

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, 17 May, 1982

Time — 2:00 p.m.

MR. CLERK, Jack Reeves: I must once again inform the House of the unavoidable absence of Mr. Speaker and ask the Deputy Speaker to take the Chair in accordance with the statutes.

OPENING PRAYER by Mr. Speaker.

MR. DEPUTY SPEAKER, Jerry T. Storie (Flin Flon): Presenting Petitions . . . Reading and Receiving Petitions . . . Presenting Reports by Standing and Special Committees . . .

MINISTERIAL STATEMENTS AND TABLING OF REPORTS

MR. DEPUTY SPEAKER: The Honourable Minister of Education.

HON. MAUREEN HEMPHILL (Logan): Mr. Speaker, I would to table a discussion paper on a framework for open discussion and consideration of the issue of School Closures; and for the information of members of this House, I would also like to table the press release which I am releasing today on the Support Program to Small Schools.

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

INTRODUCTION OF GUESTS

MR. DEPUTY SPEAKER: Before moving to Oral Questions, I'd like to direct the members' attention to the gallery where we have several groups and guests.

We have 40 students of Grade 9 standing from Sisler High School under the direction of Mr. Brown. These students are represented by the Honourable Member for Inkster.

As well, we have 25 students of Grade 3 standing from the Sanford Elementary School under the direction of Mrs. Brooks. These students are represented by the Honourable Member for Morris.

We have 40 students from the Glen Ullin High School in North Dakota in the United States under the direction Mr. Bob Johnson.

On behalf of all the honourable members of the Legislative Assembly, I welcome you here today.

ORAL QUESTIONS

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

MR. A. BRIAN RANSOM (Turtle Mountain): Mr. Deputy Speaker, my question is for the Minister of Finance. Did the Minister of Finance have any studies conducted as to the numbers of head offices and payroll centres that might be driven from this province by his payroll tax in an effort to find a more competitive tax climate?

MR. DEPUTY SPEAKER: The Honourable Minister of Finance.

HON. VIC SCHROEDER (Rossmere): Mr. Speaker, before we finalized this Budget, we looked very seriously at all of the impacts that it might have and in so doing we discovered, for instance, that in the Province of Ontario the employers with head offices or not having head offices in that province pay considerably larger proportions of their payroll for medical costs than they will be paying in Manitoba under this particular premium.

There is one difference, however, and that is that the Manitoba levy is not a regressive levy as opposed to the Ontario levy which is very regressive in that, for an employee, there is a fixed hold tax of \$684 now for the Medicare premium which the Ontario Government says employers are paying about 80 percent of it. The Province of Quebec, of course, has a 3 percent levy which is not regressive in the same fashion as Ontario's because it applies to all income levels. Ours is 1.5 percent; Ontario is at \$15,000 and is in the area of 3 percent, I believe. Alberta is at \$15,000, is in the area of 1.5 percent, as is British Columbia, so I would suggest that there is no evidence at all that there would be any head offices moving out of the province. There is no doubt that there is one province, Saskatchewan, which doesn't have either of those levies at this time and, of course, Saskatchewan has a number of oil wells, potash and some very well running corporations down there which would be a substantial amount of tax to the public sector in Saskatchewan.

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

MR. RANSOM: Well, Mr. Deputy Speaker, I know the Minister of Finance is anxious to discuss the events taking place in Ontario, Saskatchewan and Alberta. We're more interested in events that are taking place here in Manitoba and since the Minister says that indeed he has had studies conducted, would he table those studies for the benefit of the Opposition?

MR. SCHROEDER: Mr. Speaker, just a few weeks ago we heard the Opposition in here pretty steadily referring to a neighbouring province, the Province of Saskatchewan. Now that the Province of Ontario is taxing a bag of potato chips for school children, all of a sudden they don't want to hear about neighbouring provinces. The member stood up and asked a question about head offices and that implies that we should be discussing taxation and other costs in other jurisdictions.

Just the other day, I met with the President of Great-West Life who indicated that he agreed with the Manitoba analysis that wage costs in Manitoba are considerably less than, for instance, in Ontario and that is borne out by every federal study on that issue.

MR. RANSOM: Well, Mr. Deputy Speaker, my question to the Minister was, would he table the studies which he says he has done? That's a fairly simple and

straightforward question. I'll place it to the Minister again. Will he table the studies which he said he has done?

MR. SCHROEDER: Mr. Speaker, those are background papers that have found their way in the form in which we will publicize them, in the background papers to the Budget. The background papers clearly set out the effect of that levy and I would ask the member to look at it and ask him to look at it in comparison to the other alternative, to the alternative of a sales tax increase and the impact that would have had on the retail sector in Manitoba. I suggest it would have been disastrous; our studies showed that and the background papers showed that. The studies showed that if we didn't impose this particular tax, we would get no funds out of the investment community, the insurance community, the banking community, the professional community. There would be large segments that wouldn't be paying tax at all, while others would be paying far too much. What we tried to do was get a tax that would be spread all over, including touching on levels of government.

MR. RANSOM: Mr. Deputy Speaker, the Budget contains the advantages of one type of tax and the disadvantages of the other. What my supplementary question, the further question to the Minister of Finance is: Does the Minister have a legal opinion which says that the province is entitled to apply this payroll tax to the payroll of the Federal Government?

MR. SCHROEDER: Mr. Speaker, I am just astounded that members opposite would be suggesting that it is not within the jurisdiction of the Province of Manitoba to levy a tax which is identical except half as much as the tax in the Province of Quebec. To levy — (Interjection) — The Leader of the Opposition has an interesting view of law in Canada. That is, Quebec can levy certain taxes but when the Province of Manitoba does that, somehow that becomes illegal. I would suggest that there is absolutely no logic in that particular question. In the Province of Ontario — I've tried to explain this to the honourable gentleman and he has difficulty understanding it. In the Province of Ontario, employers are paying close to 4 percent of a levy with an employee at \$15,000. Ontario can do it, British Columbia can do it, Alberta can do it, Quebec can do it, but somehow our Loyal Opposition thinks that Manitoba can't do it. Well, I suggest, Mr. Speaker, that anytime the four most populous provinces in this country can levy a type of tax, that if we can't levy the same tax then we've got some real problems in Confederation.

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

HON. STERLING LYON (Charleswood): Mr. Speaker, very simply so that even the Minister of Finance can understand it, has he an opinion from the legal officers of the Crown of Manitoba which states that the Province of Manitoba has the right to levy a tax on the Federal Government?

MR. DEPUTY SPEAKER: The Honourable Minister

of Finance.

MR. SCHROEDER: Mr. Speaker, I have an opinion from the Attorney-General of this province that says very clearly that we have the right to impose this particular levy. I don't have a copy of the Ontario Budget of this year yet, where they are talking about 80 percent, but I do have a copy of their 1978 Budget when premiums were somewhere around \$500 or \$550 a family and their treasurer said almost three-quarters of the increase will be paid for by employers in Ontario. The only difference is, of course, that here we are saying it will be the employers and it will not be regressive. It won't be 4 percent for a low paid employee and 1 percent for a \$50,000 employee or less; it will be the same for all.

MR. LYON: Mr. Speaker, we have heard a great deal about premiums in Ontario which are imposed against employees, but what I am asking the Minister of Finance very simply is whether the Province of Manitoba has the legal right to impose a tax upon the Federal Government?

