



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

**DEBATES
and
PROCEEDINGS**

31-32 Elizabeth II

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The Honourable D. James Walding
Speaker*



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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Second Legislature

Members, Constituencies and Political Affiliation

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

LEGISLATIVE ASSEMBLY OF MANITOBA

Friday, 4 March, 1983.

Time — 10:00 a.m.

OPENING PRAYER by Mr. Speaker.

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

MINISTERIAL STATEMENTS AND TABLING OF REPORTS

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

HON. W. PARASIUK: Mr. Speaker, I beg leave to table the Annual Report of the Manitoba Energy Authority, year ended March 31st, 1982.

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

HON. A. ADAM: Mr. Speaker, I beg leave to table the Annual Report of the Municipal Board ending 1982.

MR. SPEAKER: The Honourable Minister of Northern Affairs.

HON. J. COWAN: Mr. Speaker, I beg leave to table the Annual Reports of Channel Area Loggers Limited and Moose Lake Loggers Limited, both for the year ending March 31st, 1982.

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

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we reach Oral Questions, may I direct the attention of honourable members to the gallery where we have 38 students from the Neepawa Area Collegiate under the direction of Mr. Hollier. The school is in the constituency of the Honourable Minister of Municipal Affairs.

There are a group of Girl Guides from Fort Richmond under the direction of Mrs. Mercier, Mrs. Dorrell, and Mrs. Stevenson. The group are from the constituency of the Honourable Member for St. Norbert.

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

ORAL QUESTIONS

Winnipeg Air Traffic Control - loss of positions

MR. SPEAKER: The Honourable Member for Morris.

MR. C. MANNES: Thank you, Mr. Speaker. My question is to the Minister of Labour. I'm wondering if the Minister of Labour can confirm the announcement

made this morning regarding the loss of Winnipeg Air Traffic Control positions to Toronto and Edmonton.

MR. SPEAKER: The Honourable Minister of Labour.

HON. M. DOLIN: I will have to take that question as notice. I have not received notification of it officially in my office.

MR. C. MANNES: Mr. Speaker, I would then ask the Minister if she has had any prior warning whatsoever of the pending transfer, and are they aware of the reasons given, one allegedly being that the Federal Government wants a higher profile in Alberta?

HON. M. DOLIN: Mr. Speaker, as far as I know, this was a leaked report and I don't have the information, so I cannot comment on the situation at this point.

MR. C. MANNES: Well, Mr. Speaker, I'm wondering then if in the absence of the First Minister, if the Minister of Labour can tell us what the government is doing to ensure, first of all, that this report is either true or false; and, secondly, if there's any truth to it, what they would be doing to proceed to ensure that in fact 250 jobs are not lost from Winnipeg.

HON. M. DOLIN: Mr. Speaker, it is my understanding that there will be a question asked in the House this afternoon in Ottawa and we will hear the answer at that time. I will certainly follow up on the situation and I will report back to this House in response to the member's questions.

MR. C. MANNES: Thank you, Mr. Speaker. I'm wondering if the Minister can tell me who will be asking that question in the Federal House.

HON. M. DOLIN: Mr. Speaker, the person asking the question, we don't know. We'll probably . . .

A MEMBER: A little bird.

HON. M. DOLIN: Mr. Speaker, that House sits later today. They have a caucus meeting before they meet in the House the same as we do. All parties do. At least we know that the New Democratic Party has a caucus meeting before the House sits. I believe that this line of questioning should now be considered complete. They will determine who will ask the question. We will hear the answer. We will study the situation and decide what our next move will be and report back to this House.

MR. SPEAKER: Order please. May I remind the honourable member that questions addressed to this government should be about matters within the administrative competence of the government.

Seagram distillery layoffs

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

MR. G. MERCIER: Mr. Speaker, I have a question for the Minister of Finance. The Minister of Finance in his Budget and in public statements, Mr. Speaker, has indicated that he did not choose to raise beer prices because the three breweries in Manitoba provide employment, although the sales tax increase does increase the price. When considering, Mr. Speaker, as he did, the increase in the price of spirits to the highest level in Canada in his 1982 and 1983 Budgets, did he not consider employment in Manitoba in view of the fact that the Seagram distillery in Gimli, Manitoba, which sells to all of Western Canada, has now laid off an additional 25 unionized employees for a total of 80 unionized employees who will be laid off at the Gimli distillery, did he not consider the results of his taxation policies which are attributed by management to be a cause of the layoffs at Gimli?

MR. SPEAKER: The Honourable Minister of Finance.

HON. V. SCHROEDER: Mr. Speaker, as the former Attorney-General is well aware, it is the Attorney-General who is in charge of the Liquor Control Commission who deals with pricing of those commodities. But he should be aware if he is not that those layoffs were not related to the Budget, and to suggest that they are is absolute nonsense, because that decision had been made by the company before the Budget came down. He should also be aware that when you compare prices across Canada, the one component that he hasn't added into his calculations is the fact that there are nine other provinces who will be presenting budgets within the next several months and those prices will change.

MR. SPEAKER: The Honourable Member for Turtle Mountain.

MR. B. RANSOM: Mr. Speaker, my question is the Minister of Labour. The Minister of Labour at first responded to my colleague from Morris indicated that she knew nothing of the rumoured layoff or moving of air traffic controllers out of Winnipeg to Toronto and Edmonton. She subsequently indicated she had some knowledge and the question was to be raised in the House of Commons this afternoon.

The question to the Minister is, would she immediately contact the Minister of Transport herself, in order to determine whether or not this is in fact an impending move from Manitoba?

MR. SPEAKER: The Honourable Minister of Labour.

HON. M. DOLIN: I will be happy to do that.

Theft from Provincial Archives Building

MR. SPEAKER: The Honourable Member for Kirkfield Park.

MRS. G. HAMMOND: Mr. Speaker, my question is to the Minister of Cultural Affairs. With reference to the recent theft of the Hudson Bay Company articles from the Provincial Archives Building, can the Minister advise, was the value of the coins, trays, medallions, etc., in excess of \$60,000.00?

MR. SPEAKER: The Honourable Minister of Cultural Affairs.

HON. E. KOSTYRA: Thank you, Mr. Speaker. As I recall - I don't have the information before me - I believe that the estimated value of the coins and tray that were stolen from the Archives to be just over \$10,000.00. However, I will take that question as notice and get the actual amount as estimated value for those goods that were stolen.

MRS. G. HAMMOND: To the same Minister, Mr. Speaker. Was all of the stolen material recovered?

HON. E. KOSTYRA: I will have to take that question as notice to give a detailed reply, but I believe that most of the goods to date have been recovered at various sources, at the home of the person that's alleged to have stolen them and at some other locations throughout the city, but I will again take that question as notice and give a detailed reply once I have all the information.

MRS. G. HAMMOND: Yes, Mr. Speaker, will the Minister also take as notice then, what is the value of the material identified thus far still missing?

HON. E. KOSTYRA: Yes, I will take that question as notice.

MRS. G. HAMMOND: Mr. Speaker, a further question. Is one or more of the persons charged with the theft of the Archives material employed by the Government of Manitoba?

MR. SPEAKER: The Honourable Minister of Government Services.

HON. J. PLOHMAN: Mr. Speaker, the individual - this is before the courts - but the individual who is charged has given a complete confession and, according to the relevant Act, has been terminated from employment with the government, effective February 25th.

Security at Provincial Archives

MRS. G. HAMMOND: Mr. Speaker, then to the Minister of Cultural Affairs, is the Minister satisfied that the changes in security arrangements made last year by his government, whereby private companies were forced to give up security contracts in favour of in-house Civil Service security, did not contribute to this unfortunate theft?

MR. SPEAKER: The Honourable Minister of Cultural Affairs.

HON. E. KOSTYRA: Thank you, Mr. Speaker . . .

HON. A. MACKLING: That is a smear on public employees. That's a general smear.

HON. E. KOSTYRA: The answer to the question quite simply is no, that did not contribute to the theft that took place. In fact, prior to the change of security from that which was contracted out to government security, there were many occasions at the Archives Building when doors were left unlocked because of sloppy security arrangements that were in existence prior, and it was on a recommendation of the Provincial Archivist that the Archives Building was one of the first buildings that security was changed, because the previous arrangements were not satisfactory to the security of the holdings in the Archives.

MR. SPEAKER: The Honourable Member for Kirkfield Park.

MRS. G. HAMMOND: One last question to the Minister, Mr. Speaker. What is the level of staffing dedicated to Hudson Bay Archives and does this represent any change since November 30, 1981?

HON. E. KOSTYRA: Thank you, Mr. Speaker. I can get that information for the member. I don't have it readily available. It seems to me that question would be better put and discussed during the review of the Estimates of the Department of Cultural Affairs and Historic Resources.

MR. SPEAKER: The Honourable Leader of the Opposition.

HON. S. LYON: Mr. Speaker, we have just heard the Minister of Cultural Affairs, by implication at least, suggest that the former security that was carried on in the Archives was not up to snuff according to his standards. Can the Minister tell us or can the Minister not confirm that, prior to this fairly major theft from the Archives, no recorded thefts had taken place under the previous system of security?

MR. SPEAKER: The Honourable Minister of Cultural Affairs.

HON. E. KOSTYRA: Thank you, Mr. Speaker. No, I cannot confirm that, but I will take that question as notice to answer as to whether or not there were any previous thefts. But I indicated that there were many occasions that were reported to me by the Provincial Archivist with respect to the security prior to the change of security, whereby doors were found to be unlocked that should have been locked and should have been checked by security personnel that were working at that time. That is what I indicated in response to that question.

Monarch Life Insurance Company - sale

MR. SPEAKER: The Honourable Member for Tuxedo.

MR. G. FILMON: Thank you, Mr. Speaker. My question is to the Honourable Minister of Economic Development. Has the Minister or any of her colleagues in Cabinet

been in contact with the Federal Government with respect to the potential loss of 200 head office jobs as a result of the impending sale of Monarch Life Insurance Company to North American Life Insurance Company?

MR. SPEAKER: The Honourable Minister of Economic Development.

HON. M. SMITH: Mr. Speaker, no.

MR. G. FILMON: Mr. Speaker, in view of the fact that the Federal Government is involved in a decision that would allow that sale and transfer, is the Minister or her colleagues not concerned for this potential loss of jobs to Manitoba?

HON. M. SMITH: Mr. Speaker, concern is one thing, but power to intervene in the whole package of mergers and rationalizations in all instances is just not within our bounds. If the member opposite has some suggested approach as to possibly making corporations more accountable to the provinces in which they operate, I'd be very happy to entertain those suggestions. We would like to see such a development ourselves, but we do not currently have the power to have that type of accountability.

MR. SPEAKER: The Honourable Member for Tuxedo.

MR. G. FILMON: That's a very interesting response in view of the Minister of Labour's actions with respect to say Schneider's or Kimberly-Clark or others, of initiating meetings directly with the corporations and officials involved. I don't understand why the Minister is taking a different view to this. The question is, has she met with the company involved or any of the companies involved in the ownership then?

HON. M. SMITH: Mr. Speaker, we have a general concern for maintaining jobs here in the province but we can't jump at every business decision that's a merger. —(Interjection)— Well, if the gentlemen opposite would listen to what we're saying they would not have that simplistic notion that everything to do with businesses that we are opposing it, we're not. We accept we live in a —(Interjection)— well, laugh is you wish, but if you would listen more and laugh less, you would hear that we are taking a balanced approach. We live in a mixed economy. There are things the private sector does better than the public and we're not about to overstep what we think we can reasonably manage in terms of developing a sound economy here.

