon. Laurent	St. Boniface	NDP
DODICK, Doreen	Riel	NDP
DOERN, Russell	Elmwood	NDP
DOLIN, Mary Beth	Kildonan	NDP
DOWNEY, James E.	Arthur	PC
DRIEDGER, Albert	Emerson	PC
ENNS, Harry	Lakeside	PC
EVANS, Hon. Leonard S.	Brandon East	NDP
EYLER, Phil	River East	NDP
FILMON, Gary	Tuxedo	PC
FOX, Peter	Concordia	NDP
GOURLAY, D.M. (Doug)	Swan River	PC
GRAHAM, Harry	Virten	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

Thursday, 3 March, 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 First Minister.

HON. H. PAWLEY: Mr. Speaker, I have a statement I would like to deliver to the House - copies.

Mr. Speaker, the Province of Manitoba stands ready to do its part as a \$200 million Job Fund illustrates. For Canadians to enjoy economic recovery there must be investments to provide jobs for our young people; jobs mean prosperity and a better future. I would hope all Members of this Legislature will join with me and lend their voices to this call in Ottawa for an early commitment to the type of proposals I have tabled today, an early commitment to a co-ordinated, co-operative approach to meeting Canada's unemployment crisis. We need that commitment from our national government, and we need it now.

I rise today to table in this House, for the benefit of all members and for the people of Manitoba, copies of a paper listing Capital project proposals Manitoba has submitted to the Federal Government in response to their request, and further to our proposal for a national recovery program.

The Budget tabled last Thursday emphasized the first commitment of our government. Our No. 1 priority, to create, to save jobs. These projects would be meaningful additions to our economic base and put thousands of unemployed Manitobans back to work. Manitoba has led all provinces in the call for a co-ordinated national attack on unemployment headed by our national government.

The Federal Government, if it chooses to use its significant resources in combination with the resources of the provinces, can set in motion projects like those outlined in the paper and select, I should add, from the list that is being distributed to all members of the House. That would be a positive step in all-out war on unemployment in Canada.

The capital construction projects I have tabled today have dual purpose, first and foremost, to create jobs today; second, creating other long-term benefits for the Manitoba economy, such as encouraging new industries, upgrading existing industry and improving the quality of the workplace.

MR. SPEAKER: The Honourable Leader of the Opposition.

HON. S. LYON: Mr. Speaker, I wish to thank the First Minister for tabling with the House the list of the capital

project proposals that has been sent to the Government of Canada. We will, of course, wish to go over these in some detail and it would be irresponsible to make any substantive comment upon each of the proposals at this stage.

We, too, share with the Leader of the Government the concern about unemployment in Manitoba. Indeed, we shared that concern when we were in government and we're taking a somewhat different approach to job creation because, unlike the New Democratic Party, we believe that the private man and woman, the private sector, private business, is the engine which fuels our economy in Canada and in Manitoba. Certainly we live in a mixed economy. There is a role, and an important role, for Crown corporations such as Manitoba Hydro, Manitoba Telephone System and so on to play. But that is essentially a subsidiary role to the role that is played in a free-market economy system by private investment in the creation of long-term meaningful jobs before the people of our province.

That, Sir, is why we had under way such broad economic thrusts as the attraction to Manitoba of an aluminum smelter. That is why we had under way, Mr. Speaker, and within sight of completion, the Western Power Grid concept with the other three provinces, working through Manitoba Hydro to create thousands of jobs in Manitoba which would be self-sustaining jobs not paid for by the taxpayers of Manitoba or of Canada. My fear, Mr. Speaker, is that in this list which we have not had an opportunity to go over, there will be worthwhile projects. There will be highways projects, there will be public building projects and so on, which were going to take place and to occur in the ordinary course of events in any case, so there is really nothing new. Really what we will be seeing I think is an acceleration of some of these projects that were already on the books when this government came into office. So for those, Mr. Speaker, as I said the other day, of the 54,000 unemployed who unfortunately exist in our province today, I don't feel that anything that has been said today offers too much hope to them in terms of new job opportunities; perhaps an acceleration of jobs that were going to be done by government in any event. But the people of Manitoba should not lose sight of the fact that practically all of this, unless my quick reading of it is wrong, practically all of this comes from tax-funded jobs, not from new private investment which is really the source of the important new jobs that Manitobans desperately need today.

Mr. Speaker, we will work with the government as co-operatively as we can in order to bring to bear upon the unemployment problem in Manitoba all of the wisdom that collectively this House can offer. I merely suggest to my honourable friend that they should take off their ideological blinkers and realize that there is a role for private investment and that they should get on to the job of attracting new business to Manitoba, rather than imposing taxes upon businesses, such as, the Employment Tax and, such as, some of the other perverse taxes that they have imposed upon business

in Manitoba which works against job creation in our province.

Mr. Speaker, when this government begins to see the perversity of its ways, then we will begin to perhaps experience some real job creation in Manitoba.

MINISTERIAL STATEMENTS AND TABLING OF REPORTS

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. B. URUSKI: Mr. Speaker, I'd like to table the Annual Report of the Department of Agriculture.

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

MR. SPEAKER: The Honourable Member for Niakwa.

MR. A. KOVNATS: Thank you, Mr. Speaker. Before Oral Questions, I would like to ask for leave to make a non-political statement.

The Honourable Member for Niakwa.

NON-POLITICAL STATEMENT

MR. A. KOVNATS: Thank you, Mr. Speaker. I will precede my remarks with reading two headlines from the paper: "Wilson Closes in on Wrestling Gold and Help From Home Has Gold Touch." It's stated in Quebec and it's written by Al Besson, who is a sportswriter for the Winnipeg Free Press, "A Little Help from Home never Hurt." Chris Wilson of Winnipeg's Windsor Park took full advantage of this, this week, as he battled his way to a 901-loss record and a gold medal in the 48-kilogram division of the Jeux de Canada Winter Games Wrestling Competition.

Chris and his family live in St. Boniface and in my constituency, in particular, Niakwa. I would like to take this opportunity to congratulate Chris Wilson on his endeavours from all of the people of St. Boniface and from all of the people of the Province of Manitoba. Chris has had real good support from his coach Reg Larocque from the Manitoba Olympic Wrestling Club; from his family; his brothers and sisters; his mom and dad, Bob and Beth Wilson. I would like to take this opportunity on behalf of all of us here today to congratulate Chris on his winning the gold medal at the Winter Games and for his future endeavours.

Thank you, Mr. Speaker.

MR. SPEAKER: The Honourable Minister of Health.

HON. L. DESJARDINS: Before that, Mr. Speaker, I wonder if I could ask leave of the House also to add a word. Mr. Speaker, I would like to inform the members that I was very fortunate to attend the official opening of the Canada Games in the area of Saguenay, Lac St. Jean. I think what impressed me the most was the spirit, the unity that we seen there. Of course, winning is very important but it is not the only thing. The ceremony was very moving. I think that all of us felt that we were proud of being Canadians.

Coming back to Manitoba, my main concern was that everybody behaved very well. Our delegation were well trained. I think that we probably spent less money on the uniforms and we looked the sharpest there. We had received very many compliments.

It is true that we fell in total points from fourth to fifth place from Brandon. I think it always helps to be in your own backyard, but I don't think we have anything to apologize for. I followed some of the matches and our athletes give it their all.

There are other people from St. Boniface; I shouldn't single out anybody. I think that all our medal winners should be congratulated. In fact, all the members that participated in the Manitoba delegation, including the missions and the athletes.

Closer, in my own constituency in St. Boniface, I think the big surprise of the games was the way that our weight lifters, they finished second, and most of them I think either attended, are attending or attended the Nelson McIntyreschool and the well-known Russ Pryor was the coach, so we were very proud of them. Although they went from fourth to fifth, I think that they represented Manitoba very well. Thank you very much.

MR. SPEAKER: The Honourable Member for Inkster.

MR. D. SCOTT: Mr. Speaker, if possible, I would like to make a non-political announcement as well.

MR. SPEAKER: Does the honourable member have leave? (Agreed)

MR. D. SCOTT: Since we are in a time in the House here of giving respectable and I think very honoured credits to our athletes who participated in the Canada Winter Games in Saguenay, Lac St. Jean, I think that we should also recognize that we have a champion in our own House.

Some two weeks ago I had the honour of attending the Northern Trappers' Festival, witnessed as well by the Honourable Minister of Northern Affairs, that the Member for The Pas succeeded in winning the Northern Trappers' Festival - the Manitoba Northern Trappers' Festival which is just a fantastic festival for anyone in the south, in particular, to go up and witness - that he became the champion squaw wrestler of the Northern Trappers' Festival.

Mr. Speaker, that was no easy feat. He went into it kind of as a beau geste, I guess one could say on his behalf, to go into the festival - it's sort of a fun participation - but he ended up competing against people who are, I think, the runner-up in the King Trapper event, and also one individual who gave his weight at 285 pounds. He didn't take two seconds to flip that 285-pounder to win the championship.

So I would like to join the rest of the House in giving Harry the championship for recognition for his winning the championship of the Trappers' Festival for the championship squaw wrestle.

MR. SPEAKER: Order please. Are there any further non-political statements? Oral Questions.

The Honourable Minister of Health.

HON. L. DESJARDINS: Now that we're in oral questions, of course, I can tell you that we're all pulling for Patti Vande, who works for the department, to win the women's championship.

ORAL QUESTIONS

Picket lines - ambulance drivers

HON. L. DESJARDINS: Mr. Speaker, the Honourable Member for Fort Garry asked a question of me re the ambulance again yesterday. I'd like to give the information. At his request I am not using the name publicly, but the member of the family called the Winnipeg Ambulance Service to transfer a gentleman to the Health Sciences Centre at the request of Dr. MacDonald, Urologist. The dispatcher informed the caller that only critical patients were being taken to the Health Sciences Centre but that they would transport the gentleman to Seven Oaks Hospital. They agreed that this would take place. The ambulance crew again explained to the wife that they were going to the Seven Oaks Hospital. While en route, the point of interest was, that if the patient had been critical, the closest hospital to their residence is the Seven Oaks.

On arrival at Seven Oaks, Dr. MacDonald was in the hospital - that is not the information that we were given - and was immediately paged. The staff at Seven Oaks called the Health Sciences Centre to ask if they were expecting this patient and did they want him transferred to the Health Sciences Centre. The Health Sciences Centre had not been informed to expect him and asked that he not be transferred.

It has been at the request of the Health Sciences Centre Emergency Department that only emergency patients be brought to them. All other ambulance patients have been diverted to other hospitals for care.

Mr. Speaker, of course, I know that this was brought to the attention of my honourable friend and he was only asking the question but he asked that we do not use the name of the family and I respect that. But I think that now after two questions like that I would suggest to him and all the members of this House a question like that might be better asked in private to start with and when I give the information, the information could be used later on. I think it would be better for all concerned.

MR. SPEAKER: The Honourable Leader of the Opposition.

HON. S. LYON: Mr. Speaker, in response to the answer to the question by my colleague, the Member for Fort Garry, we thank the Minister for his response to it. I raise a question to him in this respect because incidents of this sort do arise and families are left sometimes in some distress.

Where a doctor in attendance who works out of the Health Sciences Centre or indeed one of the other hospitals that is in the strike situation, where he wishes the patient to go to the Health Sciences Centre, would it obviate some of the difficulties that are arising if the doctor in question were to order the ambulance for the patient because presumably no ambulance dispatcher would second-guess the decision of a medical doctor with respect to the health of his patient?

HON. L. DESJARDINS: Mr. Speaker, I'm sure that it would certainly influence the decision of where the patient transported would be admitted. If that was a

direct request of a doctor, I would hope that this would not be abused though because when a hospital is not at full capacity and especially when there's another hospital closer by, then of course the patient would be directed there. I think that is for the safety of the patient. I wonder if I could have the page give out this information.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. L. SHERMAN: Mr. Speaker, I appreciate the fact that the Honourable Minister of Health apparently responded a moment ago to my question of yesterday. I'm sorry I wasn't in the House at the time of his response so I want to look at that and proceed further on the subject with him.

But while I have the opportunity I would just like to ask him whether he can advise the House who is currently calling the shots on ambulance transportation to the Health Sciences Centre and whether any policy has been changed? I ask the question because of the situation that's arisen since the strike of operating engineers. The only complaints I've received have arisen since the strike of operating engineers and it would seem to indicate there is some link between that difficulty and the strike. Who is calling the shots on ambulance deliveries to the Health Sciences Centre?

HON. L. DESJARDINS: I recognize the honourable member is saying that he's had more enquiries now but I think we've checked into two and it was proven that there was very little to it, if anything, and in fact this last family, I'm told, had no complaint except the one person that had some concern and I'll speak to the member privately on that.

I think it is only normal that the Health Sciences Centre will be discussing with the ambulance company or the attendants and they will give them certain directives. For instance, if they are only accepting emergency patients, or for some other reason, or at the request of the doctor, of course it would be wrong on their part not to give that information and to keep people going all over the place.

For instance, this last one, whether it was emergency or not, Seven Oaks was much closer to it and my honourable friend will read this and see that the doctor was waiting at that hospital contrary to the information that he had been given, and I don't fault him for that at all.

Yes, there is some exchange and if they say that could be done not only in the time of a strike, it could be for some reason - like some repair and so on - and they would say from now on we have an arrangement with other hospitals, you move these patients there. I don't think there is anything wrong with that.

MR. L. SHERMAN: But, Mr. Speaker, surely I can ask the Minister whether, when a doctor says to Manitobans, transport that ill relative to the Health Sciences Centre, call an ambulance and get to the Health Sciences Centre and I will meet you there, Manitobans have a right to know whether or not they can be transported by ambulance to the Health Sciences Centre or not, that's the issue. This didn't happen until the strike occurred

in the past 10 days at the Health Sciences Centre. Now it may not be related to the strike but I want the Minister to know that the families involved believe it is related to the strike. Do those families have the right and do Manitobans have the right to assume that when their doctor says to them meet me at the Health Sciences Centre they can be transported to the Health Sciences Centre?