MR. SCHROEDER: Mr. Speaker, the Province of Manitoba has, in my opinion and in the opinion of the Attorney-General of the Province, the right to impose the particular levy that it has imposed for Health and Post-Secondary Education in this province on all employers in this province, bar none.

MR. LYON: Mr. Speaker, just to make certain, double sure, is that an opinion personally of the Attorney-General or preferably is it an opinion of the law officers of the Crown?

MR. SCHROEDER: Mr. Speaker, for the information of the Leader of the Opposition, the Attorney-General is the chief law officer of the Province of Manitoba.

MR. LYON: Mr. Speaker, if the Minister of Finance has such an opinion, would he table it for the benefit of the members of the House and the people of Manitoba?

MR. SCHROEDER: Mr. Speaker, I have explained to the member that we have the opinion. Surely, that is sufficient.

MR. LYON: If the Minister has the opinion, would he please table it?

MR. DEPUTY SPEAKER: The Honourable Member for Springfield.

MR. ANDY ANSTETT (Springfield): Mr. Speaker, a question to the Attorney-General which might shed some light on this question. I am wondering, rather than worrying about tabling a document, if the Attorney-General could put on the public record of this province, in Hansard, his opinion, and I would ask him for that opinion as to the legality of this particular levy.

MR. DEPUTY SPEAKER: The Honourable Attorney-General.

HON. ROLAND PENNER (Fort Rouge): Mr. Speaker, in my opinion, the Minister of Finance with his usual acumen as a lawyer has already answered the question.

MR. DEPUTY SPEAKER: Order please, order please. The Honourable Member for Turtle Mountain on a point of order.

MR. RANSOM: Yes, Mr. Deputy Speaker, I think the Member for Springfield should know that it is against the rules to ask for a legal opinion from a member of the Treasury Bench.

MR. DEPUTY SPEAKER: I believe those are the Rules.

The Honourable Member for St. Norbert.

MR. G.W.J. (Gerry) MERCIER (St. Norbert): Mr. Speaker, my question is to the Honourable Minister of Finance. Could the Minister indicate whether, in view of the fact that the payroll tax will not be levied against municipal governments and school divisions until January 1st of 1983, would independent schools be in the same position as school divisions?

MR. DEPUTY SPEAKER: The Honourable Minister of Finance.

MR. SCHROEDER: No, they would not, Mr. Speaker.

MR. MERCIER: Mr. Speaker, the Minister of Finance has indicated in the Budget that after January 1, 1983, there will be direct support to municipal governments and school divisions to offset the payroll tax. Will independent schools receive similar direct support as school divisions?

MR. SCHROEDER: We have already heard from independent schools and we expect to take that matter under consideration.

MR. MERCIER: Mr. Speaker, a supplementary question to the Honourable Attorney-General, the Minister responsible for the Liquor Control Commission. Could the Attorney-General indicate the average price increase for beer, wine and spirits as a result of the direction to the Liquor Control Commission to raise another \$20 million?

MR. DEPUTY SPEAKER: The Honourable Attorney-General.

MR. PENNER: Yes, that question in effect was answered by the Minister of Finance in this House two days ago or three days ago. We expect that the price increases will be in the order of 8 percent for beer, 7 percent for hard spirits and about 15 percent on wine.

MR. DEPUTY SPEAKER: The Honourable Member for La Verendrye.

MR. ROBERT (Bob) BANMAN (La Verendrye): Thank you, Mr. Deputy Speaker. I direct my question to the Minister in charge of Natural Resources and would ask him if he could confirm that the fishing limits for nonresidents has been cut in half this year from the

previous year?

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

HON. AL MACKLING (St. James): Mr. Speaker, yes, I can confirm that the three-day tourist or seasonal permit, the limits have been reduced, but if an angler from out of the province, a nonresident, does wish to fish for a quantity of fish, that is a large number of fish for food, then of course he can buy a full season's permit which will enable him to get the limit that is otherwise obtainable by anyone who buys a licence.

MR. BANMAN: A supplementary question to the same Minister, I wonder if he could inform the House whether or not he has been in contact or his Department has been in contact with the different camp operators and guides working in the different lakes in Manitoba to advise them of this change and has he discussed it with them at all?

MR. MACKLING: Mr. Speaker, I would have to take as notice the extent of discussions of officials within the department because they have ongoing discussions on a large number of issues and matters that are appropriate within the department and agencies that work closely with the department. I wouldn't have personal knowledge of all of those discussions. I assume that much of that does take place. What I can indicate to the honourable member is that I've had an opportunity to meet with some of the people closely involved and we have endeavoured to indicate to them any changes in seasons or limits in respect to either wild fowl or fishing.

MR. BANMAN: In light of the concerns that have been raised in the last little while and some of the cancellations that some of the camp operators are facing because of this particular change in the regulations, I wonder if the Minister would undertake to check with the different camp operators that are flying people in from the United States to ensure that these people are not adversely affected by this particular new regulation, which I say to the Minister, many people were not aware of and seems to be causing a certain amount of hardship and some cancellations among these small tour operators who are hard-pressed already this year to try and keep their operations going.

MR. MACKLING: Mr. Speaker, if there have been concerns raised by individual lodge operators or tour operators, they have not made those representations to me. Obviously, they may have made them to the former Minister, I don't know. If there are representations, certainly, I'll deal with them.

MR. BANMAN: Thank you, Mr. Speaker. I have a question for the Minister of Labour and I would ask him, in light of the New Democratic Party's promise that they would provide security from layoffs and up to 12 months notice for compensation to employees would be required in the event of shutdowns or layoffs involving more than 50 people, I wonder if the Minister could inform the House what they will be doing with regard to compensation or requiring Canadian Pacific

to give 12 months notice of layoff to the 1,100 people that are being laid off this summer.

MR. DEPUTY SPEAKER: The Honourable Minister of Labour.

MR. SCHROEDER: I'm sure that the member isn't aware, being from Steinbach, but the CPR is under federal labour legislation.

MR. BANMAN: Is the Minister saying that the election promise which was made during the last election that they would require up to 12 months notice to employees in this province and that if their 12 months notice wouldn't be given that compensation would have to be paid? Is he saying that does not apply in this particular instance?

MR. SCHROEDER: Mr. Speaker, the Opposition has spent the first 10 minutes of the question period telling us we can't legislate within our jurisdiction with respect to employer levies. Now, I take it they're going to spend another 10 minutes telling us that we do have the right to legislate within federal labour jurisdiction. There is no doubt that we don't have the right to legislate within that area. —(Interjection)— The Attorney-General is giving me a legal opinion right now that we can't do it. He didn't have to because we knew that in the area of federal labour law, the Federal Government is supreme; within the area of provincial law, we make the rules.

MR. BANMAN: Thank you, Mr. Speaker. To the same Minister, just a few days ago he said bankruptcies, of course, were excluded; now companies under federal jurisdiction are excluded. I would ask him now, in his capacity as the Minister of Finance, if he could inform the House whether or not the credit union system in Manitoba will be subject to the payroll tax?

MR. SCHROEDER: Obviously, the member hasn't been either present or listening. During the last week or so I've made it very clear that every employer in the province is subject to the levy for Health and Post-Secondary Education because every employer in the province uses the system. The system is there for all Manitobans, the health care facilities, the post-secondary education facilities. All employers pay it, just as all people pay sales tax and other taxes in the province.