There has been no decision made about Monarch leaving Manitoba. It's a possibility, the same way all the branch plants that are currently thinking of leaving Manitoba is a serious problem. But the underlying problem is that the kind of economic structure we have, where we are primarily dominated by branch-plant setup with people who don't have any long lasting attachment here and the accountability to a provincial economy has not been worked out.

I would welcome ideas from the other side as to how we could promote and develop that kind of accountability, because I think it is desirable.

MR. G. FILMON: Mr. Speaker, all I'm asking is, will she or any of her Cabinet not attempt to seek guarantees to preserve jobs, head office jobs, from Manitoba, seek guarantees from the Federal Government who have before they approve this sale?

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

HON. J. BUCKLASCHUK: Thank you, Mr. Speaker. I should perhaps answer this question. Last Thursday morning the Premier and I met with Mr. Thompson from Monarch Life with respect to the news of North American Life buying out Monarch. We were assured that there will be no loss of jobs at the Monarch Life branch in Winnipeg. We were told that there may very well be some reorganization and, in fact, there may be an increase in employment in Winnipeg.

Eastern Manitoba Telephone Directory

MR. SPEAKER: The Honourable Member for Emerson.

MR. A. DRIEDGER: Thank you, Mr. Speaker. My question is to the Acting Premier. Last year, I raised the question in the House as to why in the Eastern Manitoba Telephone Directory, my name was deleted. At that time, the then Acting Minister - the Minister is now Minister of Community Services - indicated to me it was an oversight and on Page 250 of Hansard promised that this would not happen again. In the Budget Debate, we've had all kinds of discussions about broken promises. Certainly this one little promise he could have possibly kept.

My question is to the Deputy Premier: why was my name again deliberately deleted from the Eastern Region Manitoba Telephone Directory?

MR. SPEAKER: The Honourable Minister of Government Services.

HON. J. PLOHMAN: Mr. Speaker, the matter has certainly not been deliberate and I will do everything to find out why that has happened in this particular case. I have not got a report that there was any deliberate plot to leave the honourable member's name out of that book.

MR. A. DRIEDGER: Mr. Speaker, I can . . .

MR. D. SCOTT: Did you pay your bills?

MR. SPEAKER: Order please.

The Honourable Member for Emerson.

MR. A. DRIEDGER: Mr. Speaker, I just want to illustrate the point. It lists here on Page 7, MLA's. It lists the Honourable Sam Uskiw, Bob Banman, Clayton Manness, Elijah Harper and Andruw Anstett and this is the second time. This time, I am already very upset about it because we're getting calls on it now, but I would like to ask the Acting Premier whether she will instruct her incompetent Ministers to maybe send out a correction somewhere along the line. Because I have people that call me from other constituencies as well,

including the Member for Springfield's constituency and I think it is important. They can either do it by way of letter in the telephone bill or whatever way, but I would like to have a correction forwarded to the people that have got this book.

MR. SPEAKER: Order please, order please.

The Honourable Minister of Economic Development.

HON. M. SMITH: Mr. Speaker, we regret the omission and we will see what could be done about it.

Jobs Fund - Capital

MR. SPEAKER: The Honourable Member for Turtle Mountain.

MR. B. RANSOM: Mr. Speaker, my question is to the Minister of Finance. A few days ago, the Minister of Finance undertook to provide details of the 34.8 million carry-over of budgetary Capital. I have not yet received that, but would the Minister also undertake, as soon as possible, to provide details of the \$83 million of Capital that's included in this year Jobs Fund?

MR. SPEAKER: The Honourable Minister of Finance.

HON. V. SCHROEDER: Yes, Mr. Speaker, I will undertake to do so.

Payroll tax - federal

MR. B. RANSOM: Mr. Speaker, another question to the Minister of Finance. Can the Minister of Finance advise the House whether or not the question of the Federal Government paying the payroll tax on their payrolls is now a matter of negotiation between the province and the Federal Government or whether it is a matter of law?

HON. V. SCHROEDER: Mr. Speaker, it has always been a matter of law, but I understand that the Federal Cabinet expects to deal with it before the end of March of 1983. At that time, we will determine what our legal position is.

MR. B. RANSOM: Mr. Speaker, do I understand correctly then from the Minister's answer that the question being considered by the Federal Cabinet is whether or not they will observe the law?

A MEMBER: Do they know what the law is?

HON. V. SCHROEDER: Mr. Speaker, I don't know in what way the question will be framed before the Federal Cabinet and I am not so concerned about the way in which it is framed as the end result in terms of money.

Eastern Manitoba Telephone Directory

MR. SPEAKER: The Honourable Member for Pembina.

MR. D. ORCHARD: Thank you, Mr. Speaker. My question is for the Minister of Community Services.

Last year, when my colleague, the MLA for Emerson, placed his concern of being left out of the regional directory, the Minister of Community Services made a commitment to this House that he would assure that it did not happen, last year. Would the Minister of Community Services table with the House the communications that he sent over to the Manitoba Telephone System regarding this problem and asking for its correction in this issue of the telephone directory which has, once again, appeared without my colleague's telephone number? Would he table his correspondence and directives to MTS?

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

HON. A. MACKLING: Yes, Mr. Speaker, the honourable member knows because he's been in this House long enough that the rules indicate that questions ought not to be placed to a Minister who does not have jurisdiction for the appropriate Ministry to which the question has to be directed. He's asking a question that is out of order.

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

MR. D. ORCHARD: To the same point of order, Mr. Speaker, I believe that if you peruse Hansard, you will find that last year when this issue was raised with the then Minister responsible for the Manitoba Telephone System, he made a commitment to my colleague, the MLA for Emerson, that that was an error, an oversight, and it would be corrected. He gave us that commitment in the House. Mr. Speaker, I believe the question is entirely in order to ask the Minister of Community Services to table the correspondence, the directive to MTS to assure that the same error would not happen again this year. The question, Mr. Speaker, I believe is entirely relevant to the Minister of Community Services.

MR. SPEAKER: Order please.

I believe that the honourable members will find that Beauchesne indicates that a question must be directed to the Minister having responsibility in that particular area. If the responsibility for the Manitoba Telephone System has been shifted to another Minister, then the question is to that particular Minister who now has the responsibility.

The Honourable Minister of Government Services.

HON. J. PLOHMAN: Mr. Speaker, I will endeavour to have a full report on this particular matter from MTS and will report back to the House on it.

World oil price - impact on Manitoba

MR. SPEAKER: The Honourable Member for Riel.

MRS. D. DODICK: I have a question for the Minister of Mines and Energy. What is the impact of the decrease in the world price of oil for Manitoba?

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

HON. W. PARASIUK: Mr. Speaker, I can appreciate the member's concern with respect to the impact of oil pricing on Manitoba in that the oil-pricing agreement between Canada and Alberta probably added some three points to the rate of inflation in this country throughout the course of that agreement. Estimates that I have had from the department indicate that if there is a \$1 per barrel decrease in the price of world oil and if that works itself out through the agreement as a decrease, that will mean a \$20 million saving for the consumers of Manitoba. There are rumours that there could be something in the order of a \$7 per barrel decrease in the price per barrel of oil and that could lead to again, an impact for Manitoba consumers in the order of \$140 million. That's before any type of multipliers are taken into account. This is money that would be leaving the province. It would be staying within the province for consumption purposes, so it has a very dramatic impact if indeed the price for Canadian oil stays at a 75 percent relationship to the world price of oil which may be coming down.

MR. SPEAKER: The Honourable Member for Riel.

MRS. D. DODICK: . . . industry or the government?

HON. W. PARASIUK: . . . \$133 billion, Mr. Speaker. The industry would be getting something in the order of \$69 billion and the government, both Provincial and Federal, will be getting less than that so industry is still the major beneficiary of oil pricing in this country.

MR. SPEAKER: The Honourable Member for La Verendrye.

MR. R. BANMAN: Mr. Speaker, to the same Minister. I wonder if the Minister could confirm that right now two-thirds of every dollar spent on gasoline by the consumers in this province goes to one level of government in Canada, either the Alberta Government, the Manitoba Government or the Federal Government. In other words two-thirds out of every \$15 worth of gasoline you buy, \$10 goes in taxation to some level of government.

HON. W. PARASIUK: Mr. Speaker, it would appear that the Member for La Verendrye seems to be taking the approach of the Premier of Alberta saying that somehow taxation is the cause of our problems with respect to high prices for oil which are artificially set by a cartel outside this country. Mr. Speaker, the member has asked whether in fact taxation is being levied. Yes, taxation is being levied in order to provide for the road system and that's been a traditional source of taxation that I believe was put in place largely by the previous government's administration.

MR. R. BANMAN: Well, Mr. Speaker, since the Minister agrees that if you buy \$15 worth of gasoline at the pumps \$10 goes to the governments, and \$5 is distributed among the oil companies, the retailer as well as the transportation system and since two-thirds of every dollar that is spent on gasoline by the consumer goes to one level of government or another, would not the Minister agree that in order to have the prices

lowered in this country, regardless of what world oil prices do, you're going to have to see that governments take less of the taxation?

HON. W. PARASIUK: Mr. Speaker, oil prices supposedly are set in relation to what the costs of production of that oil is and that's never been the case with OPEC setting world prices; that's been a purely administered price. With respect to taxation, governments levy taxation for purposes of raising revenue to provide for essential services, services that are needed, like roads. And I hear the opposition members constantly saying that we should be providing roads; gas taxes are a means of providing for that. Indeed, Mr. Speaker, if you look at the role of taxation in the development of oil, you should know that 85 percent of Dome Petroleum's expenditures in the Beaufort Sea, which supposedly are being carried out solely by private enterprise, are indeed provided for, 85 percent of those expenditures are provided for as tax incentives by the people of this country, Mr. Speaker. So taxation, Mr. Speaker, indeed could be lowered in that respect. We could lower the taxation incentives in that respect and have those oil companies pay the proper tax share as other people in this country are doing.

CPR's taxes

MR. SPEAKER: The Honourable Member for Elmwood.

MR. R. DOERN: Mr. Speaker, I'd like to direct a question to the Minister of Urban Affairs and ask him if he could give us a progress report on the meetings that he's conducting with the CPR, the city and the province regarding the CPR's taxes paid to the City of Winnipeg which was based on a resolution passed by this House which I introduced last session.

MR. SPEAKER: The Honourable Minister of Cultural Affairs.

HON. E. KOSTYRA: Thank you, Mr. Speaker. As a result of the passage of that resolution last year, discussions were commenced with the CPR. We held the meeting with representatives of the CPR and representatives of the City of Winnipeg just over four or five weeks ago, at which time the CPR indicated that it felt in its mind that it was paying an appropriate level of taxes in the City of Winnipeg. As a result of that, we have again written to CPR indicating that we feel that this matter should be addressed and it should be addressed before this House concludes its sitting this Session. We have the support of the City of Winnipeg. This was discussed with the City of Winnipeg earlier this week at a meeting of the official delegation and the Urban Affairs Committee of Cabinet at which time the city indicated that it was in support of the position that the province was taking.

MR. R. DOERN: Mr. Speaker, I'd also like to ask the Minister whether the settlement in is line with the resolution passed - namely, that taxes should be 100 percent of those levied by the City; and, secondly, that they should be retroactive to 1982?

HON. E. KOSTYRA: The position that we have advanced in negotiations with the CPR is that which

relates to the resolution that was passed. However, we are prepared to listen and to discuss any proposal that the CPR may wish to submit with respect to resolving this issue.

MR. R. DOERN: Mr. Speaker, I'd also like to ask the Minister what he calculates as the present tax benefit to the CPR under the present agreement - namely, how much are they saving this year and how much would they save to the year 2005 when they would be required to pay full taxes under the present arrangement.