HON. L. DESJARDINS: I don't think there is any need to be incensed. The first thing is maybe the honourable member should read the document that I gave him and he will see that the doctor was waiting, in fact, at the Seven Oaks Hospital.

Now, the point that I'm trying to make, in answer to the First Minister, I said if there are arrangements being made and if a doctor has phoned the hospital I have very little doubt that in most cases the patient will be admitted. But the member should also know that strike or no strike the doctors usually have to make arrangements with the hospital and in this case there were no arrangements made at all. In the case of an emergency that happens any doctor must make sure that the patient is going to be received by that hospital; that has nothing to do with the strike.

Now, I don't try to hide for a minute that the strike has complicated things. If you're not having the same number of beds and if you're working in other hospitals, of course they are going to try to have certain cases sent there and I think that is normal and I'm not going to get involved in anything like that.

As I said, I'm more interested in making sure the essential services are delivered. Now with a hospital, that could be something else. It could be that all the beds, even when there's no strike, all the beds are occupied and they will make arrangements through other hospitals and my honourable friend knows that. A lot of people have been refused.

Now why does he have more query? I guess that during a strike there is always somebody that feels, for some reason or other, that maybe they're persecuted but if this is the case and if the member is going to take this attitude, from now on I will not look at anybody unless I can use the name.

Abortion Clinics

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

MR. G. MERCIER: Mr. Speaker, due to the absence of the Attorney-General my question is to the First Minister who has served the province as Attorney-General.

Mr. Speaker, in view of the statements by Dr. Morgentaler that he will absolutely not use the Therapeutic Abortion Approval Committee system in Manitoba hospitals contrary to the provisions of the Criminal Code, will the First Minister request a report from the Attorney-General's Department on what possible steps could be taken to prevent Dr. Morgentaler from opening an illegal abortion clinic, which he has acknowledged publicly, in Manitoba?

MR. SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: Mr. Speaker, I don't really know whether that question is in order because it's speculative in nature. The Minister of Health is prepared to provide a response to what may very well be an improper question.

MR. SPEAKER: The Honourable Minister of Health.

HON. L. DESJARDINS: Mr. Speaker, I welcome the chance to address the question because of some of the reports in the newspaper. I think there's a wrong impression and we're getting a lot of phone calls too on this issue, and I've received a telegram from a former member of this House also who is blaming the College of Physicians and Surgeons. I think it should be understood that the college had little choice but to license Dr. Morgentaler. Now, they've licensed him for legal work, for legal therapeutic abortions and I've seen the document that he was given and that should be understood.

Now, anything else, that goes without saying - and the Attorney-General has answered that before - nothing illegal would be allowed here in this province.

MR. G. MERCIER: Mr. Speaker, a supplementary question to the First Minister. Will he assure the House and Manitobans that no public funds will be used in any way for the operation of Dr. Morgentaler's illegal abortion clinic?

HON. H. PAWLEY: Mr. Speaker, I believe if the honourable member heard accurately, the Minister of Health already indicated that no funds would be provided in respect to any illegal operations.

Manitoba Association of Women and the Law

MR. G. MERCIER: Mr. Speaker, I have a supplementary question to the Minister of Labour. In view of the public requests and acknowledgements by the Manitoba Association of Women and the Law, that they are seeking, soliciting and receiving funds for the defence of Dr. Morgentaler, would the Minister of Labour assure this House that Order-in-Council No. 182, which provides for a grant in the amount of \$600 to the Manitoba Association of Women and the Law will not be used in any way for the defence of Dr. Morgentaler?

MR. SPEAKER: The Honourable Minister of Labour.

HON. M. DOLIN: Mr. Speaker, as the Order-in-Council probably denotes, although I don't have it in front of me, that grant was made for a conference.

Licensing legislation re doctors

MR. G. MERCIER: Mr. Speaker, one final supplementary question to the Minister of Health. Is the Minister of Health not concerned with the legislation then that is applicable to the licensing of doctors in Manitoba, when a doctor, Dr. Morgentaler, has clearly stated that he will not use the Therapeutic Abortion Approval Committee system allowed in the Criminal Code, that

he will perform abortions illegally; is he not concerned with the licensing of a doctor who publicly says he's going to perform illegal acts in Manitoba? Is he not prepared to look at the legislation to determine whether or not any changes are appropriate?

MR. SPEAKER: The Honourable Minister of Health.

HON. L. DESJARDINS: Mr. Speaker, the legislation that's in the book doesn't worry me at all. The legislation is that the College of Physicians and Surgeons has a certain responsibility to licence doctors, of course, just to do legal work, and it makes it quite clear that it's for legal work, the things that are recognized here. I'm a lot more concerned with somebody that comes into this province and says, "I will not obey the law," and as far as I'm concerned we will make sure that the law is obeyed.

Civil Service Commission - hirings

MR. SPEAKER: The Honourable Member for La Verendrye.

MR. R. BANMAN: Thank you, Mr. Speaker. I direct my question to the Minister in charge of the Civil Service Commission and would ask her whether or not the job that was given to Mr. Scotton, and the \$50,700 job, was a Civil Service Commission bulletined job?

MR. SPEAKER: The Honourable Minister of Labour.

HON. M. DOLIN: Mr. Speaker, it was through the TAP Program which has been advertised some time ago. There were numerous applicants; there was a selection committee and the recommendation was made to me from which I made my decision to hire Mr. Scotton.

MR. R. BANMAN: Mr. Speaker, first of all, the Minister has indicated that she made the final decision with regard to who was hired. I wonder if she could confirm that the people sitting on the selection committee were her Deputy Minister - just recently appointed, an individual by the name of Michael Dector who was also appointed by this particular government, and the head of the Civil Service Commission.

HON. M. DOLIN: Yes, the head of the Civil Service Commission, of course, is Paul Hart, the person we're speaking of. Mr. Speaker, selection committees are normally made up of the person who will supervise the position for which the person is potentially being hired, by someone from the Civil Service Commission at the highest level if it is a position that is operating at that level, and someone from our policy co-ordination group who is, of course, Mr. Dector. That is the selection committee and it is in line with all other selection committees.

MR. SPEAKER: The Honourable Member for La Verendrye.

MR. R. BANMAN: Well, in light of the fact that two of the individuals on that selection committee were political appointments by this particular government, and in light

of the fact that a Minister has just indicated to this House that she made the final decision with regard to who was hired, I wonder if she could tell this House whether she is satisfied that the other applicants were treated fairly in this selection panel.

HON. M. DOLIN: Mr. Speaker, of course I am satisfied. These are reliable people in whom I place a great deal of trust. They interviewed a number of people and they made their recommendation to me; that is what happens in the hiring of all the people.

MR. R. BANMAN: A further question to the same Minister, Mr. Speaker. I wonder if the Minister could inform the House whether or not she was in touch with Mr. Scotton any time before the final selection had taken place, in other words, indicating to him that he had the job before the January 27th deadline.

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

HON. A. MACKLING: Mr. Speaker, on a point of order, that question is clearly out of order. It imputes a motive on the part of the Minister that is clearly out of order.

MR. SPEAKER: The Honourable Member for La Verendrye.

MR. R. BANMAN: Mr. Speaker, I would like to ask the First Minister a question and ask him if he could confirm that some time in September or October, before this job was bulletined, he spoke with Mr. Scotton and offered him that position.

MR. SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: No.

MR. R. BANMAN: I wonder, Mr. Speaker, to the First Minister, did he or did a member of his staff, on his behalf or on behalf of the government, talk to Mr. Scotton and offer him that position.

HON. H. PAWLEY: Mr. Speaker, I couldn't advise the honourable member whether anyone offered - I'm sure nobody offered that position. As to whether people were encouraged to apply, to be interviewed in the appropriate manner, I suspect that indeed Mr. Scotton was. I don't know but I assume he was encouraged to apply; I would hope so.

Agreement with Native people

MR. SPEAKER: The Honourable Member for Turtle Mountain.

MR. B. RANSOM: Mr. Speaker, my question is for the First Minister as well. Yesterday when I raised some questions with the First Minister concerning his position relative to the upcoming Constitutional Conference, the Attorney-General responded to one of the questions and said, among other things, that the item of Indian self-government would be on the constitutional agenda and he said, quote, "No province has yet, to my

knowledge, fully determined what its position will be." In a subsequent answer, the First Minister said, quote, "We support indeed, as is the case of all governments in Canada, the principle of self-determination." It would seem that there is some conflict between those two positions and I would like to ask the First Minister some further questions.

He indicated that it would be a good thing for Indian people to be pulling further away from the Federal Government in terms of services. Can I ask the First Minister, does he believe then that by pulling away further from the Federal Government that would automatically mean that the Indian people would have a closer relationship with the Provincial Government?

MR. SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: Mr. Speaker, I certainly was not speaking in terms of Indian people becoming dependent on either the Provincial Government in lieu of the Federal Government or on Municipal Government; I was speaking in terms of Indian people in Canada moving toward greater and greater self-government insofar as the operation of their own affairs. The kind of example, and I omitted to mention it yesterday, the kind of example that the Minister of Community Services provided when he entered into agreement with the Indian people in both northern and southern Manitoba re the handling of child welfare matters, Indian people themselves undertaking that responsibility, rather than those responsibilities being done for them by senior levels of government.

MR. B. RANSOM: A supplementary question to the First Minister, Mr. Speaker. Also in response to the question yesterday, the First Minister had said that he would be open to assist the Indian people of Canada to move toward more and more self-governing insofar as their own particular affairs are concerned in their own communities. Does the First Minister see that Indian self-government then would be analogous to the organization of Municipal Government in the province today?

HON. H. PAWLEY: Mr. Speaker, at the present time the Indian people live within Reserves, in the main, under the auspices of the Department of Indian Affairs. They're certainly not in the same kind of position as ratepayers living within a municipality that have much greater degree of control over those matters that fall within the parameters of Municipal Act in the Province of Manitoba. I do believe that Indian people should be given an opportunity to evolve toward, as I have indicated earlier, to greater and greater handling of services on their own. Whether those services are presently handled by federal levels of government or provincial levels of government Indian people should become more and more the masters in their own home within Canada, within the Canadian Constitution.

MR. B. RANSOM: A final supplementary to the First Minister, Mr. Speaker. Has the First Minister received from the Indian people of Manitoba any statement of what their expectations will be concerning self-determination and self-government.

MR. SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: Mr. Speaker, I have not received any indication, other than that which I've expressed in the Legislature, that Indian people are interested in obtaining more and more self-government insofar as the running of their own particular affairs. I should remind the honourable member that it's not only Indian communities, but community councils in Northern Manitoba that for a long long time didn't enjoy self-government, local government districts. We are moving more and more towards greater self-government insofar as peoples are concerned in all levels of our society. That is a process that we ought to encourage, Mr. Speaker.

Dams on Indian Reservations

MR. SPEAKER: The Honourable Member for Lakeside.

MR. H. ENNS: Thank you, Mr. Speaker. Mr. Speaker, late last fall the Indian Reservation on the Fisher River at Peguis put in place several earthen dams, structures that I know the Minister of Natural Resources is aware of; there's growing concern in and around the area that these could cause some difficulties. Appreciating the fact that we're perhaps not looking at a major flood year this year but, if the snows continue as they have in the past day or two, we could have difficulties. Can the Minister indicate what action is being taken in the removal of these illegal dams?

MR. SPEAKER: The Honourable Minister of Natural Resources.

HON. A. MACKLING: Mr. Speaker, the works referred to by the honourable member are within the land base of the reserve itself. We have communicated as a government to the Minister of Indian and Northern Affairs, the Federal Government, indicating our concern about the structures and indicating that we believe that the structures could create problems on the Fisher River. I am awaiting confirmation from the Federal Government as to what steps they intend to take to deal with the problem.

I've also invited the Chief of the Indian Band to my office to discuss the totality of the problem that exists in respect to the periodic heavy flows on the Fisher River which is a threat to the Peguis Indian community itself.

MR. H. ENNS: Well, Mr. Speaker, I appreciate the difficult problem that the Minister has. Certainly, the structures are built on reserve land and, as such, under the jurisdiction of the federal agency. But I remind the Honourable Minister that the damage that — (Interjection)—

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

HON. A. MACKLING: Mr. Speaker, yes, the honourable member has been in this House long enough to know that questions are to be questions; they are not to be short speeches. The honourable member was making

a short speech. I would like the Speaker to read the member . . .

A MEMBER: Sit down.

MR. SPEAKER: Order please.

HON. A. MACKLING: I would like the Speaker to read the member Rule 359 and to admonish the Leader of the Opposition that if he has something to say, which is proper in this House, he should stand and speak when he has a proper basis for doing so.

MR. SPEAKER: Order please.

HON. A. MACKLING: At the present time, Mr. Speaker . . .

SOME HONOURABLE MEMBERS: Oh, oh!

MR. SPEAKER: Order please.
The Honourable Minister of Natural Resources.

HON. A. MACKLING: At the present time, Mr. Speaker, the Honourable Member for Lakeside, as he is wont to do, has launched another short speech.

A MEMBER: Where were you when we needed you?

MR. SPEAKER: The Honourable Leader of the Opposition to the same point of order.

HON. S. LYON: Yes, Mr. Speaker. The Honourable Member for St. James has been making up — (Interjection)—

MR. SPEAKER: Order please.

HON. S. LYON: The Honourable Member for St. James, Mr. Speaker, has been making an arrogant nuisance of himself and I suggest it's time you called him.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. SPEAKER: Order please, order please. For the benefit of all members, may I repeat Citation 359(2) which says, "The question must be brief. A preamble need not exceed one carefully drawn sentence. A long preamble to a long question takes an unfair share of time and provokes the same sort of reply. A supplementary question should need no preamble."
The Honourable Member for Lakeside.

MR. H. ENNS: Mr. Speaker, my question to the Honourable Minister is, who will pay for the compensation to those farmers living in adjacent lands, on private lands, should those structures cause significant damage and prevent farmers from putting in their crops?