MR. DEPUTY SPEAKER: The Honourable Member for Arthur.

MR. JAMES E. DOWNEY (Arthur): Mr. Deputy Speaker, to the Minister of Agriculture, in view of the fact that there are massive layoffs in the rail system, in the railroad industry, some 1,100 as indicated by my colleague, the Member for La Verendrye, can he assure me, this House, and the farm community that the movement of grain, which is vital to the incomes of the farm community, will not be affected because of the massive layoffs in the railroad industry?

MR. DEPUTY SPEAKER: The Honourable Minister of Agriculture.

HON. BILL URUSKI (Interlake): Mr. Speaker, certainly we are concerned, but the whole matter that the member refers to is related to the downturn in the entire traffic on the rail lines. We are concerned that grain receive the priority that it should in terms of export commitments.

MR. DOWNEY: In other words, Mr. Speaker, the Minister has done nothing to assure the farm community that he is representing them when it comes to the amounts of people that are needed in the railway business to move the grain.

A further question to the Minister of Agriculture, Mr. Speaker, has he personally contacted the Federal Minister of Agriculture to get the details on the proposed Federal Beef Stabilization Program? Will it, in fact, replace the ill-conceived program that he has tried to shove down the throats of the farmers? Has he had any personal discussions with the Federal Minister of Agriculture to discuss beef stabilization?

MR. URUSKI: Mr. Deputy Speaker, leaving aside the drivel that the Member for Arthur likes to preface his questions, yes, I have.

MR. DOWNEY: Mr. Speaker, in view of the current market conditions, the upswing in the market conditions, could the Minister confirm at this point that the contributions made by the producers on each animal that they sell will be as great as the \$50 that he is prepared to pay out to the beef producers on a per head basis? That the returns a producer now gets, calculating 4 percent of an entry fee to get into that program, that 4 percent will equal the amount of money that he is proposing to pay out on a per cow basis, so the program is therefore of very little use to the producers other than to add a marketing board system? In fact, they are almost equal at this point.

MR. URUSKI: Mr. Speaker, it appears that the Member for Arthur doesn't listen very well with respect to the announcements that have been made. He doesn't appear to want to not even think or remember that the program is being developed by the producers in terms of the levels of compensation, the premiums. All those details are being worked on and will be developed by the producer group that has been appointed and they will be working on the details of the program which they will when they have those details agreed to, then they will discuss them with the producers and bring them to the government and then we'll discuss them with the producers in the Province of Manitoba.

MR. DOWNEY: Mr. Speaker, one further supplementary to the Minister of Agriculture. When did he have those personal discussions with the Federal Minister of Agriculture re Beef Stabilization Support for the beef industry?

MR. URUSKI: Mr. Speaker, as a matter of fact, I telephoned the Minister of Agriculture last week.

MR. DOWNEY: Mr. Speaker, he may have telephoned the Minister, but did the Minister answer at the other end and speak to him?

MR. URUSKI: Mr. Speaker, not only did I speak to the Minister in Vita, I have spoken to him several times. In last week's conversation, to tell the honourable member clearly, the Minister did not answer the telephone, but I did telephone him and asked him; he has yet to return my call.

MR. DEPUTY SPEAKER: The Honourable Member for Morris.

MR. CLAYTON MANNESS (Morris): Thank you, Mr. Deputy Speaker. I would like to ask a question of the Minister of Agriculture. Last week, I asked three specific questions, which he took as notice, as regard to the Farm Interest Relief Program. I asked him specifically how many applications had been received, how many had been approved and the total compensation paid under this program. I am wondering if he could give me that answer now.

MR. DEPUTY SPEAKER: The Honourable Minister of Agriculture.

MR. URUSKI: Mr. Speaker, as of last week, and I'm going from memory, there were 251 applications that were recommended for approval. By last Friday, there was approximately 65 that were approved and may have been more but 65 were approved and letters had gone out to the applicants that their approval was accepted and they could make their arrangements for the funds that were approved.

MR. MANNESS: Has any compensation been paid under this program to date?

MR. URUSKI: Mr. Speaker, the letters of approval went out and the arrangements — the producers makes the arrangements with their financial institutions for those funds and then the funds are disbursed through those financial institutions from MACC once the arrangements have been made.

MR. MANNESS: When will the Minister within his department have an ongoing tally as to the total compensation paid?

MR. URUSKI: Mr. Speaker, if the honourable member wants to know the exact amounts of dollars, some of the payments will be made on a monthly basis to the financial institutions, so it will be an ongoing process. I will take specifically the question as notice as to whether any cheques have flowed to the financial institutions at this point in time. To tell the honourable member, I cannot say at this point in time that the actual cheques have flowed to financial institutions. However, letters have gone out of approval and payments are to be processed in the normal fashion.

MR. MANNESS: Well, is it the Minister's intention to monitor the actual payout on a weekly basis or on a monthly basis under this program?

MR. URUSKI: Mr. Speaker, we are monitoring the program on a weekly basis. There is a committee within the department and MACC that are going through those applications and are dealing with them

on a weekly basis.

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

MR. J. FRANK JOHNSTON (Sturgeon Creek): Mr. Speaker, my question is to the Minister of Economic Development and Tourism.

On April 29th, the Minister reported the number of projects being worked on with the Small Business Interest Rate Relief Program. She reported 14 were dealt with, 8 were approved, 5 were deferred and 1 was rejected. The Minister also gave a commitment to advise us the actual amount of cash that had flowed under this program. I wonder if the Minister can bring us up-to-date on how many projects have been approved and how much cash has flowed in this program.

MR. DEPUTY SPEAKER: The Honourable Minister of Economic Development and Tourism.

HON. MURIEL SMITH (Osborne): Mr. Speaker, the information I have is about 10 days old and the total amount paid out is \$30,000.00. I'll undertake to update that information and bring it to the House.

MR. JOHNSON: Mr. Speaker, to the same Minister, then the \$30,000 is in respect to the five or the eight that were approved on April 29th.

MR. DEPUTY SPEAKER: The Honourable Member for Virden.

MR. HARRY GRAHAM (Virden): Thank you, Mr. Deputy Speaker. I have a question for the Honourable Minister responsible for the Environment. I would like to ask the Honourable Minister if he has ordered any investigation of the environmental people into the effect and damages of salt water spills through pipeline breakages in the oil fields in southwestern Manitoba.

MR. DEPUTY SPEAKER: The Honourable Minister of the Environment.

HON. JAY COWAN (Churchill): This matter, as the member should be aware if he is not at the present time, is one of co-operation between the Minister responsible for Energy and Mines and myself. As a result of spills which took place earlier in the spring, there have been investigations undertaken and they are currently ongoing.

MR. GRAHAM: I would like to ask a supplementary question. Were those environmental studies initiated by the Minister or by the Minister of Mines?

MR. COWAN: In this instance, they are a co-operative mechanism which is undertaken between the two departments and the two departments are working together at the staff level to ensure that, in fact, we have in place reporting mechanisms which are necessary for the prompt reporting of such spills and that we have in place at the same time, response mechanisms which will enable us to deal in an effective,

comprehensive and quick manner to mitigate against any potential damages which may be caused as a result of those spills.