HON. E. KOSTYRA: With respect to taxation levels this year, given the present level of assessment and anticipated mill rate, the amount that CPR would be paying, which would be less than the full taxation, would be just over \$500,000.00. I regret that I would not be able to answer the question as to how much they would be saving to the year 2005 because one could not anticipate what the mill rate would be in future years, nor what the assessment level may be, so it would be impossible to project what the . . .

A MEMBER: Probably millions of dollars.

HON. E. KOSTYRA: . . . taxes would be.

MR. SPEAKER: The Honourable Member for Inkster.

MR. D. SCOTT: Thank you, Mr. Speaker. I have a question for the Minister of Energy. Could the Minister . . .

HON. S. LYON: Oh, come on now, order, Mr. Speaker, come on.

MATTER OF PRIVILEGE

MR. SPEAKER: The Honourable Member for Turtle Mountain.

MR. B. RANSOM: Yes, Mr. Speaker, the question period is a time for the opposition and the backbenchers.

HON. S. LYON: And the backbench, and the backbench.

MR. B. RANSOM: It is a time for the opposition and the backbench on the government side, to ask questions of the front bench of the government.

A MEMBER: Right.

MR. B. RANSOM: It has been traditional, Sir, that at the very most the backbenchers on the government side would be given no more than the equal opportunity, the alternate recognition by the Speaker.

HON. S. LYON: Hear, hear. That's right.

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

HON. R. PENNER: To the same point of order. First of all, I agree with the general principles stated by the

Opposition House Leader. I would just like to note for the record that at the time the Member for Inkster rose there was no one standing on the other side. Well, it was in that context . . .

MR. A. KOVNATS: Not so.

HON. R. PENNER: . . . that he rose. Well, if I'm wrong and if he's wrong then I have no hesitation in supporting the general principle. This side will uphold that general principle, I assure you. But I would like to point out for the record that during the exchange, the Leader of the Opposition attempted to bully the Speaker, and I want the record to show that this side will not permit this House to bully the Speaker in the way that man has tried from time to time to do it.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. SPEAKER: The Honourable Leader of the Opposition.

HON. S. LYON: On the point of order, Mr. Speaker, I merely wish the record to show equally, but if I have anything to say to you, Sir, unlike the Premier and the Attorney-General, I won't walk down the hall surreptitiously to your office and change your opinion —(Interjection)— I'll say it here in the House.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. SPEAKER: The Honourable Attorney-General.

HON. R. PENNER: On the same point of order, let the record show and the Leader of the Opposition denied me the opportunity to state that at the time, that on the time in question, when I, at five minutes to 8:00 on the evening in question, went in to see you, there were several people in your office and you had already made and were dictating your decision. I was not, at that time, party to the previous proceedings and simply went to see you, on whether or not you had a ruling that you would be making . . .

MR. SPEAKER: Order please.

HON. R. PENNER: Let the record show that . . .

MR. SPEAKER: Order please.

HON. R. PENNER: . . . and let that man stop his bullying and let that man stop his intimidation and let that man stop his innuendo.

MR. SPEAKER: Order please. The matter referred to by the last two members came before this . . .

SOME HONOURABLE MEMBERS: Oh, oh.

MR. SPEAKER: Order please. Order please.

The matter referred to by the last two speakers was a Matter of Privilege before this House, which has been resolved by this House, and should not be raised for further discussion by this House.

SOME HONOURABLE MEMBERS: Oh, oh.

MR. SPEAKER: Order please. The Honourable Minister of Health to this . . .

HON. L. DESJARDINS: Mr. Speaker, I think that everybody in the House heard that, including the people in the gallery. You made a statement . . .

HON. S. LYON: I'll say it on my feet, I won't go down the hallway.

HON. L. DESJARDINS: . . . you made a statement and the Leader of the Opposition just challenged you and said it'll be stated over and over again. There is no way, Mr. Speaker, that we can conduct the affairs of this House with this kind of interruption and this little dictator in front of us trying to rule everything.

SOME HONOURABLE MEMBERS: Oh, oh.

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

HON. S. LYON: No, Mr. Speaker, no, Mr. Speaker, there's to be rotation in this House.

MR. SPEAKER: Order please. The Honourable Member for Inkster has been recognized by the Chair.

Tax on gasoline

MR. D. SCOTT: Thank you, Mr. Speaker. I have a question for the Minister of Energy. Will the Minister of Energy confirm to this House whether or not the previous administration in this province added an ad valorem tax to gasoline, so that its price of gasoline rose in Canada, that the Province of Manitoba would benefit from the additional revenues of the rising gasoline price in Canada.

MR. SPEAKER: The Honourable Minister of Energy.

HON. W. PARASIUK: Mr. Speaker, yes, that in fact, is the case. That's why I found it so surprising that the Member for La Verendrye would now get up and attack provincial taxation as the cause of increases in oil prices, when his administration was the one that did that.

MR. SPEAKER: The Honourable Member for Inkster.

MR. D. SCOTT: Mr. Speaker, a supplementary question, would the Minister of Energy undertake to bring information to this House to show the volume of tax expenditures that go to the oil industry in this country, in particular, from the Federal Government. I believe that information can be obtained rather readily, and if there is, how much goes from the Provincial Government as well to the oil industry.

HON. W. PARASIUK: Mr. Speaker, my department collects material on that whole matter of oil pricing and the impact of that on the Manitoba consumer. I'll be getting that information - all types of information in that respect - especially since we seem to be at a critical

stage right now, where OPEC countries may indeed, not be able to artificially keep up the price of oil, at such a high level, that really weakens the whole economies of the world. Those changes will have very marked impacts on the Western World, on North America, on Canada, and Manitoba, and I'll be developing that information.

CPR investment in mainline

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

MR. G. MERCIER: Mr. Speaker, I have a question for the Minister of Urban Affairs, following upon the question from the Member for Elmwood.

Mr. Speaker, my question to him is, in view of the announcement by the Federal Minister of Transportation, when he announced the Federal Government's position on the Crow Rate, Mr. Speaker; there was mention made of a \$16 million investment, I believe, by the CPR in Winnipeg along the mainline. I wonder, Mr. Speaker, whether the Minister of Urban Affairs has had any discussions with the CPR on that topic, or with the Federal Government, particularly in view of the government's position, with respect to relocation of the mainline and the yards?

MR. SPEAKER: The Honourable Minister of Cultural Affairs.

HON. E. KOSTYRA: Thank you, Mr. Speaker. I haven't had any detailed discussions with CPR, with respect to that investment, and I'm not certain as to the details of that. I believe that the Minister of Transportation has been meeting with them on that.

The CPR did indicate to us, in the meetings that we held with them with respect to property taxation, that they were anticipating further and substantial investments in the Manitoba area, with respect to, and as a result of, the changes to the Crow Rate.

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

MR. G. MERCIER: Well, Mr. Speaker, in view of that announcement by the Federal Minister of Transportation, and I believe the railway, does the Minister intend to review that decision to make a \$16 million investment in the City of Winnipeg? Does he intend to reject that investment and tell the CPR to build in another location, other than the planned one? Does he intend to make representations on that project to the CPR, Mr. Speaker?

HON. E. KOSTYRA: I'm a bit confused by that question. I don't believe that the need of the CPR for further industrial activity here is tied to the actual location of the marshalling yards, and/or mainline; it seems to me that if there is a need, as CPR has indicated for further expansion here, that it would take place at the present location, or if it was agreed that there would be a move of the CPR marshalling yards or part of their operation

to another location within Manitoba, there would be that same need for expansion at that location.

So, I don't know how the member can somehow suggest that we ought to reject the moves by the CPR, and indeed, we encourage CPR to have further investment in this province.

MR. R. DOERN: They want some more concessions?

MR. G. MERCIER: Mr. Speaker, I'm not encouraging any rejection and I would like to clarify the government's and the Minister's position. The government has indicated it is in favour of relocation of the mainline and the yards. The CPR has announced a \$16 million investment in the marshalling yards in the shops in the City of Winnipeg. Does the Minister, in view of their policy position, intend to tell the CPR to make that investment outside of the CPR marshalling yards and shops in the City of Winnipeg?

HON. E. KOSTYRA: Thank you, Mr. Speaker. It seems that the member doesn't quite understand the extent of the CPR's involvement in the City of Winnipeg.

First of all, this government, as indeed the City of Winnipeg, has taken a position for two reasons, that there ought to be a study of the issues of rail relocation to look at whether or not the CPR marshalling yards and/or mainline should remain in the heart of the city, and that's been done (1) for safety reasons, and I don't think I have to elaborate to the member the right potential hazards that exist with respect to having operations such as those that exist now in the mainline and marshalling yards; that is one consideration; (2) there is a large tract of land which would be made available for other purposes if the marshalling yards and/or mainline were moved. In respect to CPR's activity that is taking place in the Weston area and their further investment, it may be, Mr. Speaker, that either the mainline could be moved or the marshalling yards per se could be moved, it would have no impact on the present activity with respect to machine shops, or the diesel repair, because there are other ways of entering that area in the Weston area without going right through the centre of the city.

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

MR. G. MERCIER: Mr. Speaker, in view of the fact that the Minister thinks the study should be done first on rail relocation, on the mainline, is he going to say then to the CPR that they should defer that investment in the City of Winnipeg and the marshalling yards, and along the mainline, until that study on relocation has been completed?

HON. E. KOSTYRA: I don't intend to tell the CPR where they should invest or do their expansion. As indicated, he doesn't seem to be able to hear my answers, but it certainly is possible for the CPR to continue with that expansion as they have planned, and that would not affect in any way the decision that could be made to effect a change to the mainline or the marshalling yards.

**Child Guidance Clinic -
private and parochial schools**

MR. SPEAKER: The Honourable Member for Tuxedo.

MR. G. FILMON: Mr. Speaker, my question is to the Honourable Minister of Education. I noted in a recent report that the Minister has announced an additional \$2 million special grant to the City of Winnipeg School Division for which I am sure Winnipeg taxpayers are grateful. One of the difficulties that has been — (Interjection)— Mr. Speaker, one of the difficulties that has been experienced by the Manitoba Federation of Independent Schools for the children who attend private and parochial schools is that the services of the Child Guidance Clinic to their children, a privilege which they were able to achieve before, has been in danger of being cut; will this grant enable children who attend private and parochial schools in the city to enjoy the services of the Child Guidance Clinic now, as they have in the past?

MR. SPEAKER: The Honourable Minister of Education.

HON. M. HEMPHILL: No, Mr. Speaker, it will not. The special grant to the Winnipeg School Division is strictly for the purpose of helping them provide the very unique programs that they are providing for the large numbers of high-risk children in the City of Winnipeg. It will go for those programs that are presently being provided by the Winnipeg School Division for the children in the Winnipeg School Division.

MR. G. FILMON: Can I then infer that the Minister will not intercede and see that the services of the Child Guidance Clinic can be provided for children of private and parochial schools, a service which they have enjoyed heretofore.

HON. M. HEMPHILL: Mr. Speaker, it is my understanding that there are presently discussions going on between the Independent Schools Organization and the Winnipeg School Division related to services of the Child Guidance Clinic; that is where the discussion should take place. I don't think that there has been any resolution, but I understand they are looking at the situation to see if there is something they can do.

MR. G. FILMON: Mr. Speaker, the reason for my questioning is because I have copies of letters which the Manitoba Federation of Independent Schools have written to this Minister, and my question is, since they appear to feel that there is a role for this Minister to play, will she involve the services of her department, her office, to try and resolve the problem and ensure that these services are provided for these students?