MR. SPEAKER: The Honourable Minister of Natural Resources.

HON. A. MACKLING: Mr. Speaker, the honourable member, if he read the rules would know that's a

hypothetical question. It's out of order and certainly —(Interjection)— That's right, Mr. Speaker. The honourable member should learn the rules of this House. Mr. Speaker, it is a hypothetical question; that question will be dealt with, should . . .

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

MR. H. ENNS: Now, I rise on a point of order. Any Manitoban, anybody that has had the privilege of being a Minister responsible for water resources knows that in the spring in this province talking about floods is not just hypothetical. It happens to happen on that particular river and on all too many other rivers in this province.

MR. SPEAKER: Order please. The Honourable Member for Lakeside on the same point or another point of order.

MR. H. ENNS: No, a supplementary question.

MR. SPEAKER: Order please. I doubt that the honourable member really had a point of order. He may proceed with his supplementary question.

MR. H. ENNS: My further supplementary question, and I would like my last supplementary answered, it's an important question to those farmers who are worried about the disruption of the drainage system by those structures. More importantly, even despite the fact that it is not his jurisdiction, he has information that tells me - this is a question, Mr. Speaker.- that those structures are not safe. They're not built to engineering standards and there could be serious damage to the Peguis Reserve, even loss of life occur, should they crumble overnight under heavy water pressure. What is he doing about it?

HON. A. MACKLING: Mr. Speaker, in answer to that speech and then the question, what is the Minister doing about it? - this Minister has written to the Federal Government and has called upon the government responsible for action. I have invited the Indian Chief Band to my office to discuss the problems and we will face those problems should they occur.

Shoal Lake Indian Band - proposal re cottage lots

MR. SPEAKER: The Honourable Member for Tuxedo.

MR. G. FILMON: Thank you, Mr. Speaker. My question is to the Honourable Minister of Urban Affairs. Has the Minister been in touch with the Shoal Lake Indian Band Number 40 to urge them to table their proposal regarding the 350 cottage lot development, so that the three parties involved in the discussions with respect to that cottage lot development can get on with their meetings?

MR. SPEAKER: The Honourable Minister of Urban Affairs.

HON. E. KOSTYRA: Thank you, Mr. Speaker. We have, on a number of occasions, asked the band to table all information that it has with respect to the development to the other parties that are interested in protecting the water supply at Shoal Lake. As of now, that information has not all been tabled, though the indications are that the Band will be tabling it within the next 30 to 45 days.

MR. SPEAKER: The Honourable Member for Tuxedo.

MR. G. FILMON: Yes, Mr. Speaker. Has the Minister contacted the Government of Canada to urge them to work together with the Indian Band 40 to quickly resolve the problems with respect to sewage disposal and solid waste disposal that are currently threatening the drinking water supply for 600,000 residents of the City of Winnipeg?

HON. E. KOSTYRA: Yes, thank you, Mr. Speaker. The Provincial Government has, since this government assumed office, been working steadily on the potential problems with respect to the water quality at the Shoal Lake area.

In particular, in direct response to the questions from the Member for Tuxedo, we have been pressuring the Federal Government with respect to looking at the apparent problems that exist at the present time with respect to sewage and garbage disposal on the peninsula site, the home of the Band. Recently the Federal Government has had inspectors on site and has determined that the present methods of sewage and garbage disposal are not adequate and in their opinion there is no suitable sites on the peninsula for the safe disposal of sewage and garbage and we've been working with them to find alternative sites for such disposal. We have found sites on the Manitoba side, land which is a considerable distance away from the Shoal Lake water site, and also on ground that is suitable for such disposal. We are continuing to work with the Federal Government, the Indian Band with respect to that and also the City of Winnipeg.

Shoal Lake - sewage disposal

MR. G. FILMON: Thank you, Mr. Speaker. That answers one-half of the question about the solid waste disposal. But with respect to the sewage disposal, has the Minister been working together with either the Federal Government or the Indian Band or anyone in order to ensure that the improper disposal of sewage is not used as a threat and does not cause permanent damage to the City of Winnipeg's water supply?

HON. E. KOSTYRA: Mr. Speaker, I'm sorry if I didn't make myself clear. I thought I had said that we had been dealing with the Federal Government, the Band and to a more limited extent the City of Winnipeg with respect to the sewage problems on the peninsula and the solid garbage problems. So, we've been dealing with both of those issues. I might ask the Minister of Environment, whose technical staff have been dealing with this on a more regular basis, to give further details of those discussions and deliberations.

MR. SPEAKER: The Honourable Minister of Northern Affairs.

HON. J. COWAN: Thank you, Mr. Speaker. As the Minister of Urban Affairs has indicated, we have been in discussions with the primary parties involved in this matter. We have identified what we believe to be a good potential site for a lagoon, which would accommodate sewage from the Shoal Lake Indian Band off reserve on Manitoba Crown land and we are in discussions with the city, who have a role to play in this matter as well and discussions with the Federal Government and the Band on an ongoing and consistent basis to attempt to rectify a very longstanding problem.

It should be stated that the problem has been one of some significance for some time and we believe that we are very close at this time to a successful resolution of that longstanding problem. But we have talked to the Federal Minister involved, we have discussed it with Mayor Norrie, I've discussed it with the Chief of Shoal Lake Indian Band and I think that we've made considerable progress and look forward to a very significant progress in the very near future.

Atomic Energy of Canada - Crown lease

MR. SPEAKER: The Honourable Member for Emerson.

MR. A. DRIEDGER: Mr. Speaker, to the Minister of the Environment. Is the Minister satisfied that the Crown lands lease issued to Atomic Energy of Canada Ltd., to conduct research regarding underground storage of atomic waste in the Lac du Bonnet area, is sufficient to ensure that these people will not be using the area for disposal of nuclear waste?

MR. SPEAKER: The Honourable Minister of Northern Affairs.

HON. J. COWAN: I am as satisfied with that lease as was the previous Minister who initiated the negotiations and signed the lease. We believe that the lease does provide protection but at the same time we want to ensure that the lease is implemented in a proper way, so we have held discussions with representatives of AECL; as well we have held discussions with the MLA for the area, the Minister of Highways and Transportation and the Concerned Citizens Group who have asked for several meetings on this.

We have tried to incorporate the suggestions which were made to us, as a part of that consultation, into a monitoring program which will ensure that there is citizen involvement in the monitoring; that AECL is co-operating with the province in such a way as to provide for effective and efficient monitoring in order to ensure that the lease is being lived up to the fullest extent. So we share the previous government's approval in respect to that lease and opinions in respect to that lease being one that protects the environmental integrity of the area for a long time, yes.

MR. A. DRIEDGER: To the same Minister. There seems to be some concern by the residents in the area not knowing the full details of it and I believe they have requested a hearing with this Minister somewhere along the line. Can the Minister indicate why he is not obliging these people and conducting a hearing in the area to inform them as to what the situation is?

HON. J. COWAN: Yes, the member is absolutely correct in that there are some concerns from the citizens, that's probably why they call themselves the Concerned Citizens of the area. We have been in discussions with them for a year. I would like the member to know that those discussions have been very productive I think from both perspectives; that we have learned a great deal from those concerned citizens about their specific concerns; have been working with them to develop the monitoring program and have indicated to them when we believe that their requests should be directed to another jurisdiction more appropriately so. In this instance a request for public hearings should go to the governing jurisdiction, that is the Federal Government or AECL.

We have requested that they make their views known to them. They have done so. I know they are in consultation with the Federal Government. I hope that they will continue to pursue the appropriate course of action and that is it in respect to a public hearing. If at some stage we are concerned that there may be a tendency on the part of the Federal Government or AECL to look at that facility as a nuclear waste disposal facility, then we will be right side by side with the Concerned Citizens requesting that public hearing but we have not been given that indication as of yet.

MR. A. DRIEDGER: A final question to the Minister then. Would he agree then that one of the concerned citizens of the area happens to be the Reeve of the R.M. of Lac du Bonnet?

HON. J. COWAN: Yes, and I talked to him, I believe it was on Tuesday about this problem. We had a very good discussion and I think we were able to resolve his requests for a public hearing, and again I reiterated to him that he should be taking that request directly to the Federal Government and he indicated that he was going to do so. So I would only suggest that perhaps the member might wish to discuss those matters with him as frequently as I do and he'd have more up-to-date information.

Clean Environment Commission - firings

MR. SPEAKER: The Honourable Member for Tuxedo.

MR. G. FILMON: Yes, Mr. Speaker. Since the Minister of the Environment appears to be in good voice today, I wonder if I could ask him another question. Can he tell the House whether or not the firing of the Members of the Clean Environment Commission - the former members of the Clean Environment Commission - and replacement this week that he has . . .

A MEMBER: All but two.

MR. G. FILMON: Yes, he has left two on, he's replaced the others. Is this in anticipation of the resolution that's going to be debated by the NDP Party this weekend calling for replacement of all of the boards and commissions and appointees by members of the party?

MR. SPEAKER: The Honourable Minister of Northern Affairs.

HON. J. COWAN: I would have anticipated some congratulations from the members opposite in respect to the chairperson whom we left in place and whom they had appointed, which was not the case when they changed many boards and commissions. I would hope that they would agree with me that the individuals which have been chosen to serve their province in this way on this very important board — (Interjection)— will be able to provide significant input into . . .

MR. SPEAKER: Order please.

HON. J. COWAN: . . . protecting the environmental integrity of this province and that is what we intend to do with the change. The change was to make certain that we have a board in place that will protect the environmental integrity of this province and that's what that board will do.

MR. SPEAKER: Order please. The time for question period having expired - the Honourable Leader of the Opposition.

HON. S. LYON: Mr. Speaker, I rise on a point of order arising from the statement just made by the Minister. By implication, he was saying that the members of the previous board, whom he just fired for political purposes, were not protecting the environment of Manitoba. I suggest, Mr. Speaker, that before he gets carried away with his partisan rationalists he correct the record in that regard.

MR. SPEAKER: The Honourable Minister of Northern Affairs to the same point of order?

HON. J. COWAN: Yes, Mr. Speaker, to that point of order. I don't believe that the record in regard to the work of the previous commission needs any correction by myself or anyone else in this House. Their work was work well done; it was work which was satisfactory to this government. It was work which they gave in good faith, and I think that we should commend them for the activity which they have undertaken on behalf of their province and I do so.

MR. SPEAKER: The Honourable Leader of the Opposition to the same point of order.

HON. S. LYON: Then, in that case, Mr. Speaker, I take it we can accept that the Minister is apologizing for the implication that he left in his rash answer before.

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

HON. J. COWAN: On the same point of order, by inference, Mr. Speaker, I'm apologizing for the behaviour of the members opposite on the Conservative side.

MR. SPEAKER: The Honourable Leader of the Opposition on the same point of order.

HON. S. LYON: On the same point of order, Mr. Speaker, when the honourable member has served in

this House a bit longer and has been a citizen of this country a bit longer, perhaps we'll listen to him.

SOME HONOURABLE MEMBERS: Oh, oh!

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

The Honourable Minister of Government Services.

HANSARD CORRECTIONS

HON. J. PLOHMAN: I have some corrections for Hansard, Mr. Speaker. I would like to note on Page 419 of Tuesday's Hansard, line 5 says "welfare." It should read "to add to our wealth here in Manitoba," not our welfare.

I have another correction on Page 422, the first paragraph, last line, the reference to MTS should read "MTX" not MTS; and on the third line of the second paragraph it should also be "MTX" not MTS.

MR. SPEAKER: I thank the Minister for those corrections.

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 Honourable Leader of the Opposition standing in the name of the Honourable Member for Rhineland.

The Honourable Member for Rhineland.

MR. A. BROWN: Mr. Speaker, I would like to take this opportunity to welcome the Clerk to Manitoba and to congratulate him on his position. I would also like to congratulate the Deputy Clerk on his position and I am certain that between the two of them that they will be looking after the affairs of this Legislature very well.

I wish to make some comments on the Budget and comment on some of the affects that this Budget will have on Manitobans. Spending Estimates are up by 15.9 percent; that is hardly a way to fight inflation and cut back on expenditures. In spite of a raise in taxes of \$105.9 million, the government is forecasting a deficit of \$578.9 million. We suspect that this deficit will be much larger than the \$578.9 million because revenues, in my opinion, have been overestimated.

I do not believe that the government is aware of the serious financial situation that businesses, especially businesses and industries involved in manufacturing, are in. Neither are they aware of the serious financial situation that the farming community is in. Rather than paying tax on income made, many businesses and farmers will qualify for a rebate on taxes paid previously because of a loss in operations incurred during the past year. This will result in a lot less revenue for the province and thus create an even larger deficit. There is no way that the government can estimate the rebate on taxes, but we all know that these are going to be large and we certainly do not envy the position and the work that the civil servants in the Minister of Finance's office have to do. But even if we accept the

government's projected \$578 million deficit, this will mean that this government after two years of operation has incurred a deficit of over \$1 billion upon Manitobans and to service this debt the interest charge alone will be well over \$100 million.

These huge consecutive deficits are a great concern to the people in the constituency that I represent. This government in presenting a Budget with an increase in expenditure of 15.9 percent, well over the 6 percent guidelines as recommended by the Federal Government, has really not attempted to control spending at all.

A MEMBER: No way, Howard said they're going to spend more.

MR. A. BROWN: The cost of Health has increased by more than \$100 million, and health will cost approximately \$1,000 for every man, woman, and child in Manitoba next year. The cost of Education is up by \$49.5 million; Community Services costs up by \$45 million. A small department like the Attorney-General's Department is up by \$8 million. This government has not made a serious attempt at controlling costs. This is quite evident when you take the tremendous increase in expenditure in this Budget of 16 percent

MR. W. MCKENZIE: 17.2, Arnie, if you want to look at it.