Finally, of course, the Environmental Management Division does undertake from time to time investigations of specific spills to determine if, in fact, there has been environmental damage and if there has been such damage, what action should be taken to provide the necessary measures which will be used to minimize the long-term or permanent effects of that damage and to put in place an evaluation mechanism which will ensure that in the future, we will be able to, as much as possible, anticipate that sort of environmental damage from occurring and take the action which is necessary to minimize that potential damage in the future.

So if the member has a specific question as to a specific incident, I would be pleased to give him a detailed answer either today if that is possible, or if that is not possible today, certainly in the near future. However, I have outlined to him what I believe to be appropriate general mechanisms which are put in place co-operatively between the Department of Energy and Mines and the Environmental Management Division for his information.

I don't think it's necessary in every instance for one department over another department to take the lead role and to announce publicly that it's taking the lead role. However, I do think it is necessary that we pursue our options in this regard in the following way or the way which I have just outlined rather than outline it again, Mr. Speaker. So we have done that, we will continue to do that in the future and if the member can provide me with specific examples or specific suggestions, I'd be glad to accept them.

MR. GRAHAM: Thank you, Mr. Deputy Speaker, my final supplementary, and I would hope that we are able to see the report when it is completed because the report might be clearer than the Minister's answers. Will the report be available to members of the Manitoba Legislature as well as to the Manitoba Surface Rights Association of Manitoba with their headquarters in Virden?

MR. COWAN: Well, again, Mr. Speaker, I am not certain whether the member is referring to a specific incident or if he is referring to general provisions that are in place to deal with these sorts of problems. If he is dealing with a specific incident, then perhaps he can be more direct in his question and I can then determine whether or not that report on that incident will be available to him in that way. If he is talking about a general situation, I would be pleased to enter into general discussions with him and with other interested parties as I have done in the past and will continue in the future to discuss options which are in place now and options which are available to the Environmental Management Division and to the Department of Energy and Mines to deal with problems which may be created as a result of these spills.

MR. GRAHAM: Thank you, Mr. Deputy Speaker. I had to ask the Honourable Minister of the Environment because the Minister of Mines was not in the House, but I would hope that I will get clearer answers from

the Minister of Mines. The specific question was, had the environmental studies been done; the Minister answered, yes. I have asked if those studies, when they are completed, if the report will be made available to members of this Assembly and to the Manitoba Surface Rights Association. Can the Minister answer yes or no?

MR. COWAN: Now, I assume that I must be more clear on my answers, because I recall having told the member just a few moments ago that in fact we do conduct environmental studies on certain spills. I have asked him, in response to his question so as I can provide him better detail with my answers, to be more specific in regard to what specific spills he is interested in discussing at this time.

If there is a specific spill at a specific time and the Environmental Management Division has undertaken an environmental review of that spill, then I would be prepared to discuss it with him. However, if he is asking for a general carte blanche commitment on my part to provide him with environmental assessments on every spill, I have to indicate to him once again and as concisely as possible that where we believe there may be an environmental impact of a long-term or permanent nature, we would undertake those assessments. The spill, which he may or may not be referring to at this time, may be one of those spills where that potential is not considered to be one which we would have to take into consideration at this time and there may not be that sort of comprehensive assessment done on it. So, I would again ask him to be more specific as to the exact spill to which he is referring and then I can provide him with the detailed answer he deserves.

MR. GRAHAM: As a matter of clarification, I would like to advise the Honourable Minister that there have been innumerable spills, innumerable breakages in the oil field and if the Minister has not done any studies into that, let him tell me now. If he intends to do it, let him tell me that. Obviously, the Minister doesn't know what is going on out there.

MR. COWAN: The Member for Virden is absolutely correct when he indicates that there have been numerous spills. I, Sir, would submit that I am correct as well when I indicate to him that there are different response mechanisms put in place for those different spills and if he would care to be more specific as to which particular spill he is talking about, then I will be more specific in my answer, but I can indicate to him as I did before that the Department of Energy and Mines and the Environmental Management Division have been working in a co-operative way to develop notification procedures and response procedures which will mitigate against potentially harmful effects of these spills. We will continue to do that. That is an ongoing process and one which demands continuous action on our part as we attempt to make our response mechanisms more effective.

If he is asking for a specific report on that ongoing sort of co-operation between the two departments, I am afraid that I can only provide him updates from time to time because we are learning from our experiences in this regard. I am aware of the number of

spills which have taken place in those areas and that is why I am having difficulty in answering the member in a specific way. If he wants an update on a specific spill, I will be pleased to provide that to him. If he wants an update on the general situation, I can assure him that we are continuing to work co-operatively with the Department of Energy and Mines and that we are consulting with groups who might be affected by our actions as we undertake that development of a comprehensive program to deal with these spills.

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

MR. LYON: Mr. Speaker, a question to the Minister of Education. In light of the rather disturbing announcement that was made by the Minister of Finance in response to the Honourable Member for St. Norbert with respect to the invidious position into which this government is putting independent schools in that it is not treating them, vis-a-vis the payroll tax, in the same way that it is treating public schools, will the Minister of Education indicate to the House why independent schools are not being treated in the same way as public schools, given the fact that independent schools teach and look after the education of many thousands of young people in this province?

MR. DEPUTY SPEAKER: The Honourable Minister of Finance.

MR. SCHROEDER: Thank you, Mr. Speaker. The independent schools, as all other employers in the province other than school divisions which have their own publicly elected officials and municipalities, which also have their own publicly elected officials being bodies set up by the Province of Manitoba, those were the only bodies that were excluded and only until December 31st, 1982. They had struck their budget. They are creatures of the Provincial Government and any other employer in the province is in a different category.

As I indicated earlier, in answer to the Member for St. Norbert, we have been in communication with several of the independent schools and we expect to take this under consideration as we will any other specific instances.

MR. LYON: Mr. Speaker, a supplementary question to the Minister of Education, will the Minister of Education use her good offices within the Government of Manitoba to speak on behalf of the independent schools in order that the discriminatory position into which they have been placed by the Minister of Finance with his invidious tax will be brought to an end? Will she assure that the independent schools are not treated in this manner as indicated by the Minister of Finance?

MR. DEPUTY SPEAKER: The Honourable Minister of Education.

MRS. HEMPHILL: Mr. Speaker, I am pleased to have an opportunity to respond to the question raised by the Leader of the Opposition. What I would like to indicate is that I want to reiterate what was said by the

Minister of Finance and that is presently school divisions and municipalities, we have waived the increased cost for this Budget year for school divisions and municipalities. We have undertaken a commitment to do a review of this prior to the January, 1983 deadline with a view to examining ways to help offset the increased costs in the coming year. As the Minister of Finance indicated, we will receive any communication or information from any group that wants to let us know what their unique problems are, what their needs are, and we will take it all under consideration in the review.

MR. LYON: Well, Mr. Speaker, a further supplementary to the Minister of Education. Given the fact that during her Estimates, she admitted to the House that she had not as yet provided any annual incremental increase in the aid to independent schools. Will she now consider not only giving the incremental increase for this current taxation year, but also including within it a sufficient amount of money to offset the invidious tax which her colleague, the Minister of Finance, has imposed upon independent schools so that they will in that respect, at least, be on a par with school divisions in Manitoba?