HON. M. HEMPHILL: Mr. Speaker, there is one way that resources can be made available to independent schools and that is through Shared Services Agreement between independent schools and school divisions. Whenever there is agreement between a school division and independent schools to share resources and services I sign those contracts and those agreements,

I fully support sharing resources and services and sign every contract and every request that comes across my desk where they have reached agreement to provide those services by the school board.

MR. SPEAKER: Order please. The time for question period having expired. Orders of the Day.

The Honourable Leader of the Opposition.

HON. S. LYON: Mr. Speaker, I rise on a point of order. Mr. Speaker, as a result of a decision that you made this morning during question period wherein you saw fit to disregard what I took to be the agreement between the two House Leaders with respect to the rotation in which backbenchers should be acknowledged by the Chair to ask questions of the Treasury Bench, I register for the record, on behalf of our group, that we do not in any way treat that wrong decision of yours as a precedent of this House; and you, Sir, should reconsider that position without it becoming a precedent of the House. Speakers, Mr. Speaker, do not make mistakes, they make precedents; this will not be treated by our side as a precedent.

MR. L. DESJARDINS: It's not a mistake when nobody is standing up. You've got to be able to recognize them.

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

MR. G. MERCIER: Yes, Mr. Speaker. Just for the record because of some comments made by the Government House Leader, let the record show that I rose simultaneously with the Member for Inkster; that you looked directly at me and then you recognized the Member for Inkster.

A MEMBER: Right, right.

MR. SPEAKER: Order please.

HON. S. LYON: . . . you're going to have evenhandedness here or a new Speaker.

A MEMBER: He's damn right.

MR. D. SCOTT: I looked over and there was no one standing that's why I stood.

MR. SPEAKER: Order please. I believe the last few remarks have been a clear reflection upon the Chair and, as such, are out of order. I trust that all members will take the opportunity to read Hansard and to reread some of the things that were said in this House this morning, and hopefully, would not wish to repeat them again.

Orders of the Day.

HON. S. LYON: Mr. Speaker, on the same point of order, Sir.

A MEMBER: Sit down.

HON. S. LYON: I ask you to record, Sir, that your wrong decision this morning is not accepted by this side of the House as a precedent.

MR. A. MACKLING: That's not a point of order.

HON. S. LYON: Oh, yes it is.

MR. SPEAKER: Order please. If the Honourable the Leader of the Opposition wishes to reflect on the Chair he knows very well how to do it.

Orders of the Day.

HON. S. LYON: The Chair had better reflect on itself over the week-end.

A MEMBER: That's a dreadful thing to say.

MR. R. PENNER: Mr. Speaker, let the record show that The Leader of the Opposition, from his seat, because he hasn't got the guts to stand up and do it, threatened the Speaker. If he wishes in this House for the audience, and for the House, and for the record to threaten the Speaker let him stand in his seat and do it and he will see what response he gets.

A MEMBER: Stand on your desk.

MR. SPEAKER: The Honourable Leader of the Opposition.

A MEMBER: Show Manitoba what kind of a vote . . .

HON. S. LYON: Mr. Speaker, I've never been afraid to stand on my feet in this House and direct my comments to the Chair in an honourable way, unlike the dishonourable conduct carried on by the Premier and the Attorney-General last December, skulking down the hall to see you to get you to change a decision. So I'll say, Mr. Speaker, in this House what I have to say and I'll say it to you, and I'll say it to the Leader of the House. And I have to say this, Sir, with regret, you do not carry, Sir, the confidence of this side of the House; you do not carry the confidence of this side of the House.

MR. SPEAKER: Order please. ORDER PLEASE.

HON. S. LYON: I suggest, Sir, you reflect on your position over the weekend.

A MEMBER: Been out of order a long time.

MR. SPEAKER: Order please. The last few remarks made by the Leader of the Opposition were clearly out of order in this House. If the Leader of the Opposition wishes to reconsider them he may do so, but I would suggest very strongly that he withdraw those remarks and apologize to the House.

The Honourable Leader of the Opposition.

HON. S. LYON: Mr. Speaker, you do not carry the confidence of this side of the House; you have not carried that confidence since last December, Sir.

MR. SPEAKER: Order please. The matter referred to by the Leader of the Opposition, again, is a matter that has been discussed and resolved in this House and,

as such, it is out of order to repeat it. I ask the Honourable Leader of the Opposition to withdraw the offending remarks and apologize to the House.

HON. S. LYON: Mr. Speaker, you do not carry the confidence of this side of the House; you have not carried that confidence since the debacle into which you were put by the Premier and the Attorney-General last December, and you, Sir, should consider your position.

MR. SPEAKER: Order please. Having asked and requested the Honourable Leader of the Opposition to withdraw those remarks, I now tell the Leader of the Opposition that those remarks must be withdrawn and an apology tendered to this House.

HON. S. LYON: Never.

MR. SPEAKER: I have no alternative, under the Rules, but to name the Honourable Mr. Lyon for defying the authority of the Chair.

The Honourable Government House Leader.

HON. R. PENNER: Mr. Speaker, I move, seconded by the Minister of Finance that the Leader of the Opposition be asked to withdraw from this House until the end of the sitting on Wednesday next.

MOTION presented and carried.

MR. B. RANSOM: Yeas and Nays, Mr. Speaker.

MR. SPEAKER: Call in the members.

A STANDING VOTE was taken, the result being as follows:

YEAS

Messrs. Adam, Anstett, Ashton, Bucklaschuk, Cowan, Desjardins, Mrs. Dodick, Ms. Dolin, Messrs. Doern, Evans, Eyler, Fox, Harapiak, Harper, Ms. Hemphill, Messrs. Kostyra, Lecuyer, Mackling, Malinowski, Parasiuk, Pawley, Penner, Ms. Phillips, Messrs. Plohman, Santos, Scott, Schroeder, Mrs. Smith, Messrs. Storie, Uruski, Uskiw.

NAYS

Messrs. Banman, Brown, Carroll, Driedger, Enns, Filmon, Mrs. Hammond, Messrs. Hyde, Johnston, Kovnats, Lyon, McKenzie, Manness, Mercier, Nordman, Mrs. Oleson, Messrs. Orchard, Ransom, Sherman.

MR. CLERK, W. Remnant: Yeas 31; Nays 19.

MR. SPEAKER: I declare the motion carried.

I direct the Honourable Leader of the Opposition to withdraw from the Chamber.

HON. S. LYON: And I direct you, Sir, to consider your position.

A MEMBER: Red, Red, Red.

MR. SPEAKER: Order please.

ORDERS OF THE DAY
BUDGET DEBATE

MR. SPEAKER: On the proposed motion of the Honourable Minister of Finance. Order please. The amendment proposed thereto by the Leader of the Opposition.

The Honourable Member for Springfield has 15 minutes remaining.

MR. D. ORCHARD: Tell us about the gulag justice Andy.

MR. A. ANSTETT: Mr. Speaker, during my remarks last night, I attempted to stay on the topic of the Budget and the initial statements made by the Minister of Finance associated with it, and some of the comments made by members opposite, and my own thoughts on the Budget. When I hear the Member for Pembina calling out, "gulag" justice, it seems he's moved away from kissy-face, huggy-bear loving comments to members on this side and wants to suggest something else.

Mr. Speaker, I'm appalled to hear that from the Member from Pembina; I'm appalled at what just happened in this House. I'm appalled at the small-minded, mean attitude that I saw from the Leader of the Opposition.

MR. B. RANSOM: You're out of order now, Andy.

MR. A. ANSTETT: The Member for Turtle Mountain, the House Leader of the Official Opposition, suggests that by reflecting on a vote I may be out of order. Mr. Speaker, I do not purport to reflect on the vote taken in this House; I purport to comment upon the behaviour of the Leader of the Opposition. I wasn't going to; I wanted to continue on the Budget, but I'm going to take just a couple of minutes of the time I have left, because of the comment from the Member for Pembina that somehow justice is lacking in this Chamber. I think that's a reprehensible comment from the Member for Pembina, a comment which demonstrates his lack of appreciation and respect for the parliamentary institutions we have in this House. I don't think he understands what's happening.

I suggested to the Leader of the Opposition last year, when we were discussing a particular bill in this House, that the law, the study of the law sometimes narrows the mind by sharpening it. After what we saw this morning, Mr. Speaker, I'm concerned that the Leader of the Opposition, having demonstrated that he's a very small-minded person, took a very great risk when he went into the study of law.

MR. SPEAKER: The Honourable Member for Springfield should choose his words with care that he does not reflect upon a decision that was discussed and concluded by the House itself.

The Honourable Member for Springfield.

MR. A. ANSTETT: Mr. Speaker, I accept your admonition. My comments with regard to the Leader of the Opposition's behaviour and his study of law were related, not only to his behaviour this morning, but

generally to his behaviour in the House; but accepting your admonition, I certainly will stay away from that topic because it was not my intent to discuss it but rather to discuss the Budget, which is what we're supposed to be on and what we're supposed to be debating in this House.

Before I finish my own personal comments directly on the Budget, I'd like to speak briefly to the comments of some of the members opposite which I was not able to cover last night.

The Member for Emerson expressed a great deal of concern, wringing his hands, as his leader would say, like Uriah Heep, about the taxes paid by the Winnipeg Bible College, which moved out to Otterburne in 1971. Mr. Speaker, he talked about how the taxes on that college had dramatically increased from 1971 through 1982, but Mr. Speaker, what he didn't tell you, what he didn't tell this House, was the largest single increase of any one year had occurred in 1978, and that the bulk of the increases that occurred in taxation on that bible college were during his party's term in office, while he was the MLA representing the area in which that bible college is situated. So Mr. Speaker, I think the Member for Emerson would do well to send a copy of his remarks to those people who have an interest in taxation on that bible college and point out when those tax increases, the vast majority of them, took place.

Mr. Speaker, the other question, since the Member for Emerson wishes to suggest that there should be some form of exemption or special consideration, is to ask why there was no exemption made, no special consideration made, for those four years? I know that the Member for Emerson during the hearings of the Standing Committee on Municipal Affairs on the topic of municipal assessment expressed fairly strong support for the recommendations of the Weir Committee but, Mr. Speaker, he repudiated that support last night. He asked for special consideration. He asked for something to be done for the Winnipeg Bible College and yet the Weir Report in which he expresses such strong support makes no such recommendations. So, Mr. Speaker, the position of the Member for Emerson on that question is untenable and it sheds a pale over all of his comments on the Budget, because I'm sure that, upon analysis, all of them would be shown to be just as shallow.

The Leader of the Opposition in his comments on the Budget chose to knock this government for the level of unemployment in this province. Mr. Speaker, I knock this government for the level of unemployment in this province. I knock every government throughout North America and the western democracies for their lack of action to create jobs, but I also praise this government for the tremendous initiative it has shown this year in the Jobs Fund.

The Leader of the Opposition would rather see us bail out. Ailing private sector industries would rather see us pour money into attracting new private sector industries than do some real pump priming in the economy in this province. I'm afraid the fallacy of that kind of argument has been proven over and over again, and the Attorney-General of this province addressed that question last night so eloquently that I wouldn't dare to attempt to repeat it here.

Mr. Deputy Speaker, I do have a concern though about the Leader of the Opposition's position with

regard to the reopening of the collective agreement between the Government of Manitoba and the MGEA. One of my colleagues commented briefly the other day on the 1977 electoral position of members opposite when they said that they believed that matters between employer-employee are better adjusted through collective bargaining than determined by legislation.

In 1981, during an election campaign, the Leader of the Opposition said that he, "saw no reasons why the numbers of public servants should be reduced." But what are we hearing in this House? We're talking about layoffs; we're talking about cutbacks without, of course, affecting services. Well, they tried that in 1978 and it didn't work. They found out both that it didn't work because services were affected and they found out the public approbrium that was occasioned by that kind of government foolishness would not be tolerated at the polls.