MR. A. BROWN: Municipalities have cut their expenditures to the bone. Mostly, no wage increases, very few new expenditures, and many municipalities will keep their expenditures down to well under the 6 percent guideline. Now, that is responsibility; that is listening to what the people say.

Businesses also are keeping down their expenditures; wage increases, by and large, are well within the guidelines of 6 percent. Many employees have received no increase and many businesses are fighting for survival and have been forced to decrease salaries.

Mr. Speaker, I have great admiration for those employees who have suffered wage cuts and are still willing to work; that is also responsibility and I congratulate them.

I have talked to many of these employees who have had their wages cut. Some of these employees have had their wages cut by 50 percent and their lifestyle will change dramatically. To their credit, they would rather work than draw Unemployment Insurance and these employees will do their share in helping firms they work for get back into a better financial situation.

Many employers are also acting in a responsible way. In appreciation for what their employees are sacrificing they will share profits if there should be any with their employees.

These employees and employers, however, expect employers and employees to hold their increases down also to within the 6 percent guideline, especially those employees in the public sector.

Some citizens' committees were formed in my constituency and they made representation to school boards and municipalities requesting them to hold their expenditures, and these municipalities have shelved many projects and school boards are doing their level best to cut their expenditures.

These are responsible people, Mr. Speaker. If everyone were to do likewise we would come out of this recession a much stronger and a much more unified nation.

But, Mr. Speaker, what does this Government of Manitoba do? They increase expenditures by 15.9 percent and, to add insult to injury, they stayed nowhere near the 6 percent guideline when dealing with their own employees. The people of Manitoba will long remember this government and its complete capitulation when dealing with labour unions.

What effect does this Budget have on Manitobans?

HON. S. LYON: Door mats.

MR. A. BROWN: Most people in my area will accept the increase in sales tax because they consider a sales tax a fair tax. The more you buy, the more you pay. Almost everyone realizes that the government needs more money to hold down the deficit.

Raising the tax on gasoline and diesel fuel, however, will have serious effects on the economy in general, and certainly will do much to raise the cost of living in Manitoba.

Freight rates already are very high and we'll see a further increase in groceries and all food goods transported from farm to market. Businesses will be affected because freight on material used in manufacturing will increase and so will the cost of freight on the finished product when it is shipped to market. Everyone will pay more for goods consumed.

The increase in the cost of gasoline will affect the labourer who has to use his car to get to work. The labourer cannot deduct that cost of transportation from his or her income tax.

In addition to this, service stations who are near Saskatchewan or the U.S. borders will suffer greatly because of increased tax on gas and diesel fuel and, unless adjustments are made, bankruptcies will occur, thus creating more unemployment in the province.

I was talking to one of my dealers who lives close to the American border and he says that after this new federal tax and the provincial tax are imposed, that the difference in the price of diesel fuel and gasoline from Canada to the United States is going to be anywhere between 90 cents and \$1.00. I wonder how we expect that person, that dealer to fill up his big transports that keep going between the two countries and that are his major business; there is just no way.

Although the increase in hydro rates is not in the Budget, nonetheless, this increase has serious implications for business and industry that require large amounts of electricity. These businesses were given the assurance by the Premier of the province that the five-year price freeze on electricity would be honoured.

I have a business, a foundry in my area, that recently was awarded a sizable contract. As a result of this contract, they now are operating three shifts per day, rather than one, now employing many more people.

MR. W. McKENZIE: Now, they're going to jack the hydro rates up.

MR. A. BROWN: Their cost of electricity is \$20,000 per month. This increase in power is going to cause a serious problem for them.

MR. W. McKENZIE: Right on. Right on

MR. A. BROWN: Bidding on contracts . . .

MR. W. McKENZIE: Lay some guys off likely.

MR. A. BROWN: Bidding on contracts is very competitive at this time because most foundries are not working at full capacity.

The biggest competition in this area is from Ontario and the United States. High users of electrical power will find it very difficult to bid successfully because of the cost of doing business and jobs will go to other provinces or out of country.

Higher prices of fuel will increase the cost of farming. Fertilizer prices will go up and all other prices of goods required to raise a crop will increase because of increased costs of freight.

The cost of producing one acre of sugar beets now is \$561.39 per acre. A good portion of this cost is freight in getting the sugar beets to market. The freight cost alone per acre from farm to factory, from Altona for instance, is \$116 per acre at a 14 ton per acre crop.

Some other crops will be affected greatly, such as, corn, potatoes, onions. All these crops require a lot of fertilizer and have a long distance to go to market.

Mr. Speaker, the cost of doing business in Manitoba is an ever-increasing cost. The tax cost of doing business has to be shared by fewer participants all the time.

Shell is shutting down their refinery; Kimberly-Clark, the gold mine in Bissett; Dominion Stores, and all the private businesses declaring bankruptcies will greatly increase the tax burden to the businesses and to the people remaining.

The government's attitude toward business will not be conducive to attracting new industries. Those industries where negotiations were almost completed, such as, Alcan, Power Grid and Potash, did not materialize partly because of statements made by various members of the government. I do not have to list them, Mr. Speaker, because Herb Schultz did that very adequately.

The bargaining prowess of the Minister of Energy and his Deputy drove these industries out of Manitoba.

I wonder sometimes, Mr. Speaker, what members opposite think of when they look in the mirror in the morning and they know that it is because of foolish statements that they made that has cost Manitoba thousands of jobs.

MR. W. McKENZIE: Right, no understanding of the business world. There's not a businessman over on that side.

MR. A. BROWN: We had a real opportunity to build a larger tax base and you negotiated us right out of it.

MR. W. McKENZIE: What a problem Sam has got over there trying to wade through that crowd.

MR. A. BROWN: The 1.5 employee tax also has the effect of driving business to look elsewhere. Many

businesses in Manitoba have suffered because of this tax because they were in a non-profit position. Mr. Speaker, what this really tells us is that members on the government side of the House have no understanding of business.

MR. W. McKENZIE: Right on, just what I said, all except Sam. He's the only guy over there.

MR. A. BROWN: I wonder, Mr. Speaker, how many members on the opposite side have had to pay that employee tax. I venture to say, Mr. Speaker, that there would not be more than one or two that would be paying any employee tax so they have no idea of what the effect of this tax has on employers.

All we hear from members of the NDP is that high-profit industry and, indeed, any industry or business that makes a profit is not really desirable.

MR. W. McKENZIE: No, got to tax them out of business.

MR. A. BROWN: Mr. Speaker, before their four years are up they will embrace the word profit. They will embrace the word FIRA because they will desperately need someone to pay taxes and they would desperately need more industry to come into Manitoba. Mr. Speaker, this government does not understand how serious the Manitoba situation is. They have no one that understands industry, manufacturing business or agriculture on that side and that became very apparent when the Minister of Natural Resources yesterday said that from the Manitoba border to Fargo, that three out of four fields were summerfallow.

Mr. Speaker, in this Budget they still think that they will spend their way out of trouble. They fail to recognize the concern that Manitobans have of larger deficits. The forestry industry in Manitoba is in trouble and they could be in a much greater problem because the United States have asked that a duty be imposed on forest products coming into that country from Canada and they're asking for a duty rate of as high as between 25 percent and 30 percent. If that happens, not only Manitoba but all of Canada is going to be in a problem because forestry is a very important industry in Canada. I would like to see this government immediately forward their concern to Ottawa and let them know that they should do whatever they possibly can to avoid that kind of a duty being imposed on forestry products.

The business community is in trouble. One of the reasons for that, of course, is because of the economy and people have had to cut back on purchases. But one of the main reasons, and it really is no fault of this government, but it is the U.S. hourly rate is \$8 per hour; that's the average hourly rate. The average hourly rate in Canada is \$12 per hour. Productivity in the United States is 20 percent higher than what it is in Canada, yet we have to compete on the world market with what is being produced in the United States and this makes it very difficult. We do not need any new taxes imposed upon business because they find it hard enough to compete already. Agriculture, which is the number one industry in Manitoba, is also in trouble because of the high cost of production and low prices received for commodities.

I would just like to tell the Minister of Agriculture that about the last thing we need in agriculture right

now is a Farmland Protection Act. If that Farmland Protection Act should lower the price of farmland you will see bankers acting very very quickly and there will be thousands of bankruptcies declared in the farming industry. So I hope that the Minister of Agriculture is going to take a good look before he goes any further with The Farmland Protection Act.

Another area of concern, and I'm only going to touch briefly on that, is the MANDAN Line, which will be supposedly built to the United States, and the concern that I want to express at this time, and I'll speak in greater length on that at some other time, is that the most that we can receive for that power is going to be between 11 cents and 14 cents a mill, whereas we in Manitoba now are paying 28 cents a mill and we will be seeing an increase very shortly.

Now what, in effect, we will be doing is we'll be exporting cheap power to the United States which will make it that much more difficult for agriculture, for industry, to compete on the American market. That's a factor that never seems to be taken into account when Manitoba Hydro does their projections because Manitoba Hydro is primarily only interested in their own affairs and they do not look at the overall effect of Manitobans.

Another concern that I have in this Budget is the job creating programs which have been announced by the New Democratic Government. I would have no concerns if these jobs that would be created would contribute towards the gross national product and, if they do contribute towards the gross national product, help us build our gross national product, I would say it's going to be an excellent program. If they're going to work in close co-operation with municipalities then I can also see some good coming out of this. But if these are going to be make-work programs only, then they will just be another burden on the taxpayer.

Mr. Speaker, because this government has not heeded the 6 and 5 guideline as set down by the Federal Government because of the huge deficit of expenditure that we are incurring in this Budget, I have no alternative, Mr. Speaker, but to support the motion of non-confidence set forth by my leader.

MR. SPEAKER: The Honourable Minister of Highways.

HON. S. USKIW: Mr. Speaker, I'm not sure if they will be so enthusiastic after I've made a few comments; for the moment I accept that endorsement.

Mr. Speaker, I rise here, entering into this debate, with the knowledge that whoever it is that is the Minister of Finance has indeed one difficult task these days. I think we have to look at this debate in that context because this is not the time where Ministers of Finance can be popular with whatever scenario they introduce, with whatever tax changes they propose, or whatever program changes are brought in, because the reality is that it is impossible to satisfy the wants and desires and aspirations of all of the people that we must relate to.

I think that it is good to put into perspective, Mr. Speaker, the fact that we are just at the stage where we have passed the hysteria of inflation to a significant degree. We still have an element of it there, but it has been declining rather significantly in the last six months.

So we are sort of on the heels of it hopefully and that we don't get it back towards the other trend again.

In saying that, Mr. Speaker, I think it is worthwhile to recall that during the '70s, in particular, that there was what was commonly known as the COLA to everything; that was the psychology that we were all trapped into was that everybody must have COLA. The trade unions built that into their terminology; management accepted that into their agreements; even farmers started to use that as a means of justifying increased prices for agricultural products and so on. We got caught up in that scenario, in that psychology that there must be always some protection against tomorrow's increased costs; no doubt, that was legitimate, given the inflationary times you were in, and given the fact that there wasn't any confidence that it would be diminished in any way in the near future.

I think, perhaps, it's also good to observe that at this stage - I'm going to use the term that advertisers have been using - maybe it's the unCOLA period that we have entered. And this is something that has to yet be accepted by many people, Mr. Speaker . . .

HON. R. PENNER: Seven-down, too.

HON. S. USKIW: . . . throughout society have not yet caught on to that new reality, that the COLA psychology is no longer there, it's got to be something in the other direction. This is something that I think all of us are preoccupied with, all of us are preoccupied with, and it's a question of how do you bring it about in line with the current economic reality, and how can we do it in a way which recognizes rights of people, which recognizes bargaining systems that have been put in place over the years and which are quite legitimate, and how do we turn that around to make everyone responsible with respect to that process?

You know I recall, during the period of the AIB, that we had what we called, at that time, rough justice; that was the terminology that was applied to that program by the Prime Minister of Canada. He said, I know that there will be arguments that will suggest that - well, wait until we catch up because we are six months behind that other group - and there is no end to that kind of argument. So he said that we will have to be satisfied with rough justice, and I think that's really where we are again. There are many groups in society that still think in terms of catching up to the other group that has advanced beyond their level of income, or whatever it is, fringe benefits, contracts, agreements and so on, and so there is still that inflation psychology working there, and that catch-up psychology is still with us. And so, indeed, it is a major responsibility for those of us that have some role to play in giving some direction, or at least setting the stage and the climate, responsibility to indicate where we are relative to our position to afford these things, and where society as a whole must change or adapt to what is, indeed, the economic mess that we are now in and from which we must get out. So government's role essentially, Mr. Speaker, has to be to set the climate for that kind of event to take place.

I think that, notwithstanding the fact that members opposite have taken the current renegotiated agreement between the Government of Manitoba and the MGEA

as a bit of tokenism, at least they have suggested it wasn't really a good deal for the management side; that it was indeed a good deal for —(Interjection)— that's right, the management represents the taxation system and the taxpayer of this province. They have argued that it was not a good deal. Well, you know, I tend to think that I would have liked a better one, and I don't want to dispute that, but I want you to remember the context in which I'm presenting this argument, and that is, that our role is to set the stage for the next round, essentially.

And while I recognize that I would have preferred, for example, to get much more out of a renegotiated package in order to give us greater financial flexibility to do the things that must be done, that at least we broke through a situation where there was an agreement that was binding on both sides for an other year, but we were able to get some modification, and I recognize there were trade-offs in bringing that about, Mr. Speaker.

I think the symbolism of that is probably the most value that we are going to get out of that exercise. I don't believe that there is a lot of dollar value in it because in our times a \$10 million package is not a big package. Now, when I look at the budget that we have brought in, Mr. Speaker, and you all have it, we note that there is \$105 million of new tax revenues, as a result of the tax changes that were introduced. And, when I look at that particular amount of money, relative to what we know are going to be the demands of the bargaining units that we must deal with, I recognize that for the next year what we are doing is raising taxes in order to meet the additional payroll that must be met over the next 12 months in order to satisfy either current agreements or agreements yet to be entered into.