MRS. HEMPHILL: Well, Mr. Speaker, my Estimates are still up and I think detailed questions related to what is in the Budget, what is in the Estimates, is more appropriately discussed in detail then. But I can communicate what I previously communicated to the Leader of the Opposition and that is, there has been some increased support in this Budget year for independent schools. The increase is in the range of approximately 11 percent over last year's budgetary figure. That was, they are getting the increase, receiving the increase in transportation costs as are the public schools and they are receiving the increase in books and print and non-print costs as are the public schools. We have also given additional support to those independent schools offering the Hebrew language by interpreting an existing regulation in a much more flexible manner than had been done previously so they all are now qualified to receive the \$435 available for all students that they are educating. These are all additional benefits greatly appreciated by the association for independent schools.

MR. DEPUTY SPEAKER: Order please. The time for Oral Questions having expired, we will proceed to Orders of the Day.

ORDERS OF THE DAY

BUDGET DEBATE (Cont'd)

MR. DEPUTY SPEAKER: On the adjourned debate of the Honourable Minister of Finance and the amendment thereto, the Honourable Member for River East.

MR. PHIL EYLER (River East): Thank you, Mr. Speaker. Let me begin by saying that we on this side are fully aware that this was not an easy Budget to assemble. In the face of federal cutbacks of \$719 million over the next five years, we had to try and meet two goals. We had to try and sustain the economy

through these hard times and we had to try to protect and assist those who were suffering from the worst effects of recession and inflation.

Mr. Speaker, to meet these goals we had to attempt to do three things. First, we had to provide for a stimulative spending program. Second, we had to limit the deficit to one which would not impair the province's credit rating on the world money markets. Third, we had to provide for a limited and equitable increase in taxes. I believe we have achieved these goals, Mr. Speaker.

As far as stimulative spending goes, we have added an extra \$10 million for direct job creation in the next year. We are spending \$700 million for Capital improvements. That is an increase of 40 percent over last year. This includes \$69 million in accelerated health care construction and \$50 million extra for Manitoba Housing and Renewal Corporation. These are important for River East. We have a lot of people involved in the building trades and a lot of those people are unemployed and they are looking forward to job creation projects this year.

As far as the Budget deficit goes, Mr. Speaker, we believe we have kept it under control. We have increased the deficit from \$277 million last year to \$334 million this year and that is an increase of 20 percent, but it will not impair the credit rating of this province. We will maintain our AA credit rating in New York. We still have a large amount of unused tax authority which we are not using. We have the lowest sales tax of all the provinces with sales tax. We have low gasoline taxes compared to those with gasoline taxes. Mr. Speaker, there is a great deal of tax we are not levying this year. We have limited our tax increases. We realize we cannot charge all of our spending increases to the deficit, especially in the face of federal cutbacks.

Our tax changes have had two goals. The first of these is to recapture lost federal transfer monies where possible and the second is equity. The Health and Education levy meets these criteria, Mr. Speaker. Over a quarter of this tax will be paid by the Federal Government either through direct levy on federal bureaucracy or as an indirect syphoning off from the corporate income tax. Mr. Speaker, this is accepted practice in Quebec, Ontario, Alberta and B.C., and there is no reason why it cannot be done in Manitoba. However, somebody has to pay the tax, and every day the members of the Opposition come in with startling new revelations as to who is going to have to pay it — small businessmen, big businessmen, farmers, bankers, accountants, lawyers, churches, and to the utter disgust of the Member for Sturgeon Creek, even chili burger stands. Mr. Speaker, one characteristic that all of these groups have in common is that they are all the productive people in society. This tax is not levied on fixed income pensioners who are beyond the age of production. It is not levied on the handicapped. It is not levied on the unemployed who cannot find productive positions. It is a fair tax.

The sales tax increase that the Opposition seems to be advocating would have hurt these groups even more. The Opposition, Mr. Speaker, says that this levy is a hidden tax which will be passed through at higher cost to consumers. They especially like to key in on food. So let's look at what would happen in the Safe-

way in my area on Henderson Highway. What would happen to the cost of food in these areas? Mr. Speaker, I called the Manitoba Food and Commercial Workers Union last week and 10 percent of the costs for an average grocery store is attributable to labour. The Health and Education levy is a 1.5 percent tax on 10 percent of the cost which is attributable to labour. I am sure that Safeway will take full advantage of its tax deductibility so the final impact is $\frac{3}{4}$ of a percent of 10 percent which is the labour cost. That amounts to an increase of .00075 and in terms that the Opposition perhaps can understand, that is 7 $\frac{1}{2}$ cents on every \$100 worth of grocery. Mr. Speaker, that is not a tax that I am afraid of and it certainly is much less of a burden to pensioners than any increase in the sales tax of 2 percent. When the Opposition, Mr. Speaker, says that the cumulative impact from the beginning of the food chain to the end is as much as 5 percent, that just simply isn't true. He used the words of the Leader of the Opposition — it won't wash with the public.

The levy for Health and Education is an equitable tax, Mr. Speaker. It recognizes the fundamental changes in our economy, the changes which have taken place in the last 20 years since they introduced the sales tax. As the economy develops, it is the service sector which is expanding at a more rapid rate than the goods sector. The sales tax is a tax on goods primarily and as such, it ignores a major section of the economy. Our tax hits all employers, not just the goods sector. It raises the same amount of money by spreading the tax load over all the producers rather than a select few and as such, it reflects the economy of the 1980s, rather than the economy of the 1960s.

The Health and Education Levy is a new tax, Mr. Speaker, and it reflects the ability and the willingness of this government to seek out new solutions to the problems which we are facing today. To put it in economic philosophy and to, I'm sure, put it in terms that the Opposition will understand, this is a tax on the supply side and as a tax on the supply side, it is in direct conflict with the Neo-Conservative theory of tax incentives for the supply side.

Mr. Speaker, the Neo-Conservatives are the disciples of Laffer who invented an ingenious curve in which he decided that by decreasing taxes for the wealthy, they will spend this money and they will invest it in more productive uses in the economy and bring the economy back to health. Mr. Speaker, there may be times and places where that will work, but that is not in Manitoba today. It will not work here. This shifts the responsibility for the economy from the government to private enterprise and we, on this side, do not believe in abdicating our responsibility to those groups who have failed to provide the economic leadership in the past few years.

Mr. Speaker, we had supply side cuts under the last government; we had reductions in corporate income taxes; we had reductions in the wealth tax. Mr. Speaker, the increase in private investment and consumption did not make up for the loss in public investment. All we got for our supply side tax reductions was a greater deficit which did not stimulate effectively our economy. When the Conservatives began to look for their extra revenue to cover their deficits, Mr. Speaker, they went to the traditional con-

sumption taxes and in particular, gasoline.

In the past two years, the gasoline tax has risen 60 percent. We are in no position to lower this tax now and we certainly can't eliminate it as was done in Saskatchewan. We simply cannot afford an extra \$119 million on our deficit. However, we have frozen the tax, Mr. Speaker. Also, in recognition of the higher energy value of the diesel tax, we have restored the traditional ratio of diesel to gasoline tax at 115 percent.

Perhaps, most significant of all, Mr. Speaker, we have raised the tax on gasohol from 0 to 2.4 cents a litre. Contrary to press reports, this will not result in higher gasohol prices. In fact, the tax increase was necessary to prevent a useless giveaway of government revenue. Mohawk Oil stood to make millions of dollars in excess profits this year due to the previous government's tax engineering.