Mr. Speaker, it's also unhealthy for the economy, and that's the other thing the opposition leader and, I know, most of the other members on his side don't share that opinion. They have a much better perception of the fact that we live in a mixed economy in which government has a role. It's certainly not the major economic engine of the economy but the spinoff benefits of government activity, whether those be in the capital area or in the operating area, are such that pulling those dollars out of the economics of the province, out of the monetary flow of the province, out of the cash flow of the businesses of the province, can have dire consequences.

Mr. Speaker, even the President of the Winnipeg Chamber of Commerce recognizes the fallacy of the argument made by the Leader of the Opposition when he suggested immediately after the announcement of the new MGEA agreement that that agreement was a positive step in collective bargaining in this province.

Mr. Speaker, he obviously interprets that agreement in a vastly different way than the Leader of the Opposition, and I suggest that many members opposite would acknowledge as well that agreement was a positive step. I'm prepared to hear them argue that the concessions that were given were not enough, that the government didn't bargain tough enough. If you want to make that argument, fine; if you want to argue that the MGEA gave up too much, you can make that argument; but to argue that employees who willingly gave up \$10 million starting April 1 to April 1, 1984, got some kind of sweetheart deal, it won't wash.

Mr. Speaker, in fact, I had serious concerns when I was first advised that this matter was being taken to the MGEA employees for a vote that the matter would even pass. I hoped it would. I believed it would be a major step in the development of collective bargaining to an era of shared responsibility in our society so that labour, government, and business could share collectively their responsibilities during tough economic times. I looked for that but I said to members in my caucus, and I don't think I'm telling tales out of school when I admit it here, I'm very concerned. I was concerned that vote might pass by a very narrow margin and create a split, or that it might be very narrowly defeated and reflect badly on the process.

But the Member for Turtle Mountain, the leadership aspirant on the other side —(Interjection)— Take two and go to bed, says the Minister of Finance. I said

aspirant, not aspirin. He bailed us out. Immediately after the agreement, he went out and made statements - I don't know if he did it intentionally and if he did I thank him; I think the Minister of Finance would thank him - decrying the agreement as a sell out to the MGEA, as a giveaway, as a dramatic large increase, refusing to acknowledge that there was a \$10 million saving in salaries in the coming fiscal year, refusing to acknowledge that this money was going to be available to the government to create jobs. He convinced those who might have been on the fence.

So, Mr. Speaker, I have to suggest that if anyone contributed to a large majority passage of that new agreement, it certainly was the Leader of the Opposition or the almost Leader of the Opposition. In fact, I guess today he is; I'm not sure.

Mr. Speaker, I may be the only one on this side, but I certainly would like to thank the official Leader of the Opposition and the Member for Turtle Mountain for his contribution to finding a way of enabling the government to put 10 more million dollars in our job creation fund this year.

Mr. Deputy Speaker, how much time do I have left?

MR. DEPUTY SPEAKER, Phil Eyster: The honourable member has two minutes remaining.

MR. A. ANSTETT: Mr. Speaker, I'd like very quickly then to address the one major issue that I consider to be the issue that the public perceives in this Budget, the one thing that is highlighted and will be highlighted when cash registers start to ring in this province on Monday, and that's the sales tax increase. I am not going to call it anything else. I am not going to call it a tax on - what was it - tangible, personal assets and rentals or something?

Mr. Speaker, during the last election campaign, I went around talking to people about interest rates and the terrible impact they were having on Manitoba society because of their levels. I talked about young people losing their homes, people with families facing doubling of mortgage rates, and, therefore, doubling of their payments and losing their homes.

I talked to a lot of senior citizens who had savings in banks, credit unions, and other financial institutions. I asked them, if your getting a lower interest rate on your savings in the bank would mean that young fellow and his wife down the road with three kids in school would keep their home, would you accept 10 percent or 8 percent or 6 percent from the bank? They said, yes; every time they said, yes.

Well, Mr. Speaker, starting Monday, I'm going to be asking Manitobans a similar question, the question that was posed in the Budget but never really put to the public, and that question is this: are you willing to put one cent, one cent of every dollar you spend on - what's the word - real, tangible personal property and certain services? Are you willing to put one cent of every dollar you spend on those goods into a pot to create jobs for Manitobans who do not have jobs today? That's the question I'm going to be asking Manitobans; that's the route of this Budget and, Mr. Speaker, I know I'll get a resounding "yes" and I know there'll only be 23 votes against it.

Thank you very much.

MR. DEPUTY SPEAKER: The Honourable Member for Turtle Mountain.

MR. B. RANSOM: Mr. Speaker, it's my intention to move that debate be adjourned, but if someone on the other side - the Minister of Finance perhaps - wishes to defend his Budget, of course, he's free to do so.

MR. DEPUTY SPEAKER: The Honourable Minister of Finance.

HON. V. SCHROEDER: Mr. Speaker, I find it strange that the opposition would not wish to use all of the time possible to debate the Budget, but if they don't want to use the time, then we will.— (Interjection)— Well, maybe you can pass them on to me at about 12:30.

I welcome the opportunity to respond to some of the comments made by members opposite during the course of this debate. To listen to the Leader of the Opposition, one cannot help but get the impression that he viewed Manitoba as being an island unto itself, which could be entirely insulated from the impact of the worst national and international recession in over 40 years.

Perhaps the best evaluation of the thrust of his remarks was made by another member of the opposition and, I might add, a potential leadership candidate - the Honourable Member for Tuxedo, who said - "Now, Mr. Speaker, I don't think any sane or rational individual would blame all of the economic woes of our province on this government, or any other government, for that matter." And that is surely a more reasonable approach than the less sane and less rational approach of the Leader of the Opposition.

He attempted to cast doubt on the province's revenue forecasts for 1983-84. He cited "year over year growth, relative to the Third Quarter Financial Statement, of about 15.7 percent," and suggested that such a growth rate was unrealistic in the light of the economic outlook.

However, the Leader of the Opposition failed to take into account the fact that the 1983-84 revenue forecasts include the additional revenues associated with the discretionary tax increases contained in the 1983 Budget. They also include the full year revenue effect of the tax changes we implemented with the 1982 Budget and new payments from the Federal Government reflecting reciprocal taxation and related matters. None of those items was reflected in that calculation.

For the information of the Leader of the Opposition and also for the architect of their economic mismanagement - Professor McCallum, who raised similar questions in the Free Press - I would advise all members of the House that the underlying revenue growth rate in the absence of the tax changes for this year, the full year effect of last year's tax changes and expected receipts from Ottawa under reciprocal taxation and related matters is approximately 8.2 and not the number that was floated out there by the opposition.

I believe that the Member for Turtle Mountain would agree that is a realistic, consistent forecast. It's consistent with Conservative economic assumptions used to forecast revenues, a sluggish recovery with real

growth in the area of 1 percent. I would also advise the Member for Turtle Mountain, the underlying revenue growth rate in 1982-83 revenues, which reflected the brunt of the recession with negative real growth in the order of 3 percent, was 5.8 percent. If the Leader of the Opposition had taken sufficient time to do some fairly simple calculations, he would find that in nominal terms the underlying revenue growth rate for 1982-83 of 5.8 percent was marginally above the latest estimate of nominal gross provincial product growth for 1982 of 5.4 percent. Moreover, he would find that the comparable underlying revenue growth rate for 1983-84 of 8.2 percent is fractionally below the nominal growth rate forecast for 1983 by independent agencies such as the Conference Board of about 8.5 percent.

Those facts are important facts for both the opposition and the people of Manitoba in assessing the accuracy and validity of the province's revenue forecast. I do not have any qualms about the revenue estimates being achieved, provided the moderate economic recovery on which they are predicated is in fact achieved.

The Leader of the Opposition also went to great lengths to attempt to criticize the province's expenditure plans for 1983-84. He cited a 17.2 percent growth rate which reflects a Budget-to-Budget comparison and failed to mention that the forecast expenditure growth rate compared to the 1982-83 third quarter projection is in the order of 15.9 percent. In contrast, when he wished to talk about revenue growth rates, he decided not to use the print-to-print because it didn't give him the right numbers. He preferred rather to use comparisons based on printed Estimates for 1983-84 relative to the revisions included in the Third Quarter Statement. I suppose Leaders of the Opposition can have it both ways, but I believe that if they want to report on the province's fiscal position in an honest and straightforward manner, they should use expenditure and revenue growth comparisons calculated on a consistent basis, either on print-to-print or on a comparison of 1983 Budget numbers to the revisions contained in the Third Quarter Statement.

The Leader of the Opposition also persisted in his inaccurate assertions that the province's expenditure growth rate for 1982-83 was 20 percent. I gather the facts do not support the arguments of the Leader of the Opposition. The actual expenditure growth rate for 1982-83, based on the Third Quarter Report, was just over 18 percent in contrast to the Leader of the Opposition's unfounded allegations of 20 percent growth.

Of course, I'm sure he would be interested in knowing that is marginally lower than the rate achieved by his own administration in 1981-82 when the Member for Turtle Mountain defended the government's expenditure plans as being "prudent and appropriate". He also suggested that his government "concluded that a temporary increase in the provincial deficit would be the most appropriate budgetary response at this time." He went on to state that "we are using the deficit concept in exactly the manner that responsible economists suggest it should be used." Of course, that deficit went up to more than a quarter of a billion dollars at a time when he, the Minister of Finance, approved an expenditure of \$150,000 for the government to advertise such statements as "You're sitting on a gold

mine." Those were the kinds of expenditures that he was authorizing at that time, at the time when they were thinking about going for an election.

He had on his desk when the election was over estimates, admittedly preliminary estimates based on departmental submissions in some cases - in some cases, approved by former Ministers - that would have provided us with a half-a-billion dollar deficit for last year without any changes in taxation and assuming the projected revenue growth that we were using as numbers, as they were at that time, would have come due which would have meant without revenue changes a deficit in the neighbourhood of \$600 million for last year without, again, revenue changes and without changes to expenditures. Certainly I would agree that they would have made changes in tax measures, but I can certainly understand why the former Minister of Finance wanted an election when he saw those numbers and didn't want to bring in another Budget before an election.

During this Debate on the Budget, I have listened with just amazement at the kinds of incredible statements made by members opposite. The Member for - is it Birtle-Russell, a former Speaker of the House, stood at his seat and told the members of this House that we had been too tight with the hospitals, with the school boards, with the municipalities, the agencies we fund. Does he not realize and does the opposition not realize that more than 60 percent of the dollars we collect in taxes, more than 60 percent of our spending, goes to outside agencies?

They're talking about highways. They want more work done on highways. They're talking about all kinds of added expenses and then they say, we want you guys to eliminate the gasoline tax. The former Agriculture Minister was telling us to eliminate the gasoline tax. We have had a number of them tell us to eliminate the health and education levy. We've had all kinds of suggestions about eliminating taxes. Well, we can see where they're going. They want more spending and less taxes, bigger deficits, and they think that's responsible.

You know, a responsible opposition would stand there and give us some alternatives and not just give us the popcorn, the candy. Any fool can stand up and say, we want less spending without saying where. Any fool, and they've proved it. Yes, they have.

I noticed as well, Mr. Speaker, that the Leader of the Opposition when he talks about expenditures with his misleading numbers continues with his blinkers-on approach of ignoring the reality of how Manitoba's expenditure for 1982-83 compare with those of other provinces. For his information, the Financial Times contained a very informative article in January which compared spending by each province on a per capita basis for 1982-83. That comparison showed Manitoba as having the third lowest spending on a per capita basis among the 10 provinces. Yet, he continues to be blissfully unaware of reality and talks about spend, spend, spend as though this government is going crazy with spending. It's nonsense that man spouts.