And so that is a point that I think should not be overlooked because it falls into this question of identifying where we are and how we are going to manage our finances over the next two or three years, and what role management and labour must play to bring about the necessary result. I believe the public will not be happy with the idea that we add new taxes just to pay new payroll; I that is a matter of fact and I believe everyone recognizes that. So hopefully we are going to bring about that change in public thinking and in the thinking on the part of negotiators on all sides that that is just not in the cards to last forever. \$105 million is indeed a substantial new burden and to have it just eaten up in additional demands without new productivity is not going to be accepted by the public over a long period of time. I believe everyone recognizes that and I don't really think there is an argument from that side versus this side or vice versa, I think that's a reality that we have all come to realize during the course of preparations of the Estimates and the taxation package that was presented to the House the other day.

So it's an exercise of how do we get everyone turned around? It is not difficult, Mr. Speaker, to argue that during a period of time when we are strapped for money that we must do one of a number of things. We must minimize new expenditures, or we must raise new taxes in order to accommodate that, or we must have greater deficits. There are no magic solutions to get around that problem. And, of course, what we have here in

this particular Budget is a combination of those things. Mr. Speaker, it is indeed a difficult time for the Minister of Finance of this province as it is for every Minister of Finance across Canada and indeed the Government of Canada.

When you look at the various statistics that have been printed in this document, one can see very readily that we must come to grips with that issue; that if you look at agriculture as an example, it shows a very modest position income-wise relative to previous years - I'm trying to find it, Mr. Speaker. But it's not a very rosy picture and I know that the pressure is on that community because of increased demands from people in the rural areas as well, and that pressure can only be satisfied with new local taxation. I have talked about this with a number of reeves and councillors and they have said to me, Mr. Speaker, we must raise the mill rate again, but we look at our average farm income and - I'm trying to remember the figure - I think it's \$12,000.00. And they say to me, well, but we must raise new taxes in order to just meet the new pay scale of our public service at the municipal level, or at the educational level.

So how do we go to our ratepayers knowing that they are at the bottom end of the income scale and asking them to make a larger contribution in favour of those that are in a much higher income scale? You know, that's a very valid argument and therefore we have to come to terms with that, Mr. Speaker. There is no doubt that the person that has an investment of \$200 thousand or \$300 thousand or more doesn't receive a return on that investment these days, not only that, but has a very small net income situation, and yet they have to be the mainstay of the financing of local government and much of Manitoba. So that's a reality that must be dealt with and it's a message, Mr. Speaker, that has to be got through because what are we really dealing with here? If you're talking about incomes and an income policy, we are talking about an income average in the bargaining units that are far in excess of \$12,000, so basically there is sort of the tug-of-war that government has to deal with in trying to satisfy all of those components in our society.— (Interjection)—

Mr. Speaker, the member says where is the rest of the Cabinet? We have gone through this debate and as a result of this we have been able to reopen the agreement. Yes, we have been able to open the agreement and that, Mr. Speaker, hopefully will set the stage for the kind of climate that must prevail over the next two or three years. I have to say that while it was not a great thing in monetary benefit to us, it at least set the stage for all of the other bargaining sessions that must take place henceforth. This is I think the most valuable part of that exercise that people are on notice that we are not only not prepared to give extravagant wage package increases, but we even are rolling back existing contracts. I think that is an important point.

SOME HONOURABLE MEMBERS: Oh, oh!

HON. S. USKIW: Whenever you open up an agreement, that means that there is a significant message in there for those that are either in the bargaining process or for those that have yet to begin that process.—

(Interjection)— Yes, I'm talking about the MGEA package which was a reduction of some \$10 million on the one side of the ledger and a few million thrown back in, so it's not a big item in numbers. It's not a big item in numbers, Mr. Speaker, but it's the right direction and it's something that my colleagues over . . .

MR. C. MANNES: True confessions.

HON. S. USKIW: . . . there didn't manage to do either, Mr. Speaker, because I think that we must recognize that when they were in the position of responsibility there were some fairly healthy increases as well based on inflation factors and all the COLA arguments that I was talking about.— (Interjection)— Yes, Mr. Speaker, the member says what was the deficit? Mr. Speaker, I haven't done the calculation but I would hazard a guess proportionately the same as it is now.— (Interjection)— So, Mr. Speaker, what we are really talking here is that there is some responsibility on the part of all of us to leave the message out there that we must lower expectations during these times; that until we have economic improvement that we can't place new demands on the system. If we are going to place new demands on the system, Mr. Speaker, we must be able and be prepared to pay for them. I don't believe that red ink is a solution to improved social programs; I don't believe red ink is an answer. I don't believe, Mr. Speaker, that you can underwrite new what is commonly referred to as software programs by larger deficits.

So this is kind of message that government has to get out there, that for those who are pushing for new things for which we have no money, the answer must be, you have to wait till we can afford it.

The common argument, Mr. Speaker, of those often that aren't necessarily involved with having to take the responsibility for the sort of things that they are promoting is, let the other guy pay the bill and that's not a new argument. There are a lot of people out there that still think there's another person somewhere that's going to pay that bill. When the economy was good, when we had a buoyant economy, that other person of course was the growth in the economy. It was in the resource sector. It was in good corporate income. It was in good personal income sources. Yes, it was there. There was a means of redistributing that.

The tragedy of our times today, Mr. Speaker, is that the other guy is everybody right now. To whatever we agree to, we must agree that we're also going to subscribe and pay for it. That other guy doesn't exist. At this stage it's a myth. We know that from the fact that corporate income taxes have dropped dramatically in the last couple of years; that is not a source of being able to pick one's pocket in, Mr. Speaker. That has been a drying-up source for some period of time.

We have been reminded over and over again that this is now the weak side of our economy so we must recognize that when we are looking at the question of how to respond to new demands by everyone who believes that they have a particular program that is worthwhile for society, but has yet to be funded. I don't care whether that's more day care spaces or whether it's an enriched hospital program or it doesn't matter

what it is, we have to look at it on the basis of affordability at this stage and I think if we do that, we are going to come through this particular depression in better condition than if we were not to grapple with those issues.

So indeed the Minister of Finance, Mr. Speaker, has tried to present an opening to that new approach; a response to what is indeed the reality in this country's economy - and it's not unique to Manitoba, it's not unique to Canada - it's really universal at this stage brought about by the fact that we didn't have economic control for so long. Yes, we have let the economy run wild for decades, irresponsible to say the least over those periods of time, resulting in very massive inflation which then brought about the so-called corrective measure under the monetary policy of current times of high interest rates, slowing the economy down, putting on the breaks. Yes, we have put the brakes to the economy and we've got it in a tailspin and really what we have is the bust period of a capitalistic cycle. That's basically what it amounts to. It's the low end of that cycle and it's nothing new, it's happened many times before. It's not as if this is the first occurrence.

This has happened over and over and over again throughout the centuries, and the history books are full of it; the arguments on either side are quite identical over the period of history and therefore, I don't know why it is, Mr. Speaker, that we at this stage have not yet come to realize that indeed it is the nature of the beast that we have to deal with; and what society can do about altering that so we are not caught in a position of not being able to control our own destiny and I think that's part of where the answer lies.

Short of dealing with that question, Mr. Speaker, there is no solution. We will have another boom and then we will have another bust and it will go on and on as it always has in the past. It will go on and on as it always has in the past, Mr. Speaker. — (Interjection)—

I even hate to admit it, Mr. Speaker, but I do have some vivid recollections of the last depression. Yes, I do remember it. I know the hardships that prevailed at that time. We came from an area that was not well endowed at that time. Most of us were very modest income people. In fact, I remember summers where I didn't wear shoes, Mr. Speaker, because we just couldn't afford to buy them. —(Interjection)— Well, I don't know, I think that was a little before the age of the Member for Pembina.

So we do recollect the harshness of economic depression. Some of us at least do. We recognize it for what it is and the model to not have one has not appeared on the surface, certainly in this part of the world - I don't know if it has in any - but certainly it does indicate, Mr. Speaker, that if you want to prevent those kinds of catastrophes, then society must have a greater degree of control on its own destiny, and that is the nub of the question that has yet to be addressed in a good part of the world.

The Member for Pembina says, how do you accomplish that? Well all right. One of the things that we have missing in this part of the world is the need for a more co-operative administration of our affairs involving in a mixed economy, management, government and labour. There is no economic plan that we had been working under or with. Certainly in North

America there hasn't been, there isn't, where we can identify in advance what the potential is for productivity, what the potential is for income and profit and taxation. We have never put those three things together.

I'm really talking obviously, Mr. Speaker, about a little bit of planned economy. There's no doubt about that. The Member for Lakeside smiles because that's not quite what he prefers, he wants to be a little freer than that. I can appreciate that, Mr. Speaker, but that particular desire is precisely what brings us to where we are. So we must make some choices if we want to prevent these financial calamities that occur from time to time.

MR. H. ENNS: It's like being a little pregnant though, it brings an end result. A planned economy brings an end result.

HON. S. USKIW: It is much more difficult to bring that about in a country like Canada, simply because of the constitutional makeup of this country; that we have the Federal Government involved only in certain areas, and we have provinces that have jurisdiction over other areas, and it is difficult to bring everyone into an agreement that would make it work in the way that it ought to.

Many federal-provincial conferences have been held but results have not been forthcoming from them because of a lack of willingness to make it work, Mr. Speaker. I know that it's rather idealistic - yes, it is idealistic. Of course, I believe that one of the things we must participate in is idealism to a fair degree, if we want to bring about some reform and some improvement. There is no doubt that we will never achieve the ideal, but if we strive for it, then of course we will achieve part of it, and reduce some of the problems we've had, and are having at the present time.

You know there are many scenerios that one can talk about in that very way. Agriculture is probably a prime industry to talk about in that way. We were at a meeting the other day where it was pointed out to us that if you were close to Duluth in the United States and you had a freight rate of a dollar a bushel on wheat, that land would be worth about \$400 an acre. This was a number that was used at the meeting and I don't know if it is accurate. If you go a little closer to the water modes of transport that land is worth about \$1,400 an acre and so on. So, it depends on where you are as to what values are established. In reality, all of that doesn't really make economic sense for the whole —(Interjection)— not for the whole, no, it doesn't because what you are doing is adding - and sure for the Member for Lakeside it is acceptable because that is the market control of the system - but, what it does is introduce artificial cost factors into the system which everyone must bear, Mr. Speaker.

If the Member for Lakeside were to realize a return on production from his land that he farms in Woodlands two or three times as high as it is today, or five times, whatever the numbers are, the land values would follow that pattern and we would continue to increase the cost of our basket of goods based on that kind of logic. There really is no logic to it, excepting that it is unplanned and unmanaged. It just happens in a market

system and ultimately that brings about the kind of situation where the system has to crumble from within in order to start the process all over again.

Mr. Speaker, there are no easy solutions. Anyone who is a Minister of Finance these days must be looked upon with a degree of favour, in the sense that one recognizes the responsibility and the gravity of our time and how difficult it is to put together an economic order in a way that is acceptable to everyone, and in a way which deals with the economic crisis that we're in.

So, I have to, Mr. Speaker, reject the arguments that have been put forward by members opposite for those very reasons that I have illustrated that, yes, I agree to an extent that, sure, things can be improved upon, because they can always been improved upon. But the fact of the matter is, that there are certain rules of the game that must be addressed to bring about a change without being harsh which require a degree of tact; require a degree of co-operation and certainly require a degree of compassion, Mr. Speaker, unless one wants to be totally ruthless in this exercise.

Indeed, Mr. Speaker, it is an opportune moment - it's a point I wanted to make and didn't make - it is an opportune moment at this time to narrow the gap between incomes, and this is where, ideologically, I know that I will not have agreement with my friends on the other side. If there ever was an opportune moment, it is in these times. I think it does make sense to upgrade incomes of people at the bottom, even in these times. I don't think it makes any sense at all to upgrade incomes of people at the top. I think that one side of the ledger can be held firm and the other can be allowed to grow in order to remove some of those distortions that are there and to bring about a little more equity of wealth between people in this country and indeed in this province. This is probably a time where that can be accomplished more easily than during buoyant times, although it should be the reverse.

I think we are in a climate where many people recognize that, yes, if they're earning anywhere from \$30,000 - \$40,000 and up, that they really haven't a licence to clamour for a big increase or even for any. In that particular scenerio, Mr. Speaker, we have set the example, we have set the example by indicating that the Cabinet Ministers are not going to be receiving increases. Mr. Speaker, we have indicated that it's our hope that MLA's don't have an increase. That is yet to be determined, but that is the direction that we want to go because we would be hypocrites if we didn't, Mr. Speaker. Yes, this is the time for that kind of consideration, and this has to be applied right across the board. This psychology has to be applied right across the board to all government agencies, Crown corporations. Yes, this is the direction that it must take.

I believe we have started on the right path and I admit it's a start only. So far, the dollar figures are not all that significant, but it's only a couple of weeks old. It's only a couple of weeks old, Mr. Speaker.

MR. H. ENNS: We started it in 1978.

HON. S. USKIW: Yes, the member says they started in 1978, and I believe that's fair comment to some degree, Mr. Speaker. But one thing he overlooks, the Member for Lakeside, and that is that the psychology

out there wasn't ready for it either —(Interjection)— that's right. I believe it, that's why I say it's opportune at the present time.

MR. B. RANSOM: But ahead of our time, that's what you're saying.

HON. S. USKIW: No, I'm not saying that either. I believe, Mr. Speaker, that the methodology that was employed was not right. I believe it was not right. I think that we could have achieved much more through a different approach and I believe we now have an opportunity for that different approach. If we play our cards right, it should bring forth results over the next two or three years.

So, Mr. Speaker, I am not prepared to accept the arguments from the other side that indeed we have not exercised our responsibility. I believe we have made a significant move in that direction of major adjustment that must take place and that we will be looking for the co-operation of all leaders in society to make it happen, including the members opposite.