Let's look at the original rationale, Mr. Speaker. Gasohol is a useful experiment in gasoline extending, and alcohol is more expensive to produce than gasoline, and a subsidy or a tax relief is indeed a useful program in this experiment. The question is, how much subsidy do you want to give? How much? Commonsense, Mr. Speaker, tells us that the level of the subsidy should decline as the price of gasoline rises to meet the cost of producing alcohol. In fact, Mr. Speaker, under the Conservative regime the exact opposite happened. The higher the price of gasoline, the greater the subsidy for alcohol production.

The mechanics of the subsidy derived from the 1980 Budget which the Conservatives put forward, the subsidy was given in the form of a road tax elimination on gasohol, originally 4 cents a litre, but the Conservatives made the road tax a percentage of the price of gasoline and that tax relief now amounts to 6.4 cents a litre for gasohol. Since gasohol is only 10 percent alcohol, the tax relief for each litre of alcohol produced is 64 cents or \$2.90 a gallon. Mohawk Oil reported to the Free Press on April 29th of this year that tax exemptions were \$1.80 a gallon. That was based on the original 4 cents a litre tax rebate, rather than today's 6.4 cents tax rebate.

Mr. Speaker, the cost of production must be related to the subsidy. Mohawk Oil estimates that it costs \$2.50 to produce a gallon of alcohol and that it is a fair figure. The Oil and Gas Journal for March 3rd, 1980, reports that it costs \$1.70 in the United States for a gallon and converting U.S. gallons to Canadian gallons and U.S. dollars to Canadian dollars, \$2.50 a gallon. That is the cost of production. If gasoline costs 42 cents a litre and I checked on Budget Day, that is what Mohawk Oil was selling its gasoline and gasohol for, that is \$1.90 a gallon, the cost of producing a gallon of alcohol is \$2.50, then clearly a subsidy of 60 cents and not \$2.90 is required to make alcohol competitive at the gas pump.

There may be other costs, Mr. Speaker, and I am well aware that Mohawk has brought in alcohol from the United States which did not enjoy a tax subsidy on, but how big are these costs? Are they worth \$2.30 which is the excess subsidy we are paying them? It would appear that Mohawk Oil is receiving over \$2 a gallon in tax relief on its product which is neither necessary nor passed along to the consumer at the gas pump. By charging the same price as gasoline,

Mohawk Oil is pocketing up to 5 cents a litre in wind-fall profit and laughing at the Province of Manitoba all the way to its Alberta bank. They are getting such a good break, Mr. Speaker, they want to expand production at Minnedosa from 1.2 to 1.8 million gallons of alcohol a year. Under the tax giveaway engineered by the Tories, that would mean a cost to the Provincial Treasury of up to \$3.5 million above what is currently necessary to make gasohol competitive at the gas pump. Mr. Speaker, this was irresponsible and incompetent tax engineering by the previous government. They had plenty of warning, Mr. Speaker.

I am sure they would read Fortune Magazine. If they had read Fortune Magazine's article on gasohol from September 24th, 1979, they would have read, "On a national scale, such efforts would turn into a costly boondoggle with taxpayers once again the victims." That is Fortune Magazine, hardly a Socialist rag, and I would think a respectable journal in their opinion, but they didn't heed the recommendations of that.

Mr. Speaker, we have the highest subsidy under their regime for gasohol in North America. The second closest is the State of South Carolina where the maximum subsidy in Canadian money is \$1.92 a gallon, not \$2.90 like they engineered. The Conservatives like to talk about free enterprise coming in, taking the risks and enjoying profits. Mr. Speaker, where were the risks in this project? Where were the risks? Certainly, there was never any risk if they they would lose money; the only risk was that Mohawk Oil would be caught making exorbitant profits at the expense of the Manitoba Treasury.

Mr. Speaker, I am glad that this Budget has added a tax to gasohol and even with the 2.4 cent a litre tax, I would say there is still room for potential decline in the price of gasohol at the gas pump. Contrary to Free Press reports, the price is not too high.

In closing, Mr. Speaker, I am pleased with this Budget. I am pleased that it provides money for direct job creation. I am pleased that it provides money for employment generating construction projects. I am pleased that it protects pensioners and unemployed from major impact of tax increases; and I'm pleased that it recaptures a major portion of the lost federal transfer payments. It's not a perfect Budget, Mr. Speaker, but it certainly is the best that can be done in these difficult times.

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

MR. MERCIER: Thank you, Mr. Speaker. Mr. Speaker, the budgetary process is one of the most important features of the parliamentary system of government, I believe. The government puts before this House and before the public its broad intentions with respect to spending and finance, and by doing so, invites ours and the public's scrutiny, comment and criticism. It should impose, Mr. Speaker, a discipline on the government that would not otherwise be there and brings about, I hope, a more efficient and effective use of the public's scarce financial resources. Indeed, Mr. Speaker, the process should serve to make the government deeply and acutely aware of whose funds it is spending and how it is raising it's funds.

Unfortunately, Mr. Speaker, this Budget demon-

strates a lack of sound financial management in control procedures. It saddles Manitobans with a record deficit, Mr. Speaker, of some \$334 million or \$335 million and when we think back just a few short months ago, Mr. Speaker, when the now Premier had the audacity to label our Budget deficit as intolerable and his Minister of Finance has now brought in a Budget some 50 percent higher than that of our government in our last term of office. It saddles Manitobans, Mr. Speaker, in addition with some \$900 million in borrowing, which must be financed, and which future citizens in this province must make good on those borrowings.

Mr. Speaker, it is probably also the largest tax increase in the history of this province. It doesn't recognize that there is a limit to what producing Manitobans can reasonably be expected to bear under the present circumstances. Again, Mr. Speaker, I believe the Budget is inflationary and will increase unemployment.

The amendment, Mr. Speaker, I think quite clearly and correctly presents the position of Her Majesty's Loyal Opposition. The first paragraph indicates that the NDP in presenting this Budget has abandoned its responsibility to manage carefully the financial affairs of the province and, Mr. Speaker, the deficit that is referred to in the Budget will increase, I believe, as other members on this side have indicated.

We have before us today a press release by the Minister of Education indicating a program of \$1.75 million for small schools. I'm not disputing the program that has been set out, but I have to ask the question, is it included in the Estimates that are before this Legislature? I doubt that it is. I would think that it is another item that is going to be added to the eventual deficit of the Provincial Government in this fiscal year. It will grow, Mr. Speaker. The interest on borrowings are significant. Last week, the interest rate increased once again and we have some \$900 million that will have to be borrowed on the market this year.

Mr. Speaker, the second part of the amendment refers to a failure to pursue aggressively the major economic development projects initiated under the previous administration. Mr. Speaker, there's not only a failure on the part of this government to pursue those Economic Development Projects and there was, interestingly, a publication put out by the Manitoba Construction Industry, I believe, which pointed out in detail the number of tradesmen that would be required to work on those projects: carpenters, plumbers, electricians, truckers. Mr. Speaker, that is what is needed in our economy at this time is jobs for people. Unemployment has increased significantly over April of this year compared to April of last year. I believe the rate some 8.4 compared to 6.1 percent and the prospects are not good, Mr. Speaker, but this government has failed to pursue those development projects to provide jobs for workers in this province.