The Leader of the Opposition revels in discussion of the provincial deficit, now projected at 495 million for 1982-83. — (Interjection) — Mr. Speaker, I see the Member for Sturgeon Creek speaking from his chair. That's better than anybody else on that side was

prepared to do 10 minutes ago. None of them were going to stand up here and debate this Budget, none of them. They wanted to adjourn. Incredible!

Of course, he doesn't mention the substantial deficits now being recorded in other provinces, but I would like to give members of the opposition some comparisons for 1982-83. I would like to give them comparisons for 1983-84, but those comparisons are not yet available because other governments have not yet brought forward a Budget. With regard to 1982-83, relative to Budget estimates, deficit increases have been recorded in every single jurisdiction in Canada and here are the latest available estimates:

In Manitoba, we have an increase of 151 million, 44 percent; British Columbia, 767 million, 214 percent; Alberta, 1,637 million, 216 percent; 428 million or 206 percent in Saskatchewan; 444 million, 20 percent in Ontario; 185 million, 6 percent in Quebec; 85 million or 20 percent in New Brunswick; 41 million or 11 percent in Nova Scotia; 17 million or 113 percent in PEI; and 58 million or 35 percent in Newfoundland. For Canada itself, it's 16.7 billion or 159 percent.

I mentioned earlier that the latest information on expenditure growth rates for both 1982-83 and 1983-84 of 18.08 percent and 15.9 percent are both lower than the 18.174 percent recorded by the former government in 1981-82. One would be hard-pressed to discern that fact from the statements of members opposite and I know that the Member for Turtle Mountain gains no comfort from those facts, expenditure growth rates consistently lower than what they were in the year when he was the Minister of Finance.

The opposition and some commentators have expressed concern regarding the costs of public debt charges and Hydro rate stabilization payments in 1983-84. While I share those concerns, I think it should be noted for the record that, taken together, these statutory items represent about 307 million, or 9.2 percent of expenditures for 1983-84. The 1983-84 Estimates of these Expenditures moreover reflects some \$71 million in nonrecurring costs related to foreign loans maturing in 1983-84. Accordingly, a more normal provision for public debt charges and Hydro rate stabilization costs, in the absence of those non-recurring costs, would be in the order of 236 million, or about 7 percent of Expenditures. At 7 percent of Expenditures, the portion of Manitoba's Expenditures allocated to these purposes, though higher than some previous years, is not a cause for serious concern.

For example, the comparable percentage for Canada for 1983-84, according to the federal Main Estimates, is 21.7 percent and the projected public debt charges for Ontario in its 1982 Budget, before its revised deficit projection was 9.5 percent. I think you should be putting those things into some context when you are dealing with those areas.

Mr. Speaker, the next topic I would like to cover is the MGEA Agreement. The Leader of the Opposition spoke very piously about truth and credibility in his speech last week. It's too bad he didn't practice what he was preaching. One of the obvious examples was the attempt to distort the implications of the renegotiated salary agreement with the MGEA. The Leader of the Opposition has gone back a year, added up the entire contract and tried to assert by constant

repetition that somehow we have just granted the members of the Civil Service an increase of some 27 percent or 28 percent. That is not the case and he knows it.

The figures that count for the public service of this province, for the taxpayers, for the unemployed, some of whom will be helped as a result are the \$10 million saving in our wage bill in 1983-84; the fact that money will go the Jobs Fund; the fact that the percentage increase which the MGEA will receive in the first three months of 1984, their 1984 contract, is 1.5 percent. 1.5 percent is not zero, but it is very close and I challenge members opposite to find other unions in the public sector willingly agreeing at this stage to something for next year at that level. There had to be a signal come out and I believe that we negotiated it in a very responsible manner.

The members opposite, however, don't really like to look at the facts. That is typical. They have been out of touch with the facts and with reality for a long time and that's why we had people like the Member for Rhineland suggesting on television that we had negotiated a 27 percent increase over the next 30 months. That's out and out untrue. There is just no question that was an incorrect statement. Their reaction, though, to the renegotiation of the MGEA Agreement was typical. It was welcomed by representatives of both labour and business, but our friends opposite weren't prepared to look at the facts and share that view.

One of their problems is that they like to talk about the confrontation - I would like to talk about the confrontation mentality the members opposite have. At the Summit Conference last fall in Portage, there was a good discussion of the fact that Canadians and North Americans have to get away from what was called the win-lose syndrome. The adversarial approach simply won't work and the members of the opposition should have learned that by now. They don't seem to understand the importance of co-operation. They don't seem to have any appreciation of the principle of shared responsibility and perhaps they never will, but they should understand that this province has changed a great deal in the last decade or so. There is far more common ground between business and labour and between the private sector and the public sector than the members opposite realize. They paid lip service to the fact that we have a mixed economy, but they really didn't understand that fact and didn't understand the importance of co-operation. The labour leaders of this province understand that. I believe most business leaders in the province understand that, including senior representatives of the Chamber of Commerce. They recognized that the MGEA had made a major contribution and that the government had negotiated a fair settlement. But, as I said, the members opposite are out of touch with reality.

The Member for Portage la Prairie, in his speech, he was talking about the terrible deficit and taxes and that sort of thing. When it came to his constituency though, he had a shopping list that he wanted us to spend on it, a wish list, yes. And that's so typical of members opposite. They are not prepared to stand up and say what should be done in a completely integrated fashion and that is really too bad.

In fact, back to that MGEA Agreement, I don't believe the Tories could have ever, ever renegotiated that

agreement. With their attitude, they have no credibility with the labour movement and we saw that in the comments that were going back and forth just this morning. We had discussions about CPR taxation, an agreement that had happened 100 years ago; an agreement which has been nullified in every other city in this country. This is the only city in this country where there is still a break for the CPR in taxes. What do we hear from the Member for Morris? The Member for Morris says, we don't break contracts unless, of course, it's with labour. Then they would break contracts. We have seen what they've done in Ontario; we've seen what they've done in other provinces.

MR. SPEAKER, Hon. J. Walding: Order please.

The Honourable Member for Morris on a point of order.

MR. C. MANNES: Yes, on a point of order, Mr. Speaker, I made no reference whatsoever to labour in my comments, none whatsoever. I'd like the Minister to withdraw the comment.

MR. SPEAKER: The Honourable Minister of Finance.

HON. V. SCHROEDER: Yes, Mr. Speaker, I did not mean to imply that the Member for Morris suggested that they would only break contracts with labour. The Member for Pembina, of course, did say that only with labour would they break contracts.

However, that doesn't matter. The point is, we have seen what Conservative Governments have done in other parts of this country.

MR. SPEAKER: Order please, order please.

The Honourable Member for Pembina on a point of order.

MR. D. ORCHARD: Yes, Mr. Speaker, I have a point of order. I did not say that we would break contracts with labour and I would ask the Minister of Finance to withdraw those remarks.

MR. SPEAKER: The Honourable Member for Inkster to the same point of order.

MR. D. SCOTT: Mr. Speaker, to the same point of order, I'm not sure whether Hansard would have picked it up, but at the time after the Member for Morris had made his comment that we don't break contracts, I said, "Only with labour", and the Member for Pembina then turned in his chair and said back to me, "You're right." We'll see if it is on the record.

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

MR. D. ORCHARD: Yes, Mr. Speaker, I request the Minister of Finance to withdraw the statement he alleged to me that I said, "We will break contracts only with labour." I did not say those words.

MR. SPEAKER: The Honourable Minister of Finance.

HON. V. SCHROEDER: Yes, Mr. Speaker, I certainly will accept that modification and his apology.

The point of the matter is that we have seen what Conservative Governments have done in other parts of the country. We know the attitude of the Conservatives towards contracts that have been eliminated with the CPR on the basis of the Crow. The Tories have had some real problems with that. They, on the one hand, say we have to keep giving money to the CPR, we have to give tax concessions to the CPR but we should be in the 20th century when it comes to paying for freight. At any rate, let's look at some of the contracts that tough bunch over there negotiated over the last few years. They're a real strong group when it comes to bargaining. You bet.

The MMA fee schedule from 1980-81, compounded increase over the two years, 29.7 percent.

A MEMBER: 24 months.

HON. V. SCHROEDER: That's not bad. Compounded increase over four years was 50.1 percent. That's a pretty good record they should be quite proud of.

A MEMBER: Take two aspirin and call me in the morning.

HON. V. SCHROEDER: And you know, Mr. Speaker, they reopened a contract - the Minister of Cultural Affairs pointed it out the other day - they reopened a contract. We reopened a contract, but what a difference. We reopened it to cut back on costs. They reopened to give more money to the doctors . . .

A MEMBER: That's right.

HON. V. SCHROEDER: . . . when they didn't have a legal obligation to do so. They had negotiated a contract which would have given the doctors approximately 8.9 percent for the year 1981. That wasn't good enough. MHSC told the government, the contract does not require you to reopen because according to the contractual language, inflation was not above 10 percent and therefore you don't have to open it, but the government opened it. The last of the big-time spenders. They blew another \$7 million on the doctors, boosted their increase to more than 15 percent on a one-year term. That's not something we've come anywhere near in our negotiations.

A MEMBER: They stand exposed.

HON. V. SCHROEDER: They gave 14 percent to MGEA in 1981 over at Autopac; we never came anywhere near 14 percent. They forget that collective bargaining does not occur in a vacuum, that you have to look at history, you have to look at comparables, you have to look at where people are. I have here a newsletter from McLeod Young Weir dated November 12, 1982, and I hasten to ask the Leader of the Opposition, the opposition people, not to write another letter to McLeod Young Weir because they don't like the numbers. No, the last time I quoted McLeod Young Weir saying that our Budget was okay the Leader of the Opposition sent a nasty letter to McLeod Young Weir saying, what are you saying, you know, you're supporting the socialists.

A MEMBER: He wants to intimidate everybody.

HON. V. SCHROEDER: So anyway they've got some recent Canadian wage settlement trends, and remember we were back in the spring of 1982 when we settled. In the first quarter of 1982, average settlements in Canada without COLA were 12.8 percent, all industries, in the commercial sector, 12.9 percent and in the non-commercial 12.8 percent. We settled at approximately 13 percent, 10 percent plus \$600 for that year.

Let us also remember that at that very same time we had approximately a dozen school divisions including Portage la Prairie, which had settled before we did at 13 percent approximately, anywhere between 12.5 and a little above 13 percent for the first year, and inflation plus 1.5 percent for a second year of a two-year contract with teachers. That's where we came in. We didn't come in in a vacuum, we didn't just float out of the sky and pick from zero up to 13 percent. We came in at a time in history when those were the settlements that were considered to be reasonable in the private sector and in the public sector. Six months later, we recognized that it was too high for the times, given the fact of what had transpired between that time and six months from then, and we called in the union and said - we've got to do something - and we did it, we did it. We didn't do it by legislating a contract out of existence and we're proud of the way we did it. It is something that . . .

Mr. Speaker, there's a prayer - J. S. Woodsworth used to pray a grace where he said, "What we desire for ourselves, we wish for others," and in context with that I asked my staff to look at what we had done for ourselves when that group was in government. You will recall, most of you, that in 1980 we enacted some legislation giving ourselves some statutory pay raises. You know that those pay raises for 1980, it was 23.21 percent; 1981 it was 10.1; 1982 - 11 percent; it worked out, Mr. Speaker, to 50.64 percent over three years, 50.6 percent over three years.