Thank you, Mr. Speaker.

MR. DEPUTY SPEAKER, P. Fox: Does the Honourable Member for Pembina have a question?

MR. D. ORCHARD: Mr. Speaker, I wonder if the Minister would allow a question. He always does. This will be a rather short answer question.

Mr. Speaker, I detected, and maybe I was wrong, but I detected that the Minister indicated some concern about the ability of the corporate sector to bear any more taxes; that the corporate revenue was down and I was just wondering if the Minister of Highways and Transportation is in agreement with recent statements of his Minister of Finance to the effect that the corporate sector are paying a smaller percentage of the taxation in this country and therefore taxation policy should be revised so that the contribution from the corporations are increased I believe dramatically, if I can maybe put words in the Minister of Finance's mouth.

MR. DEPUTY SPEAKER: The Minister of Highways.

HON. S. USKIW: Mr. Speaker, that is not a difficult question to answer. In good economic times the philosophy of taxation I have no problem with, as enunciated by the Minister of Finance. If there is a reality of corporate bankruptcy or zero income where dividends are not being paid out, then one has to examine that period of time and make adjustments for it. I mean, we cannot get blood out of a stone so the saying goes, Mr. Speaker. If the industry is healthy, then certainly the philosophy of taxation is important. But if the industry is not healthy, we mustn't dwell on it from a philosophical point of view, but rather we must be quite pragmatic in order to bring it through a crisis period.

MR. SPEAKER, Hon. J. Walding: The Honourable Member for Fort Garry.

MR. L. SHERMAN: Mr. Speaker, I welcome the opportunity, Sir, to participate in this Budget Debate,

which is a very very important debate revolving around a very very important document for our province and for its future. Probably the Budget Debate and the Budget document constitute the most important features of the legislative institution and the legislative Session, and particularly in trying economic and fiscal times such as these when our country and our province is under the existing economic pressures with which we are all so familiar, is the Budget and the Budget Debate extremely important. So it's a privilege for me as it is for each of us in this Chamber, to have an opportunity to participate in discussion of such an important subject at such an important time in the affairs in the history of our province.

Before making one or two comments with respect to the Budget and the conditions of the province, Sir, I would like to take this opportunity to extend my personal congratulations and welcome to the new Clerk of the Legislature, Mr. Binx Remnant, a former Clerk of the Legislative Assembly of the North West Territories, who now is with us here in Manitoba and in our Chamber, and who will bring to us in this Chamber and to this Assembly generally, the distinction, the knowledge and the expertise that he has acquired in many years of service in this field in the North West Territories and elsewhere in Canada and I'm sure we are the richer for that, Sir. So I want to add my words of welcome and congratulations to those that have been expressed by other members of this Chamber to Mr. Remnant and express the hope that he and his family enjoy their new life in Manitoba very much indeed.

Also, of course, I wish to congratulate Mr. Gordie Mackintosh on his formal ascendancy to the Office of Assistant Clerk of the Legislature and we look forward to mutual service with him in the years ahead.

Mr. Speaker, I would like to take a moment at the outset to deal briefly with a common thrust or thread that seems to be running through many of the contributions to this debate that have come from government members and from government benches in the Chamber, that is the ones that have been serious at any rate and there certainly have been some serious ones. There also have been some that perhaps have been, for reasons that may be very valid to the speakers themselves, less serious, perhaps even verging on the light and the frivolous. Perhaps it may stem from the fact that many government members do not know what they can say about the alarming, disturbing and disappointing document before them and before us in the form of the new Budget.

But there have been some fairly serious attempts to defend the indefensible; one of them just made by the Honourable Minister of Highways and Transportation; one of them made the other day by the Honourable Minister for Government Services, the Minister for Housing, the Minister for Municipal Affairs and two or three other spokesmen on the government side.

They have made serious attempts as I say to defend what is a very difficult document to defend and I want to respond to a threat or thrust that seems to have run through many of those remarks. That common thrust seems to boil down to this kind of a complaint from the government benches.

The opposition attitude towards our Budget seems to be terribly critical. It seems to be terribly negative. Why is the opposition so negative and so critical where

our Budget is concerned? Why is the opposition so opposed to it? Why can't the opposition support the Provincial Budget? Mr. Speaker, that is not a surprising message, a surprising plaint or cry, to come from relative newcomers to the Chamber, but it is certainly surprising when it comes from those who have had some experience, not only in this Chamber but perhaps in other forms of legislation, at the municipal level and elsewhere in this province.

Surely, Sir, it is obvious to those who raise that cry that it is not merely the opposition that finds this Budget absolutely incomprehensible and absolutely incredible in the circumstances of the day, but virtually all the commentators, columnists, editorial writers, observers, who have had anything to say about this Budget, Sir, have expressed consternation at it and they have not necessarily been observers and commentators who would be regarded as being of a Progressive Conservative political partisan stripe.

They include well-known commentators and columnists in this city and in this province who, over the years, have demonstrated anything but a great deal of partisanship, support and favouritism for the Progressive Conservative Party. On the contrary they've appeared to be very kindly disposed in many instances to policies, programs and personalities of a New Democratic persuasion and they to a man, to a woman, virtually, Sir, across this province have expressed absolute incredulity and consternation at this Budget and the contents of same.

Moreover, Sir, surely it's known to members opposite, that it is not the role of the opposition even in the best of circumstances to stand in this Chamber and tell the government how to run this province. This government went out on the hustings a year-and-a-half ago with a now infamous document, to which I don't intend to refer again. Many references have been made to it over the past year-and-a-half, a now infamous document laying out promises and pledges of what they were going to do. They told the people of Manitoba what they were going to do and they appealed to the people of Manitoba for their support. They asked the people of Manitoba to elect them as government because they were going to do thus and thus and such and such. Now, they have the opportunity to do that, Sir.

It is the role of the opposition to oppose; to point out what is wrong; what is faulty; what is at fault; what is a failure; what is subject to criticism in a government's program. It is the role of the opposition to oppose and if the backbenchers on the government side don't understand that, Sir, perhaps they will learn it in time but it is derived from the very word, "oppose." It is derived from the very language from which the term comes.

So, Mr. Speaker, for them to say, well, now we have gone to the people of Manitoba and we have asked them to elect us and we have asked them to give us the opportunity to run the province, now we want the opposition to tell us how to do it is utterly ludicrous, Sir. We're prepared to do that if that's the case but then let's go all the way. Let's have them lay down that onerous burden which they don't seem able to carry with much responsibility and we will take up the cause and take up the course and take up that responsibility. But, surely, they do not believe that the people of Manitoba are so naive as to say to them, all right,

you've asked us to place our trust in you and give you the opportunity to lead this province and then when you can't do it, you can turn to the opposition and ask the opposition and expect the opposition to do it for you. Surely that is the height of naivety, Mr. Speaker. There have, in any event, Mr. Speaker, been many, many constructive alternative suggestions come from this side of the House in the past year-and-a-half relative to the affairs of this province.

For one thing, Mr. Speaker, we have told them over and over and over again - and they refuse to listen - to bring their spending into line, to make themselves fiscally accountable and to get rid of such burdens as the payroll tax which simply drives employment and job opportunities out of this province. We've told them that till we're blue in the face, Mr. Speaker. They've paid no attention or no heed to it. They've been told it by commentators and observers outside of this arena and they've certainly heard it frequently from us. What is the point of offering them alternatives? What is the point of offering positive constructive suggestions when they are so blinded by their own commitment to their own course of ideology and action that they won't listen? The biggest, most productive, most positive step they could take, Mr. Speaker, would be to eliminate the payroll tax. The guttiest, most courageous thing they could have done would have been to have bitten the bullet a year ago to have increased the sales tax by at least two points, to have reduced spending everywhere they could instead of going into 25 and 26 and 27 percent increases in spending in last year's Estimates and to have avoided anything as onerous and as foolish as the payroll tax.

Mr. Speaker, they don't listen to that. So now when they call upon us to say make constructive suggestions, offer positive alternatives, it's rather laughable, rather ludicrous, rather ironic, Sir, and I don't think the people of Manitoba are going to fall for that message. They asked us what to do; we told them; they ignored it; they went ahead on their own course of action. They've now got the province and themselves on the verge of bankruptcy. Now they're saying, make positive suggestions, make constructive suggestions, tell us how to do it. We told them - at least if we didn't tell them what to do, Mr. Speaker, we told them what not to do and they went ahead and did it anyway.

Mr. Speaker, the message for the government is surely clear in the responses that have come from the media and, as I say, from the commentators, columnists and observers in the arena of public affairs in this province since the Budget was introduced, brought down in the House by the Minister of Finance, last week. Almost universally it has been condemned, Sir, as being a document that contains within it the seeds for further economic and fiscal damage, if not potential economic destruction for this province. We have columnists such as Frances Russell of the Winnipeg Free Press, describing it as a cowardly document. We have columnists such as Arlene Billinkoff of the Winnipeg Free Press, referring to the fact that it contains nothing innovative, courageous or imaginative to meet today's challenges, but merely sticks to familiar measures that are not guaranteed to produce any of the solutions so necessary today.

We have knowledgeable observers such as Professor John McCallum writing for the Winnipeg Free Press

about the vivid difficulties and weaknesses contained in the Budget and the bad news, the very severe forecast that that presages for Manitobans in the years immediately ahead. Mr. Speaker, as I say, the response has been almost universally one of condemnation and criticism and I suppose the most helpful, certainly the most sincere message that one on this side could deliver to the government today, to the First Minister, to the Minister of Finance and to their colleagues is an appeal to admit their errors, to announce that they will be bringing in a new Budget before the end of this Session to correct the errors in direction and the errors in fiscal and financial procedure in which we are now trapped, and to alter the course on which we are now engaged.

Mr. Speaker, I think there would be considerable and sincere support on this side of the Chamber for that kind of a decision, that kind of a change of course by the government. The First Minister might feel that from the point of view of perception, the point of view of embarrassment, it might be difficult for him to admit and have his Finance Minister admit that the Budget is wrong, that their fiscal and economic policies have been wrong, and that changes are required but I assure him, Sir, that kind of a statement, that kind of change of direction would not invite derision from this side of the House. It certainly would not invite finger-pointing or derision from me. I would welcome that as a courageous move.

As a Manitoban concerned for the affairs of my province and concerned for the future of my province, I can assure the First Minister, Sir, that if he is worried about that kind of thing and if he is worried about the public impression of that sort of thing that change of course would make, I give him my assurance that I would support and I believe my colleagues would support him and offer him encouragement in that kind of course, in that kind of action. If he were to stand up and demonstrate that he and his government had the courage to admit that their economic direction was wrong and that they were going to bring in a new Budget in the next few weeks that is more in keeping with Manitoba's current problems and Manitoba's current needs. We would welcome it and applaud it, Sir. That is the most sincere advice we can give them at this juncture. I doubt that it will be accepted, but if they were to read and take seriously virtually any of the comments and commentaries that have been delivered in the arena of public affairs on their Budget, I think, Sir, that in all conscience they would have to examine among themselves the reasonableness and the viability of that kind of a decision. Because it's not just the opposition that's saying the Budget is a recipe for continued economic disaster, it's the commentators who have devoted their professional reporting and academic careers to studying these affairs and these matters who are saying it.

So I sincerely and earnestly urge the First Minister, the Finance Minister and their colleagues to consider that offer from this side of the Chamber, Mr. Speaker, to go back to their halls of planning and their offices of study and to recast the economic direction that they intend for this province, to bring in a new Budget that replaces the existing one within the next few months, and to set this province on a course of reality and pragmatism that meets the challenges of the day rather than pursuing this course that tends to hide and protect

Manitobans from the realities of the day and attempts to pretend that the day of reckoning can indefinitely be postponed.

Mr. Speaker, the previous speaker in this debate, the Honourable Minister of Highways and Transportation, talked about government's role and government's responsibility to set the climate to get out of the economic mess that we are in. Mr. Speaker, one wonders whether his Cabinet and caucus colleagues have been listening to him at all, whether he has any communication with his colleagues in the New Democratic Party caucus whatsoever, because that's exactly what government's role is at the present time, in the present circumstances, is to help set the climate to get the province out of the economic mess that we are in and that's precisely what this government has not done and precisely what this Budget fails to do.

Mr. Speaker, listen to Professor McCallum, for example, writing in the Winnipeg Free Press of Wednesday, March 2nd. He talks about the fact that the Budget is of particular importance and leads to particular ramifications where two specific groups are concerned. One of those groups is the group that makes the decisions with respect to Manitoba jobs and the other one is the group that lends us money. Quoting from Professor McCallum, if I may for a moment, Mr. Speaker, and I think it's important to put this on the record in the debate, the argument continues in this vein "That the Manitoba Budget had a large, negative impact on the economics of private sector Manitoba jobs is beyond dispute. It reaffirmed a 1.5 percent tax on wages that applies regardless of whether a company has revenues, let alone profits. It raised the corporate income tax on large firms at a time when profits are in their worst tailspin in years. With the proposal to tax gross personal incomes, it left people wondering what other 'innovative' tax devices the government might have up its sleeve. It left in place some of the highest personal tax rates in the country. And part and parcel of the Budget is a government employees' settlement that is well beyond what any private firm could afford in this recession."

Professor McCallum goes on to say, and here I quote again, Mr. Speaker, "It all adds up to some very powerful incentives to place jobs elsewhere than in Manitoba. To put it another way, what we gave the private sector on February 24th was a whole bunch of reasons to locate jobs elsewhere." End of quote, Mr. Speaker.

When one considers that the Minister of Finance began his Budget Address with the statement that unemployment is the No. 1 problem in Canada and it is the No. 1 problem in Manitoba, and that creating jobs and saving jobs are the top priorities of the New Democratic Government and they are the most important objectives of his Budget, one has to wonder, Mr. Speaker, where the voices of reason and sanity were in the government caucus rooms and Cabinet rooms when the Budget document was being prepared. Where was the Minister of Transportation and Highways who has just told us that it's government's role and responsibility to set the climate to get out of the economic mess that we are in?