Mr. Speaker, the third part of the amendment indicates that the NDP Government has failed to provide economic direction and leadership. Mr. Speaker, we have heard during her Estimates, the Minister of Economic Development expound on her peculiar philosophies as it relates to economic development in Manitoba. Mr. Speaker, we have just heard the Member for River East expound on some of his theories and his

views of government revenues. He doesn't want to see any possible source of government revenues left alone. Mr. Speaker, it's an attitude that seems to indicate that all the money out there belongs to the government and it's only by privilege that the government allows a few people to keep a few dollars to look after themselves. Mr. Speaker, it's an attitude that, I think, will alienate any investment in Manitoba and the development of any jobs in Manitoba which are badly needed. It's more than precise projects or ideas, Mr. Speaker, it's more a frame of mind that the government has at this particular time in its term of office that, I believe, has alienated and will alienate private investment in Manitoba.

Mr. Speaker, the fourth part of the amendment indicates that the NDP Government has increased public cynicism about government in the political process and has failed to keep faith with Manitobans. Mr. Speaker, in less than six months, we have seen the approach of the government and its complete failure to live up to the promises which we have asked almost daily about in this particular House, the promises which were made to the people of Manitoba, promises which the government simply cannot deliver on, Mr. Speaker. As a result they have lost a great deal of credibility in the minds of the public.

We heard the Premier of this province goes around the province for some three or four months talking about an increase in the sales tax, Mr. Speaker, and then they brought in this particular Budget, which they say there is no increase in the sales tax, but we all know that this is, in fact, a hidden sales tax which will affect the cost of everything produced in Manitoba.

Mr. Speaker, the Minister of Finance, in his Budget and in his answers in this House deals extensively with a comparison of his payroll tax versus a sales tax increase and cites the advantages of one and the disadvantages of the other and adopts the payroll tax as his preferred approach. When asked in the House about the effects of the payroll tax on people in Manitoba in various areas, he always attempts to talk about the sales tax and to say, "Isn't the payroll tax better than the sales tax?"

Well, Mr. Speaker, what is disturbing is that he apparently didn't consider another alternative and that is reducing expenditures instead of adding taxes. Mr. Speaker, this is what everybody else in Manitoba is doing; establishing priorities; establishing priorities within their available means. But all we hear the NDP talk about, Mr. Speaker, are the increased revenue needs of government, needs of government, revenue needs of government; or else we hear the Minister of Finance talk on a radio hotline show about how he got this sector of the economy and how he got that sector of the economy and how he's going to get this other sector of the economy. Mr. Speaker, it is a mentality and an attitude that I find very disturbing. Mr. Speaker, I suggest the government has not administered public funds prudently.

Mr. Speaker, we can look at the Estimates. Does the Premier's Office need the large number of people that he has hired in that office to replace the two or three that were there before? What additional service, Mr. Speaker, are they going to provide to Manitobans, hard-pressed as they are at this time to made ends meet, and instead are going to be taxed additionally

by the payroll tax, or are going to lose employment as a result of that tax.

A small matter, Mr. Speaker, it came up in the House, but who else but the Premier's office can afford the carpet that he has had installed. A small item, Mr. Speaker, a small amount of money, but is there any taxpayers out there in my constituency that are buying carpet at those prices? I don't think so, Mr. Speaker. I don't think there are probably any members of constituencies of members opposite who are buying carpet at those particular prices.

Mr. Speaker, we reviewed the Estimates of the Department of Urban Affairs. The Minister of Municipal Affairs advised me in Committee in his Estimates, that there were four persons transferred from Municipal Affairs to the Department of Urban Affairs in the creation of this new department. Now, Mr. Speaker, the staff of the Department of Urban Affairs is 19. The Minister of Urban Affairs, Mr. Speaker, could not explain, to my satisfaction, what all of these people are doing in that particular department. He indicated, Mr. Speaker, that they were not going to be there to second guess the City of Winnipeg decisions.

Mr. Speaker, we implemented a system of block funding earlier on in our term of office; as a result of which the city was able to spend the money they received in accordance with their own priorities and based on a great deal of expertise in their administration, whether it was in the Water Waste Department, whether it was in the Transit Department, the Streets and Traffic Department, the Environmental Planning Department or wherever, the Minister of Urban Affairs is not going to be able to duplicate the expertise that has developed in the city and the experience that they have developed in the operating City of Winnipeg matters. But one is led to believe that the only possibility for the use of these people in the Department of Urban Affairs is to second guess the decision-making in the city and if that is what is going to happen, Mr. Speaker, I'd suggest that this is another example of a wasteful expenditure of funds. It is not only an additional and unnecessary burden on the provincial taxpayer, it will become an additional burden on the City of Winnipeg taxpayer, because what happened previously was that city administrators had to spend a great deal of time responding to the position of the Federal Government when they were in office previously when they tried to, and did indeed, second guess the decisions of the City of Winnipeg.

Mr. Speaker, I suggest these are at least three small examples of a lack of control of expenditures by this government and an unnecessary burden of taxes on the taxpayers as a result.

So, Mr. Speaker, I don't believe they made any hard decisions, they made the easy decisions. They simply approved carte blanche the spending proposals that were brought forward and it resulted in the increase in spending that has occurred; an increase in spending which is misleading, Mr. Speaker. They indicate there are some 16 and some points percentage increase in spending, but if you compare print over print, that increase is much higher and it's not over yet, Mr. Speaker. We will see throughout the year more spending and a higher deficit than is revealed in the Budget so far.

Mr. Speaker, my position is that taxes should not

have been increased in Manitoba. The payroll tax of the NDP will only result in increased unemployment as employers, Mr. Speaker, will have to reduce their costs or it will result in higher prices, a hidden sales tax, as employers pass on the increase cost. I suggest, Mr. Speaker, this is an extremely backward and retrogressive step. The Minister of Finance seems to take delight each day in expressing to the members of this House that the payroll tax applies to every employer in Manitoba, except municipal and school divisions who will start to pay as of January 1st, 1983. Mr. Speaker, it will apply to eventually increase the costs of food, the cost of clothing, the cost of housing, all items that are exempt under existing payroll tax and many other items that are exempt under the sales tax. They seem to take great pride in adopting the recommendation of the Member for Sturgeon Creek that the sales tax on meals be increased to \$6, but by applying the payroll tax to the employer, they are undercutting that sales tax exemption and all other sales tax exemptions, Mr. Speaker. So it is, Mr. Speaker, a very very negative task.

Mr. Speaker, with respect to the economy of this province, we have seen over the last few weeks the announcements with respect to record unemployment compared to last year and getting worse. We've seen record bankruptcies, over 136 or 138 percent increase over the same period of time last year and getting worse, Mr. Speaker, and the government now wants to take out \$70 million this year out of the economy and \$110 million next year out of the economy. Mr. Speaker, I think this is the worst possible step that could be taken for our economy at the present time. It has, Mr. Speaker, tremendous implications and affecting every employer throughout the province at a time when cash flows for businesses of all kinds are very low, are very difficult. Mr. Speaker, if the members opposite were out in the real world, I think, talking to employers, talking to people about what's happening, it is a very very difficult, very serious situation. Many many people in our province are very very discouraged, depressed and the government comes up with a Budget which will take all of this money out of the economy and only add to the financial woes of business and ultimately, Mr. Speaker, of individuals and families where employment is lost.