Mr. Speaker, I wonder what goes through the minds of the opposition when they go and attack us on contracts that come in at considerably under that, at contracts that are coming now with the changes that we've been able to negotiate at lower than the contracts that I was mentioning earlier because we've reduced those numbers from the 13 percent down to about, for next year, 7.9. I'm sorry, I shouldn't say 13 to 7.9, that would be inaccurate, it's from 10.2 percent to 7.9 and for the year after we start off at 1.5 percent. Where, Mr. Speaker, has anyone else been able to do better than that?

Now, the Member for Pembina raised some questions regarding the inclusion in Capital of certain Expenditures relating to the Department of Highways Maintenance Program. As I pointed out in my Budget Address, Capital definition now in use is the same one established when he and his associates were on the Treasury Benches in 1978-79. Prior to that time, highway maintenance Expenditures were considered an operating cost - that's under the Schreyer government - they were considered an operating cost, but the then Minister of Finance chose to include these costs in the calculation of government Acquisition, Construction Expenditures. In fact, the provincial support to the City of Winnipeg for street maintenance was also included until block funding was adopted.

A MEMBER: Was that done by the Tories?

HON. V. SCHROEDER: Yes, it was done by the Tories. The only change made to date regarding maintenance expenses of the Department of Highways and Transportation involve the transfer of some 4.9 million, which had been recorded as Capital under the practices implemented by that government. We changed that from Capital to Current. I happen to agree with the Honourable Member for Pembina that some of those items should be moved from Capital to Current but let it not be said that we moved them from Current to Capital. They did that. We are now in the process of moving it back. We have made a number of changes going both ways, and this is one example of how we moved from Capital to Current, because we believe that within the definition that they used, we were prepared to - and we had no problem with that.— (Interjection)— Well, the Member for Turtle Mountain should be ashamed of himself.

HON. R. PENNER: And how.

HON. V. SCHROEDER: The Member for Turtle Mountain probably told the Member for Pembina, who is foolish enough to listen to him, to go and make a stupid statement like that. The Member for Turtle Mountain is the member, incidentally, who was supposed to speak this morning before I did, so that I would have a chance to answer him, but he wasn't prepared to speak.

He knows full well that I won't be here on Monday because there's a Finance Ministers' Meeting in Toronto, and this was my opportunity to hear what he had to say. He was complaining, Mr. Speaker, he was complaining about the fact that I hadn't listened to enough Tories last year and I made it a point to be here as much as I could this year. I wanted to listen to him, in order to respond. I thought things had worked out very well. He decided to duck today to come back, I suppose, on Monday and make his speech and I won't have the opportunity to reply during the Budget Speech Debate, but I can assure you, Mr. Speaker, that I will be replying at a later time.

Now, Mr. Speaker, throughout his career, the Leader of the Opposition has been a man of many colours, mostly red, blue; many moods - though mostly black especially in recent years. And he has shown great debating skills when he chose to use them, but what he doesn't have is a long memory.

When I heard him deliver his speech on the Budget last week, the same speech he's given so many times in this House lately, I wondered if he'd always held the same views, especially when he was in government the first time during the Roblin years. I thought it would be interesting to check Hansard, and I did. I think all of you will be a little bit surprised at what I found and some of his statements were very, very sensible, Mr. Speaker.

I would refer the members to Hansard of April 5, 1966. Let's set the scene. That was the last day of the Budget Debate in 1966. It was the year after the Roblin Government ended its experiment with bringing in Revenue and Expenditure Estimates at the same time. It was a year in which they were still using an accounting system which split Expenditures into Current and Capital divisions. It was probably the last Budget and the Budget Debate before the sales tax was introduced.

I do know that the present Leader of the Opposition made several references in his speech that day to the fact that Manitoba had no sales tax, and about a year later the government brought in the 5 percent and he was a member of that government.

Finally to continue setting the stage. It is worth mentioning that Manitoba was in the midst of a flood in early April of 1966. The current Leader of the Opposition spoke at great length about the flood - he seems to revel in floods - before he set out to close the Budget Debate.

Now I cannot quote his entire speech. As usual, it was long, but any member who wishes to read it in its entirety, can find it between Pages 1563 and 1570 of the spring 1966 Hansard. I have time though, to refer to a few of the things he said and to compare and contrast them with what he and his colleagues are saying and not saying in 1983.

Mr. Speaker, I believe that as the person who has presented the motion, I do have unlimited time.

First on the role of the opposition, here is what he said then.

MR. SPEAKER: Order please. I understand that the Honourable Minister of Finance is speaking to the amendment.

HON. V. SCHROEDER: Well, I'm speaking in reply, yes, Mr. Speaker.

MR. SPEAKER: Will the Clerk approach the chair, please?

There seemed to have been some doubt whether 31.1(f) would apply in this particular case but it would seem that indeed the Minister is replying to a non-confidence motion moved by the Leader of the Opposition which would entitle the Honourable Minister of Finance to unlimited time in this matter.

HON. V. SCHROEDER: Thank you, Mr. Speaker. I was just about to quote some statements made back in 1966 by the Leader of the Opposition. One of the first quotes which I think is a very good one and should be taken to heart by all members of the opposition. Here's what he said then, "Now the opposition has a greater role than just that of opposing. This is a theme that has been spoken of before. The opposition have a role to present themselves to the public of Manitoba as a viable alternative to the present Government of Manitoba and if you're going to be a viable alternative to anything then you must have some ideas of your own."

Then he went on to say, "We require new challenges and new initiatives from the opposition if they are to provide that kind of viable alternative to government that every proper democratic government needs if it is to give its best. I say again without attempting to flatter my honourable friends from the NDP that they do fulfill that role on many more occasions than do the official opposition because they do provide at least an alternative if not one that we agree with, at least an alternative."

I think that made sense. You stand up and you say what you would do if you were the government.

Of course, in 1966, the current leader was talking about the official opposition of his day, the Liberal Party.

But I think his comments apply equally well to him and to his colleagues now that they occupy the same position. They continue to offer no alternatives, nothing constructive, nothing positive. About the only suggestions offered by the Leader of the Opposition involve cutting services in order to hold down the deficit and the public debt but he won't tell us what, in a province that has the third lowest spending per capita in the country, third lowest Civil Service per capita in the country.

Now, Mr. Speaker, he had a great deal to say about those subjects in 1966 too and I think some of those statements deserve to be on the record again as well. But first let's remember what he said about the public debt, this year, in 1983. Page 359 of Hansard he said, "In one year the interest charges on that debt have doubled and, Mr. Speaker, my honourable friends across the way may not be concerned about that but I tell you that the average ordinary taxpayer in Manitoba is starting to get pretty concerned about it because he and she know that he and she and their children are going to have to pay for this huge mountainous debt that these people are building up and have added to so substantially since they came into office in November of 1981." That was this year.

Now, let's go back to 1966. At that time the Liberal Leader of the Opposition had expressed similar concerns about debt. What did the current Leader of the Opposition have to say? Let me read it, "The Leader of the Opposition spends a third of his speech talking about debt. The debt of Manitoba is a matter of grave concern. He has this five-member family worried sick to death lest they wake up tomorrow morning and find, my heavens, they have to pay back \$3,000 all of a sudden. Oh it's a great thing. You quote these figures, you know, and you say, isn't that shocking. You know every mother and father and three children in Manitoba. You've got X numbers of dollars bending over your head because of the terrible Roblin Government.

"It doesn't matter that when you reach for the light switch and pull on the switch, the lights go on, or when you pick up the telephone you're going to be able to use it, or that the money is going into industrial development providing now thousands of jobs in Manitoba or into agricultural credit giving the farmers of this province something that they haven't had in the 40 bleak years before this government came to office. All of these things don't matter because it's debts that count.

"This terrible word 'debt' burned into the hearts and minds of this party during the years when they had responsibility for Public Affairs in this province. Debt depressive is the role that we read more often nowadays about people of this ilk. They're a fast disappearing lot, but it's amazing to find them in the numbers that we still do opposite us in this House. You would have to shake the sheets practically all over Manitoba to find as many as you find here in this House, but here they sit, they're debt depressive people worried about the debt."

A MEMBER: Who said that?

HON. V. SCHROEDER: That was the current Leader of the Opposition

A MEMBER: Was that Dr. Jekyll and Mr. Hyde?

HON. V. SCHROEDER: How times change, Mr. Speaker. Then debt and an increase in the debt was good. The increase in the debt was good; it was justifiable. It was of no great concern. Now, of course, the Leader of the Opposition and his colleagues take a much different view.

Mr. Speaker, how much was it? We're told that the approximate interest payments, we're using the figure 9 percent for this coming year, were in the area of 12 percent in some of the Roblin years. Not only that, Mr. Speaker, we are also talking about the fact that this 9 percent as I explained earlier is a one year shot in terms of some debts that come due this coming year in foreign currency. But there's more.

He talked about expenditures and services as well; not only this year when he was saying to cut but he wouldn't say what, but he talked about them in 1966 and he wasn't arguing for costs. In fact, he took the very opposite position. Again back to April 5th, 1966, "So my honourable friend the Leader of the Opposition sits in this very funny position today of on the one hand saying, and I think believing, that debt is a terrible thing in Manitoba and on the other hand knowing darn well that if you are going to support the standard of services that the broad majority of the people of Manitoba want today that you have to have the kind of debt structure that this and every other province in Canada has.

"So, what's he going to do about it. Is he going to go to the people of Manitoba talking about debt out of one corner of his mouth and about building more hospital beds out of the other because the two don't add up you know. If you're going to build all these beds that he talks about - he and his great social reformers on occasion, on the other side, they want more hospital beds, greater consolidation of schools. Why didn't you build this road in my constituency? Why don't you pay the teachers more? What about an increase in teachers' grants? We're all for more for retarded children. We're all for motherhood and against sin.

That's what it amounts to, but no suggestion whatsoever, no reality about where this money is supposed to come. Ah, they say, elect us and we'll have - what is the word? We will give more "prudent" government and we won't have to worry about increased taxation because we'll run things so much more cheaply. Well, the people of Manitoba had this kind of prudent government for what was it - 12, 22, 30 years? Take your choice.

A MEMBER: They only had his government for four years.

HON. V. SCHROEDER: Who said that? That was the present Leader of the Opposition, when he was on this side.

And he went on to say that the province had made great progress in education, in building roads, and so on. And he also said, "We've got a long way to go in all of these fields. Who can say that we have reached a millennium in education. Of course, we haven't. We've got a long way to go. The opposition are prepared to accept the benefits, but they're not prepared to take the medicine that is required for the benefits. You can't

have both. You can't have it one way and not the other. So, I say to them, remember again that the people of Manitoba know just as well that if you have these services and they want and demand these services, that you have to pay for them."

That was the Leader of the Opposition when he was on this side some time ago. There is more, Mr. Speaker, but I want to go on. Again, I commend the entire speech to members actually on both sides of the House. I think it was a good speech.

Obviously there is nothing wrong with a person changing his or her mind and the Leader of the Opposition has every right to do that. But he also has the responsibility, in his current position, to put forward the kinds of alternatives that he himself called for from the opposition he faced.

We certainly aren't hearing about any of those alternatives from the members opposite. They are not being a constructive opposition. They are a destructive group who contradict each other - spend, spend, spend, tax, tax, tax - the Member for Portage wants more of this, more of that. The Member for Birtle-Russell wants more spending on municipalities, more spending on school divisions, more spending on hospitals, and others are saying "cut the deficit."

The former Agriculture Minister, again, says we should eliminate the gasoline tax; the Member for Sturgeon Creek prefers us to eliminate the health and education levy. We have all these and we had one member saying, "reduce the income tax." Well, that's great, you know, let's reduce all of those things and add to our spending and then where are we? Give us a total picture of what you're going to do.