The whole point of this debate, Mr. Speaker, is to attempt to define for the province, for Manitobans, guidelines and directions to ensure the economic prosperity and through the economic prosperity the

social prosperity of our people. What the opposition has been saying and what the critics outside this Legislature have been saying is that the document itself misses, and misses by a country mile, the basic things wrong with Manitoba at the present time and in fact exacerbates and intensifies our economic difficulties. It will, as Professor McCallum says, tend to drive more jobs out of the province, tend to export jobs and job opportunities, tend to make Manitoba less attractive to investors and to those who create jobs and job opportunities for our people.

Mr. Speaker, obviously the message has got through to the Minister of Highways and Transportation, because his remarks a few moments ago indicated that he thinks very much the same way. But he obviously does not participate in the counsels of the government in terms of drafting documents such as the budgetary document in front of us, because there is a total inconsistency between what the Minister of Highways and Transportation just said and what the Budget, introduced by the Finance Minister, means for Manitoba as so accurately and vividly defined by Professor McCallum. Our whole point, Mr. Speaker, is that where the Minister of Highways and Transportation says that government has a responsibility to set the climate, this Budget document is doing the precise opposite. That's precisely what this government, through this Budget, is not doing. They are not setting a climate to fight the economic difficulties that we are in or to get out of the economic mess that we are in.

The Minister just said a few moments ago that we must lower expectations. Well, again, Mr. Speaker, read the budgetary document, look at the Estimates, listen to the Minister of Finance and listen to the commentators such as Professor McCallum. On the subject of expectations, Professor McCallum had this to say, and again I quote: "One other feature of the Budget warrants comment. By letting spending go in the way it has, the government has further imbedded in the minds of Manitobans the expectation that the current level of government services can be maintained indefinitely. Those service levels cannot be maintained and the proof of that is not only the size of the deficit but the way in which debt service costs are exploding as a percentage of government revenues.

"Every year that the government postpones service cutbacks and encourages false expectations, it exponentially increases the pain of adjustment when it comes."

Mr. Speaker, surely that is the message that has to be hammered through somehow to the First Minister, the Finance Minister and to the Government of the Day, that their approach to economics, their approach to the fiscal, financial and economic circumstances of this province as articulated through their programs for the past year-and-a-half and through their Budget just introduced into this House a few days ago by the Minister of Finance, fails woefully, fails critically, and fails very dangerously to meet the challenges which Manitoba faces at the present time. Rather than bringing expectations into line, rather than confronting Manitobans with realities, rather than encouraging Manitobans to bite the bullet, as it were, it is a weak and timid and unrealistic approach that in fact reinforces expectations.

It's that aspect that has attracted so much criticism and dismay from the columnists and the commentators, and so much criticism from this side of the Chamber.

So when members opposite, members on the government side, inquire as to why we are so critical of the Budget, and why we are so negative, and why we can't be positive about it, it is, Sir, because we fear for Manitoba, and because we can see that the Budget document is leading us deeper and deeper into a morass of economic difficulty because it fails to face reality. It fails to call Manitobans to account for the conditions of the time and the day and to urge upon us the necessity to stand up and fight. It says, sure there are some difficulties around, but we're going to cushion you against those difficulties. We're going to make things as easy as we can for you. We're going to gamble that things are going to get better tomorrow or next month or next year. We're going to postpone the evil day.

Mr. Speaker, that's all it's doing is postponing the evil day. It's defying and denying the fact that Manitobans have intestinal fortitude with which they would like to fight those battles that are upon us and to meet those challenges. It's demeaning to Manitobans; it's because it ignores the fact that Manitobans are made of better stuff than that. It attempts to coddle us, protect us, and shield us when we don't want to be coddled, protected or shielded.

Mr. Speaker, that is the message that's coming through from the Professor McCallum, from the columnists of the Free Press like Ms. Billinkoff and Ms. Russell, from the other commentators in the public arena, from my Leader, from my House leader, from my colleagues on the benches on this side of the House. That is what members opposite seem to fail to grasp. That is what they seem unable to understand, that we can see battle lines drawn out there, and we're prepared to fight the battle.

They are living in some kind of abstract dream world in which they think Manitobans can be shielded from the conditions of the day and can be lulled into a false sense of security and safety by the contrived safety nets that the Minister of Finance and his colleagues are trying to construct in our economy at the present time.

Another thing, Sir, that dismays us greatly, is the lack of even-handedness, the lack of fairness displayed by this government in terms of its approach to these problems. What Manitobans are really crying out for at the present time is leadership that is both fair and even-handed in its approach to Manitobans and their problems. They are dismayed by the inequities in some of these settlements and some of the approaches that have been taken by this government where wage disputes are concerned and where economic difficulties confront us.

I don't think, Sir, that it's too late to correct the course on which the province is engaged. I repeat what I said a few moments ago that the only way to do it is for the First Minister and his colleagues to have the courage to admit that they have been weak about the war, about the difficulty, about the fight; that they have failed to lead Manitobans forthrightly and to inspire a response in Manitobans that would help us overcome our difficulties; that they have tended to try ill-advisedly to shield us from the difficult economic and fiscal realities of the day. As a consequence, they have continued with conventional documents of a budgetary nature, conventional Estimates, preparations,

conventional spending programs, as if the world is going along in 1983 precisely the way it was in 1973.

If they would be prepared to face the realities of the day and ask Manitobans to join the fight with the rest of Canadians, then I think, Sir, that we still could recover in reasonable time from the difficulties that we face. But if we continue to try to pretend that the difficulties aren't there and that Manitoba can get out of it some other way, then we're headed, Sir, for a long long difficult and disastrous period in our history.

I have to say, Mr. Speaker, that a major, personal disappointment for me as a Manitoban exists in the fact that I feel that I can take no sense of pride in the efforts that are being made across this country toward national economic recovery.

Others of my countrymen all across this land, from British Columbia to Newfoundland, are engaged in battle at the present time, Mr. Speaker. Our war is the war against recession. Our war is the war against potential fiscal disaster, the war against possible economic collapse. All our fellow Canadians in all other provinces of our country have joined to fight in this war, but not Manitobans. Our leaders, in the persons of the Members of the Treasury Benches in the New Democratic Government, have refused to acknowledge that there is an enemy out there. They've refused to face the enemy and they've refused to summon us to arms to engage the enemy. Mr. Speaker, I think a great many of my fellow Manitobans feel the same way I do, robbed and cheated of our rightful chance and obligation to participate in this national fight.

I would go so far, Mr. Speaker, to say that for many of us, against our will, we have been turned by weak provincial leadership into the fiscal and economic equivalent of draft dodgers. We have not been permitted to join the army in today's war.

You know, I think this Provincial Government underestimates Manitobans and Canadians in general, Mr. Speaker. I think they underestimate the stuff of which we are made. This is a government of faint heart and it is making the mistake of assuming that Manitobans are people of faint heart. Because it is a government of faint heart, it is making the mistake of assuming that Canadians are people of faint heart. We are not, Sir, we are not of faint heart.

This is a devastating and a demeaning miscalculation for the Minister of Finance, the First Minister and their colleagues to make. We are not people of faint heart; we have the necessary stuff in us for us to rise up and fight and win this battle and overcome this particular challenge. We've done it in war. We've done it through pioneer hardship. We've done it through flood, fire, drought. We've done it through depression.

MS. M. PHILLIPS: Onward P.C. Soldiers.

MR. L. SHERMAN: We've done it through all kinds and forms of difficulties, Mr. Speaker. Here we have made a major economic challenge threatening this country and leaders in every province across this land are joined in that economic recovery battle, except for Manitoba and we are not being permitted to participate in that fight. We are being coddled; we are being protected; we are being told by our First Minister and our Finance Minister that the situation really isn't that

important. We'll look after a few of our vested supporters, our vested interests and our vested interest supporters and we'll wait for conditions to improve, we'll gamble on the fact that things are going to be better a year or two from now and we'll get out of it without any bumps and without any bruises.

Mr. Speaker, maybe Manitobans aren't that kind of milk-toast, weak and timid people who want to avoid it without bumps and bruises. Maybe we're prepared to take some bumps and bruises and fight through. Why doesn't the government give us the benefit of the doubt on that? Why don't they at least test us? Why don't they at least ask us if we want to meet that challenge?

SOME HONOURABLE MEMBERS: Oh, oh!

MR. L. SHERMAN: I want to say, Mr. Speaker, in conclusion that we're not going to strengthen ourselves as a province if we attempt to get through these kinds of difficulties by ignoring reality and refusing to face the enemy. Life is not a tea party, Mr. Speaker. Some wars do have to be fought, and this war against recession in Canada does have to be fought. If my fellow Canadians in British Columbia and Newfoundland and in-between are fighting it, through their Premiers, through their First Minister, through their Finance Ministers, I would like to see my fellow Manitobans and me fight it through our government.

I believe that we want to face it and deal with it, Sir, and not be artificially protected from it, and not be arbitrarily kept out of and not as I say, Sir, be turned by the First Minister and his colleagues against our will into the fiscal equivalent of draftdodgers and that's what we have been turned into.

I want to be able to stand up some morning and say that I fought with the rest of Canadians in this battle, Sir. So let me leave that message with members opposite when they ask us for something positive, for something creative, for something constructive, let me say, let us all be able to stand up a few days, months or years from now and say that we fought this battle together, we didn't duck it, we weren't afraid of it. We didn't say, oh, it'll go away and things will improve if we just hide our heads and try to pretend that there is no difficulties. Let us not wait for miracles. Let us not trust in dreams. Let us put our shoulders to the wheel as other Canadians are, and fight this economic battle. We want the First Minister to lead us into that battle and not to underestimate our people.

So, Mr. Speaker, my final note is an appeal to the Finance Minister and the First Minister to bring in a new Budget that meets these difficulties, and meets these challenges head on, and treats the people fairly and evenly. I think they'll be surprised, Sir, at the amount of support that they will get from us and from Manitobans at the amount of positive reaction rather than negative reaction they will get if they trust us all in terms of our courage, our ability and our willingness to help our province through this difficulty. But if they keep confronting us with Budgets that are made of dreams, of unreality and fail to face facts, and continue to heap difficulty upon difficulty and continue to promote programs that drive jobs out of the province; that continue to defuse and downgrade the private engine

that is so important to keep our economy moving; that continue to discourage investment and job creators and personnel from living and locating in this province then, Sir, they'll get nothing but criticism and negative response from us.

There is a way to get positive, active, creative response from us. Act positively and creatively. Act imaginatively. Give us some leadership. Invite us to meet the challenge. Invite us to the battle and do it realistically and do it courageously, Sir. If they do that, they'll find they get a good deal of creative response.

Thank you.

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

HON. S. LYON: Pray for them, Father.

MR. D. MALINOWSKI: Thank you very much, Mr. Speaker. Mr. Speaker, believe me, I was praying before I started to debate, to come to this debate on this Budget, which I think is a very good Budget.

I am a man of belief, a man of faith, and I also said, thou shalt not interrupt.

Mr. Speaker, I am happy to offer my congratulations to the Honourable Finance Minister for the Budget he presented exactly one week ago.

It is doubtful if any Finance Minister, in any government, could ever produce a Budget that would please everybody. This is physically impossible, especially in such hard times which we have, not only here in the Province of Manitoba, not only in our great country of Canada, but all over the world. So in these circumstances we here in Manitoba, as the only Social Democratic Government, we present to our people the best Budget that any province had. But I am convinced the majority, Mr. Speaker, of the people of this province and also my people of St. Johns, who have considered all the economic factors of our time, are satisfied that this is a good Budget. Reasonable. I am not saying that this is the best, but it's really fair and good and reasonable for this time in which we are having trouble with our economy.

Mr. Speaker, the objective of the Budget is to create the greatest good for the greatest number. In raising revenue, the Finance Minister has done it in the fairest way possible for a provincial administration.

Although, we regret that 1 percent increase in sales tax, this still leaves the sales tax in this province lower than in most provinces under any Conservative Government.

MR. D. ORCHARD: If you tell me who wrote his speech, I'll stick around.

MR. D. MALINOWSKI: The honourable member is asking who wrote my speech. I am taking knowledge from the Holy Bible and I'm basing on it and I'm telling you nothing but the truth.

HON. L. DESJARDINS: They didn't have Budgets in those days.

MR. D. MALINOWSKI: This Budget should be for the people who are more in need, not for those people who are greedy; if they want it, give it to them. I will

see how the Federal Government is dealing with underprivileged people, people with low income, how they settle the rules about tax. We'll find out about this a little later.

Mr. Speaker, the income tax is, of course, the fairest tax of all because it is on a basis of ability to pay. A one percent tax on the gross incomes of Manitobans would have been better than an increase in the sales tax. It would have raised more money from those in the higher income brackets.— (Interjection)— Unfortunately, we needed the support of the Federal Government for this and could not get it. The wealthy can always count - Mr. Speaker, may I ask you for your assistance, because from the left and right side, they are having a conversation and I can't concentrate?

MR. SPEAKER: I hope honourable members would give the Honourable Member for St. Johns the same courtesy of a hearing that they would hope for, for themselves.

The Honourable Member for St. Johns.

MR. D. MALINOWSKI: Mr. Speaker, the wealthy can always count on the Liberal or Conservative Governments to protect them from paying their fair share of taxes. In my view, Mr. Speaker, the most important item in the Budget is the \$200 million intended to ease the unemployment condition in this province. I know the Honourable Leader of the Opposition and the other members on the other side have criticized this. Somehow, they don't like that we are creating new jobs. They have something in mind, Mr. Speaker, how far, how long, where, what they will produce. They are not concerned at all that the people who are unemployed right now will be occupied, they will have an income. That's not their concern. Their concern is different, who, where, how and for how much.