A MEMBER: We may one day, we may well do that.

HON. V. SCHROEDER: Well, Mr. Speaker, what we would like them to come up with is the cuts - the \$578.9 million worth of cuts - that would put us in a balanced Budget position, plus the \$112 billion for the health and post-secondary education. You know that's \$700 billion and that's direct. When you start taking \$100 million out of government spending, what you're looking at is about 5,000 direct job losses. That's \$100 million and you take the indirect effect of that on your friends in business and your friends in labour, you will find that they will not be selling products in the way that they were before that \$100 million cut came, because people are not working and can't pay, and you will find that they will then have reductions in their incomes and further layoffs and there are indirect spin-offs that go the wrong way, just as they go the right way.

Members opposite have often talked about the positive spin-offs, when you have an extra thousand people employed or whatever, and they're right. There's a multiplier effect. The multiplier effect works the opposite way too, and the suggestions that they have to get us out of this recession, I submit the people of Manitoba know full well, are the recipe for ensuring that we don't get out for years to come. That is the very recipe they are giving us.

A MEMBER: Bizarre.

HON. V. SCHROEDER: —(Interjection)— Well, I say to the Member for Sturgeon Creek, put up or shut up.

Come up with the numbers or don't tell us that you can do the spending cuts without it hurting anyone; you can do the tax cuts without increasing the deficit; you're not magicians! We saw that when you were in government. We saw, with you and your economic advisor - well, I'm not going to mention him - they are the ones who go around mentioning names in general. But you know, you people were the ones who put us in a position where we had a population loss; we had the lowest rate of job growth in the country. Now we have the second highest rate of job retention. It's not good, not good, but we're doing better than most other provinces. You were doing worse - you were doing worse in practically every economic indicator.

A MEMBER: That's a lie.

HON. V. SCHROEDER: And that happens to have something to do with your inability to govern.

Now, Mr. Speaker, —(Interjection)— of course, manufacturing was up, but it was up - in comparison to other provinces - it wasn't up as much in total, if you're looking at total employment in the province. You don't look at one specific sector which has what - 15 percent of employment.— (Interjection)— We had about 15 percent or less of our employment in that sector. He doesn't want to talk about all the other sectors that have 85 percent of our employment. No, he doesn't want to talk about that.

Well, Mr. Speaker, my Budget, this Government's Budget Address, identified unemployment as the No. 1 problem in Manitoba and in the nation. During the past week in this House, we've heard a great deal of discussion of the deficit projections at the bottom line. What we have not heard is the members' opposite bottom line on unemployment. We have not heard what policies and programs they would propose to address the burden of unemployment on more than 50,000 Manitobans. We can be assured though that their do-nothing policies would drive that number to much higher levels.

The Leader of the Opposition points to the tragic loss of jobs in Manitoba during the past year; however, he does not appear to recognize that the recession has wiped out jobs in all parts of Canada, and that many jobs may have been lost on a permanent basis. Partly as a result of the economic policies our government began implementing upon taking office, Manitoba's job retention record, as I indicated, was among the best in the country. That relatively favourable performance, however, is cold comfort to our young people who are searching for first jobs and to experienced workers, whose livelihoods are in jeopardy.

In my Budget Address, I noted the views of the Canadian Conference of Catholic Bishops and I think the quotation from their January statement merits repetition in this House. "Massive unemployment which deprives people of the dignity of human work, and inadequate family income, constitutes a social evil. It is also a major economic problem, since high unemployment rates are accompanied by lower productivity, lower consumption of products, reduced public revenues, and increasing social welfare costs. Alternative strategies are required which place primary emphasis on the goals of combatting unemployment

by stimulating production and permanent job creation in basic industries, developing a more balanced and equitable program for curbing inflation and maintaining health care, social security and special assistance programs."

Our government believes that the costs of unemployment are unacceptable and we have found widespread support for our objectives of expanding job opportunities and securing existing jobs. My colleagues, and in particular the Minister of Labour and Employment Services, have outlined to this House some of the positive job creation and community building initiatives of our government over the past year. The Premier, of course, has tabled the list yesterday with respect to proposals we have made to Ottawa. These initiatives, while not insulating our economy from the effects of the recession, are in part responsible for its lesser impact in Manitoba and for maintaining communities and maintaining the dignity of substantial numbers of Manitobans who, otherwise, would have been dependent upon unemployment insurance or social assistance. Similar programs will be operated in the coming year and where their potential job impact and economic benefit can be shown to be favourable, there may be opportunities for expanding and extending them.

The Budget documents suggesting a downward revision to 1982 investment estimates can be expected this month. While the provincial details are not yet available, Statistics Canada reported preliminary national figures this week that show total capital investment in 1982 was about \$75.1 billion or 5.5 billion below the mid-year forecasts reported last summer. For 1983, the initial investment outlook suggests a further \$2.4 billion shortfall in capital investment and spending. After accounting for the effects of inflation, the total shortfall in investment in 1983, relative to 1981, is expected to be in the order of \$18 billion or some 20 percent of the volume of investment in Canada two years ago. The impact of these shortfalls are obvious on our construction and capital machinery and equipment industries.

However, despite some limited improvement in final domestic demand and a 17.5 percent increase in corporate profits in the fourth quarter of 1982, economic forecasts suggest that general recovery in private investment and employment will be a gradual and protracted process. We are under no illusions that a single province can mount an economic program sufficient to solve the difficulties this nation faces. That is why I have repeatedly emphasized at the December Finance Ministers' meeting, my discussions with the Honourable Marc Lalonde, and in my Budget last week, that what is required is a nation-wide attack on unemployment and a nation-wide strategy to provide jobs now and lasting improvements in our economic potential for future years.

The Government of Manitoba believes that now is the time for action. The creation of productive employment opportunities and permanent productive assets in Manitoba will make a difference in providing markets for local suppliers in the short term and in strengthening our economic base for future development. Manitoba's \$200 million Jobs Fund represents a substantial effort to offset the decline which has occurred in private economic activity during the

recession and to reemploy idle and under-utilized capacity in our province. If other provinces allocated resources similar to Manitoba's Jobs Fund on a per capita basis, the provinces collectively would generate a \$5 billion fund for jobs and economic construction. If such a fund were matched by other levels of government and private sector contributions, a \$10 billion fund could be mobilized for saving and protecting jobs now and rebuilding the longer term productive face of the economy.

The members opposite have expressed concern regarding the private sector environment and the climate for creating new private sector employment opportunities in Manitoba. Their policies, while in government, were to support the monetarist and restraint policies of President Reagan and the Federal Government, which contributed in a substantial way to the difficulties which the private sector now faces, and to pin their hopes for the future on developments which turned out to be inevitable casualties of those policies. The whole notion of terms of trade on resources, which we believed - I have to admit, we did believe that in 1980-1981 - that was the strategy of the previous government and that was certainly the strategy of the Federal Government, the idea that resources were continuing on and on to increase in value and that's where our salvation would lie.

Those very policies that they supported, monetarism and Reaganomics, were policies which in themselves made sure that the other area, the idea of resources selling at a handsome profit beyond the cost of production, that couldn't continue and it hasn't.

The result of national and international high interest rate restraint policies has been a downward spiral in international trade and in purchasing power and the contraction of markets for our businesses and jobs for our citizens. The prescription of the members opposite for dealing with the crisis that these policies have precipitated is to apply a larger dose of the same medicine. I know there are people on the opposite side who disagree and that's what we are here for, to debate ideas; but you know, in the last few weeks, we have heard the chairman of the Federal Reserve, Mr. Volcker in the United States, indicating that he is not prepared to do anything to tighten up the money supply even though it appears that the numbers are getting away from his monetarist approach. He is admitting, basically, that he better not touch that anymore. If the rate of inflation is the measure which we want to use in terms of a successful economy, then I guess the most successful economy we have ever had is in the 1930's when we had deflation.

So I don't think that's an argument that would stand the test of economic reason. In fact, the reason we are having such low inflation in Canada and the United States is because of the recession, not because . . .

MR. C. MANNES: Why do we have a recession?

HON. R. PENNER: The expansionist stage followed the end of monetarism when Volcker expanded the M3 supply.

HON. V. SCHROEDER: Our government exposes a different medicine, one that is based on saving and

protecting jobs, rebuilding confidence in the future of our province and the future of Canada. We expect that many of the projects which we have proposed will create substantial markets for local suppliers and will involve numerous contracts for Manitoba based businesses, who presently have limited or nonexistent alternative markets for their products and skills. We will be directly creating jobs which will provide Manitobans with incomes to purchase the goods and services of our local businesses.

We are urging, in the strongest possible terms, that the federal and other governments in Canada pursue similar policies and join together in a concerted nationwide effort which will create jobs and generate incomes, improve consumer and investment confidence and provide impetus towards recovery. We are emphasizing projects which create assets of lasting value, projects which can be initiated now while private sector capacity is idle or underutilized and projects which will contribute to greater productivity in the years ahead.

Mr. Speaker, I strongly support the Budget. I ask all members of the House to support it. As well, I've criticized members opposite. I want to say that at least some of them have given very good speeches during this debate. The Member for Lakeside, although I disagreed with much of what he said, had a reasoned argument in support of his position. There are others who have done well and I would hope that we could get these kinds of debates in the area of ideas rather than the simplistic rhetoric that refers to - spending is out of control; taxation is out of control; we are all going down the drain tomorrow; the deficit is killing us. We are all concerned with the deficit.

Certainly people on this side have struggled very hard when we prepared the spending Estimates and the Budget itself in terms of eliminating - we eliminated 500 positions from Government Service; that wasn't easy to do. It was done after the previous government had been pretty tough during the 1970s. We came along and, yes, there was an expansion, but there was also the contraction. When we look at the numbers we have to realize that when we came into office we had certain numbers that increased, not because there were more people, but because services were defined in different ways and, yes, some of them even cost us a little more. Rather than hiring outsiders —(Interjection)— that's right, we eliminated some contract positions. We also had security and cleaning staff hired directly rather than through subcontractors; we certainly heard about that from the member for Sturgeon Creek and he's certainly entitled to his opinions on those kinds of things.

Then, of course, we brought in the rent controls which we required additional employees. We required some additional employees in the Manitoba Housing and Renewal Corporation because of the expansion of the loan program and those kinds of things did happen.

A MEMBER: The payroll tax.

HON. V. SCHROEDER: Yes, the health and education levy, we were required to hire people to administer that. I suppose maybe I'm too thin-skinned on that, but I should say that the cost of that is approximately the same as the cost we would have in paying out the fees to retailers if we had increased the sales tax. So, it would be about the same. So, from those numbers we took 500 off and that was difficult.

If you have areas where you feel that we can do something further - just for example, I got a letter from the Social Planning Council after we had met on the Budget deliberations and they suggested that maybe there were areas in social services delivery that could be done in a more efficient manner and there could be some savings effected and certainly we will follow that up and and we found areas where we were able to do that. If people have areas where they feel we can provide services more efficiently, please let us know and we assure you that we will do what we can to effect the appropriate savings and provide better services to Manitobans.

Thank you.

MR. SPEAKER: The Honourable Member for Turtle Mountain.

MR. B. RANSOM: Mr. Speaker, I move, seconded by the Member for Pembina that debate be

adjourned.**MOTION presented and carried.**

MR. SPEAKER: The Honourable Government House Leader.

HON. R. PENNER: Mr. Speaker, I move, seconded by the Minister of Finance that the House do now stand adjourned.

MOTION presented and carried and the House adjourned and stands adjourned until 2:00 p.m. on Monday afternoon.