Mr. Speaker, also they believe that creating jobs is something that should be left to the private industry. They strongly believe in one way of resolving the problems, nothing but private industry. For God's sake, the fact is we have been waiting for private industry to put the unemployed to work for the past 20 years. Yet during all this time, Mr. Speaker, unemployment kept increasing from 500,000 at the end of the '50s to 1.5 million now. Where is the free enterprise, I am asking, where are they? They went to where? - to Switzerland, to . . .

HON. S. LYON: Alcan, you kicked them out.

MR. D. MALINOWSKI: I see, probably they are still on vacation. This has been happening under the Liberal Government at Ottawa as well as under the Conservative Government under the late Mr. John Diefenbaker.

A social democratic government pledged to carry out progressive social improvements and economic change is under a severe handicap. We have to operate within the limits of provincial power. We must do our best to govern under a private enterprise economy at a time when private enterprise economies all over the world are once again in a serious depression. There are 4 million unemployed in Britain under a Conservative Government.

Under the Conservative Government of Australia, 11 percent of the labour force are out of work. Nobody will tell me that they don't have free enterprise.— (Interjection)— I will come to it. If, Mr. Speaker, the Leader of the Official Opposition is so curious about this situation, maybe I will come to the Solidarnosc if he wants it, maybe I will come to it.

HON. S. LYON: Come on over here and say that, it sounds better.

MR. D. MALINOWSKI: Mr. Speaker, under the very Conservative Reagan administration in the U.S., there are only 12 million unemployed. What are all these governments doing in the way of finding jobs for all these unemployed? Mr. Speaker, nothing, they are waiting for miracles or free enterprise. Maybe they are waiting for Santa Claus who will come and will bring them, not only money but they will bring them projects right away. This is what you're supposed to do, probably they will follow it; otherwise, they are just waiting, I don't know for what.

Mr. Speaker, nothing is having any effect or showing improvements. The honourable members of the opposition are critical of the job-creation provisions in the Budget. They question whether these will be long-term jobs and whether they will be the right kind of jobs. This is their concern. As I said before, they are not concerned that somebody who doesn't have any income and his unemployment insurance ran out, so then they say, well, listen, that's his concern. But we'd like to help them. No, for how long? Even if it will be for 3 months, for half-a-year.— (Interjection)— Well, not giving but naturally we have to create and they will produce something for it.

Mr. Speaker, the honourable members of the opposition are very good in sneering and ridiculing projects put forward by this government. For their benefit, Mr. Speaker, I will mention some of the work projects undertaken by the Conservative Government in the last depression in the '30s.

Mr. Speaker, I wasn't here at the time of the depression but some oldtimers in my constituency have been telling me about the kind of job-creation plans of the Conservative Government under R.B. Bennett. This is quite interesting, Mr. Speaker.

A few thousand single unemployed were put to work in government relief camps where they got 20 cents a day and board and room. That was a good job creation at that time. Some used to refer to these camps as "Slave Camps."

I hope every dollar spent on alleviating unemployment will be spent on projects of the utmost benefit to society. If honourable members of the opposition are not satisfied with the job-creation measures of this government, I hope they will come forward with suggestions of their own. Mr. Speaker, we have the same kind of problem. We didn't have as high unemployment at that time when they were in power, but nevertheless I didn't see any creative, any concrete projects to put people to work.

MR. H. ENNS: 30,000 new jobs Frank Johnston created.

MR. D. MALINOWSKI: Mr. Speaker, the Honourable Member for Lakeside said that he put 30,000 people

to work, but I would like to remind him that at the same time over 40,000 young, good, skilled people left Manitoba. So if you are saying that you created 30,000, and 40,000 left Manitoba, it means that you didn't have more than 20,000. So it is nothing to brag about.

Mr. Speaker, I hope that the alternatives the Conservatives may suggest will be an improvement over the 20 cents-a-day jobs in the relief camps under the Conservatives of bygone days.

Mr. Speaker, there has been much wailing and lamentation about the big deficit. Big debts and big deficits have become a fact of economic life. It is nothing new under the sun. It's nothing new at all. I hope, in time, we can get away from the old debt-creating method of public financing. Maybe we'll reach that stage. Maybe the whole economy will turn over and we'll start to build a better society but it will only happen if we work together, not only that one party wants to create something, wants to do something for society and the other said, no, this is not the way. They are criticizing. You shouldn't do this, you shouldn't do that, you are spending too much money. Well, you can't have your cake and eat it too. In our language I may say, you can't have a koubassa and eat it, or else because if you eat it there is nothing there, nothing left.

Mr. Speaker, as it is, every municipality has a big debt, every province is carrying a big debt and biggest of all is the national debt. I may ask, if we have a debt here, if we are even multiplying this debt, here in Manitoba is a New Democratic Government. Well, what's going wrong down there up on the hill? Right now they are Liberals. What are they doing?

MR. ENNS: No difference.

MR. D. MALINOWSKI: No difference. I see. I agree with the Honourable Member for Lakeside but when the Conservatives were in power, was it different? It was the same thing. I agree with the Honourable Member for Lakeside that I can't see any difference, Mr. Speaker, between Liberals and Conservatives. Mr. Speaker, the only difference between Liberals and Conservatives is that when Liberals are in, Conservatives are out. This is the only difference.

Mr. Speaker, unfortunately Provincial Governments have no choice but to follow the old, long established methods of financing which keep the debts growing. So governments are always confronted with the choice of leaving undone many things that should be done or creating huge deficits. Surely, Mr. Speaker, what is more serious than big deficits at this stage is to ignore the problems and welfare of the people during these depressed times. We can't do this. Mr. Speaker, we'll try our best to put people to work. That's why, Mr. Speaker, in this Budget which we have now, we put \$200 million for the people to put them back to work. Would it be better to have a smaller deficit or no deficit at all if this would result in even more depressed economic conditions and even greater unemployment? There is no choice. We can't have both. It is very easy and very nice to give but, Mr. Speaker, first you have to have, according to the Holy Bible, first you have to have, then you can give.

Mr. Speaker, I believe in this regard the Budget is on the right track, not only for the majority of the people

of Manitoba but also for my people from St. John's. The question is often raised by many people, especially now, Mr. Speaker, how it is that we can so easily finance wars but have such great difficulty in financing peacetime projects? That I can't understand. I am a man for peace; I am a man for love, not for hate.

Mr. Speaker, some honourable members are old enough to remember the start of the last world war. I do. Before the war the country had gone through 10 years of depression. There was no money for useful projects to put the unemployed to work. They were broke. Like some companies; some speculators, they are doing almost the same thing now.

There was no money to provide decent maintenance for the families of unemployed and the elderly. One of the MP's for our party had suggested the spending of \$400 million on a public works program to put some of the unemployed to work. Mr. Speaker, this was dismissed by the Liberals and Conservatives as out of the question. Where, they asked, was the money going to come from?

Mr. Speaker, a few months later the country went to war. From then on \$400 million was considered petty cash; from then on we started talking and spending in billions; from then on nobody worried about the national debt or big deficits. At no point were any military actions delayed because of lack of finance.

In short order, Mr. Speaker, over a million Canadians were in the armed services. The unemployed, who were getting 20 cents a day in relief camps, could now get full armed services pay, plus full board and room and medical attention.

Men in the armed services were put in control of the most expensive kind of military equipment from \$100,000 tanks to bombing planes costing over a million dollars each. They were transported to various battlefronts of Europe and Asia.

Not once was the question raised whether we could pay their fares or find the money to provide them with the costly weapons of war; nobody asked, nobody questioned at that time; nobody.

Mr. Speaker, there are those who say people are more ready to make sacrifices in wartime. The fact is, Mr. Speaker, except for those who lost their lives overseas or became wounded, that war didn't involve any sacrifice for the people on the home front in Canada.

On the contrary, the war ended the depression. Isn't it a sad situation. Mr. Speaker, believe you me, I pray, I hope that right now in this economical situation which we have now that history will not repeat; that the only solution to put people to work we have to create war. God forbid! God forbid!

Further, Mr. Speaker, the unemployed went to work earning wages. They were certainly able to live better than during the depression in peacetime. For instance, buying War Bonds was no sacrifice, but War Bonds paid interest.

As for the businessmen handling the war contracts, there was no sacrifice involved. This was a very profitable business.

Even now, Mr. Speaker, we know how a situation looks like. I just heard the other day, a member from the opposite side said, they don't care to whom they are selling, as long as they are selling. What the other party will do with this product, this is not their concern. The main concern is to make a business; to make a buck today.

But, what will happen tomorrow is a different story.

MR. H. ENNS: Make two bucks.

MR. D. MALINOWSKI: Two bucks, right. The Honourable Member for Lakeside, he says, make it two bucks.

For instance, Mr. Speaker, talking about communists, I would like to put one example here. When Red China approached us asking for grain, we are so pleased, we are so glad, we are so happy, that finally they came and bought our grain. Our farmers were so happy and the government up on the hill was so happy that they made a good deal. All of a sudden, the communists became a good friend.— (Interjection)— I see, well the member opposite said no, just deal.

MR. H. ENNS: No communist has ever been a friend of mine. I don't have any friends like that.

MR. D. MALINOWSKI: Well, if the Honourable Member for Lakeside says that they are not his friends, so why is he dealing with them? Why are you making a business with them? Oh well, this is your philosophy.

Mr. Speaker, I refuse to believe that it is impossible to finance worthwhile peace-time projects on as great a scale as we financed war projects in wartime.

One of the big projects waiting for action in Winnipeg is rail relocation. The majority of people here are agreed that CPR rails should be removed from the centre of the city. We have plenty of labour for this job; we have the materials; we have the people with the knowledge and experience in relocating rail lines.

Mr. Speaker, the only thing holding up this project is difficulty in financing. If rail relocation had been a military project in wartime, it would have gone ahead without the slightest hitch. I would, as a matter of fact I repeat, would have been considered a very minor military operation; but as a peacetime project, we have a hard time getting it underway.

Mr. Speaker, few countries are so blessed with resources and the physical means of carrying out a great number of projects that would be of a great benefit to all.

Right now even, so many countries, they have natural resources which should be used for the people for a better, higher standard of living. Don't sell just to anybody; just keep a little for your own people.— (Interjection)— Still, the Honourable Member for Lakeside suggested that he likes to die in the next 5 years and his family? You are not planning to continue generation after generation? You want to just live to a certain period of time and then kaput? — (Interjection)— Mr. Speaker, I must also point out that possibly no other country is so overloaded with banks, trust companies and other financial institutions of every kind. Surely, whatever is physically possible should also be financially possible. Why should we always be hindered by lack of finances? I do not consider myself an expert on finance. No, Mr. Speaker, even I have a problem to count the collection on Sunday, so that's why I have a treasurer. He's working for me because I am sort of allergic to money so I stay far away from finances.

Mr. Speaker, I'm still hopeful. If we all put our heads together, we should be able to devise methods of

financing that would free us from this debt-creating system. It's not enough to say like they are saying, when we left our office we had that kind of a tax and now look at what you are doing. I may come back to 1977 when you took over. Also, we'll have a certain level of tax, and when you finished, what was it? If not doubled, then tripled. So we're not doing anything special or anything which is not known under the sun.

Mr. Speaker, we should get on a basis of financing without, as I may call, the bugaboo of big deficits and big provincial and national debts. It is something to think about.

Mr. Speaker, for a moment I would like to refer my remarks to the report which I read recently. The report by the Commission of the Canadian Conference of Catholic Bishops on the economic troubles this country is going through has upset some people in high places. The report is called, "Ethical Reflections on the Economic Crisis." I wouldn't go very far because this document is quite a big one, but I will just quote a few sentences from it. I don't have time to do it.

Mr. Speaker, in 10 pages it goes right to the core of the problem, which is unemployment. In so doing, it criticizes the way "maximization of profit" has become the only goal for many corporations, the way the unemployed and the poor are put outside the mainstream of national life and the way unemployment and poverty are accepted as normal or natural.

Mr. Speaker, the eight bishops who wrote the report admit they are not economists. Also, they didn't say that they were New Democrats, nor Liberal or Conservative. They are talking about human beings. But, clearly, one doesn't have to be an economist to see that our priorities are not right. And, as priests, they are as keenly aware as anyone of the personal hardship unemployment brings.

The bishops call for a new labour-intensive industry and thus echo those progressive voices that for generations have called for an end to our dependency on short-run resource exploitation that leave us empty pits and ghost towns. It is not enough just to take it like today; and it was an old saying, "Let's live today, to hell with tomorrow." Forgive me for the language; it is unparliamentary. Forgive me.

This is not the case. They call for an industrial strategy: an overall approach to what jobs are being created and what will be needed in the future.

The Conservatives said the bishops were "barking up the wrong tree." That's their opinion. They also didn't like the idea of more taxes for excess profits which, of course, helps to explain why Tory MPs voted with the Liberals to reduce income tax on the rich by 10 percent. At that time they were not enemies; they were friends. They had a good goal. Listen, let's race, let's have a pie, so now we should go together.

But, Mr. Speaker, as a television commentator noted the same day: "The government is full of good economists and look what shape the country is in." It means they are saying that bishops, whatever they are saying, whatever they are suggesting, they are wrong. Why? Because they are only strictly theologians. They don't have any idea about economy. So, okay, the commentator said, all right, we have good economies and look in what shape our country is right now.

Mr. Speaker, "The people of Canada ought to have the right to work, but because of our political and

economic arrangements, more than 1.5 million Canadians cannot experience the dignity which comes from labour." Only for political reasons.

Mr. Speaker, the bishops have said: "Get rid of your past prejudices, get rid of your present set of priorities, which are wrong, and get on with the job of producing more programs so that Canadians who would like to have a job and the dignity that comes with it may be able to do so.

Mr. Speaker, let's get on with the job. That is why, Mr. Speaker, I don't have whatsoever any difficulties to support this Budget on behalf of my people from St. Johns, which I have the pleasure to represent.

Thank you.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. R. NORDMAN: May I suggest that we call it 5:30?

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

That being the case, I am leaving the Chair to return at 8:00 p.m., when the Honourable Member for Assiniboia will have 40 minutes.