Mr. Speaker, the Minister of Finance in question period just the other day wondered why we were not asking about the small reductions in taxes that have taken place. I'm surprised that he would raise that particular matter, Mr. Speaker, because we spent some four years in office reducing taxation in this province, so he can rest assured that we, on this side, welcome any tax reductions because that is our objective and our method of operating over the past four years.

I was surprised today, Mr. Speaker, when the Minister of Finance indicated that the independent schools will not be treated the same way as school divisions and with no undertaking to be treated in the same way as municipal governments and school divisions. They have not received, although the Minister of Education tried to leave the impression today that independent schools have received an incremental increase in funding this year, Mr. Speaker, they have not. They may have received some very small adjustment on

account of books and on account of transportation as she indicated, but they did not receive any increase in their \$450 grant per student.

Mr. Speaker, as our leader indicated, these schools are required by provincial legislation and the whole approval process to provide the same standard of education through qualified teachers as do the school divisions and they receive a very small grant from the Provincial Government, a grant that we had pledged to increase this year after we had spent four years in government changing the legislation and putting the whole system of financing on a different basis. Now the independent schools not only have not received any increase in their basic grant but they have been subjected to this payroll tax and are not going to be treated in the manner as school divisions. So, Mr. Deputy Speaker, I hope the Minister of Finance and the Minister of Education and indeed the Minister of Health will get together and come up with a realistic program of assistance for independent schools.

Mr. Speaker, the Honourable Attorney-General today in response to my question with respect to the direction to the Manitoba Liquor Control Commission to increase their revenue by some \$20 million, which it's not entirely clear from the Budget, but which I assume price increases would be effective May 30th and he's nodding in agreement. Mr. Deputy Speaker, this \$20 million increase in revenue will come into place after there has been Federal Government excise tax increases after the most recent increases of just the beginning of this month and after the effects of the 1.5 percent payroll tax are ascertained. That simply won't be a payroll tax on the effect of the payroll tax on the Liquor Control Commission because the commission is going to have to consider the increased costs that will be passed on to them by truckers and suppliers as a result of the trucker's employer and the supplier's employer having to pay the payroll tax.

Mr. Speaker, the Honourable Attorney-General indicated that there would be an 8 percent increase on beer, 7 percent on spirits, 15 percent on wines. Mr. Speaker, we'll look forward to seeing those announcements and I hope they're coming forward very shortly, within a matter of days. We had always attempted, and I believe the Attorney-General and the Liquor Commission have followed this practice of announcing the increases in prices some time in advance in order to provide as much notice to the consumer as possible. But I believe the commission is going to have some difficulty even staying within the percentages that the Attorney-General indicated today.

I suspect also, Mr. Deputy Speaker, that these price increases will put the province in a very uncompetitive situation with neighbouring provinces, particularly, Ontario. I hope that the government has considered the effect of these price increases on the hotel and hospitality industry, Mr. Deputy Speaker, because an increase of this magnitude is going to make it very difficult for restaurants and hotels to be in a very good position in terms of comparison of prices with other provinces and other states, Mr. Speaker, and there could be a significant impact on that industry as a result of these increases.

I point out to the Attorney-General, Mr. Deputy Speaker, that we made an amendment to the Liquor Control Commission Act a few years ago after the

strike at the Commission which allows Manitobans to import spirits from other provinces. Some members may recall what occurred at that time when the Mounted Police stopped a number of motorists particularly, I believe, in the eastern end of the province and charged those Manitobans with importing beer from the Province of Ontario. We subsequently stayed all of those charges and this Legislature passed an amendment to allow Manitobans to import spirits and beer from other provinces. It may very well be that there will be Manitobans who will take advantage of that particular provision as a result of the price increases that the government has imposed.

Mr. Deputy Speaker, I read carefully Page 6 of the Budget which talks about the initiatives taken by the Provincial Government and they talk about, "Our \$23 million Interest Rate Relief Program is now in place to provide assistance to homeowners, farmers and small business operators." Just today, a couple of other members asked questions about the amount of funds that have flowed through this particular program, Mr. Speaker, and I believe that some \$30,000 has flowed to small business which is obviously just such a small amount of money that can hardly be of any assistance at all to small business and to the people employed in those businesses.

We asked the Minister weeks and weeks ago during her Estimates at that time when we found out from her that nobody had been yet approved and not a nickel had flowed to review the criteria because it was obvious to us that there had been a large number of telephone inquiries, but a small number of applications. Obviously, what was happening is people just couldn't qualify for her program, the government's program. We asked her to review the criteria for that particular program, but the Minister refused and now we are seeing the results of that refusal to review the criteria. Hardly any money whatsoever has flowed. Hardly any assistance has been provided to small business through that program, Mr. Deputy Speaker, and we have to suspect that hardly any money will flow in the future and little if any assistance will be provided to small business operators and to the employees that work for them.

Mr. Speaker, the second initiative that is referred to here is, "New job creation programs have been announced to help stimulate employment in the short run, especially for students this summer." Mr. Deputy Speaker, we reviewed that in the Estimates of the Minister for Labour. We found out from him that the amount of money he was prepared to spend this summer would only provide, under his criteria, 1,500 jobs for students. For the same amount of money under our program last year, over 5,000 jobs were created. We asked the Minister to change his criteria, his career related program, so that what is most important to young people this year is that they get a job. Mr. Speaker, I worked as a garbage man. I am sure all members of the House, we did anything to get a job in the summer, build roads and whatever. They weren't particularly career related, although perhaps the garbage aspect did have some connection with my future prospects in the Legislature — it could have, Mr. Speaker — but what is most important to young people is that they get jobs. The Minister's program only provided for 1,500 jobs under very

difficult criteria.

Now, Mr. Speaker, the Minister has apparently listened to us and perhaps had his department do some investigation and now the government is providing additional funds. We congratulate the Minister and the government on recognizing the urgency of the situation of jobs for young people, but we would say to him, if he would change the criteria, he would be able to provide many, many more jobs for what he is now spending and wouldn't really require the additional funds.

Mr. Deputy Speaker, they go on, on the page, to refer to "Major increases in assistance to municipal governments and school divisions have been provided to ease the property tax burden." Mr. Speaker, that is worth examining. Have they eased the property tax burden? The Minister of Finance, in his pamphlet to City of Winnipeg taxpayers, and I suppose it goes all over the province, says that the government is providing improved assistance to municipalities. That is very interesting, Mr. Deputy Speaker, because I thought I would check that out, not that I don't trust the Minister of Finance or the government, but I wanted to substantiate that statement. I went back and looked at the tables that I had that showed in 1977, a homeowner in the City of Winnipeg School Division, living in the so-called average home assessed at \$7,000 and assuming the minimum property tax credit, paid net realty taxes of \$686.01. In 1981, that same Winnipeg resident living in that same \$7,000 assessed home, assuming the minimum property tax credit, paid net realty taxes of \$764.34, an increase of only \$78.03 over a four-year period, Mr. Deputy Speaker.

Now, in 1982 in the Winnipeg School Division, that person's tax increase is \$180.14 in one year. They have the nerve to say in the Budget that there have been major increases and assistance to municipal governments, school divisions have been provided, and the Minister of Finance says there's improved assistance to municipalities, when in one year the increase has more than doubled the total increase over a four-year period of time. That Winnipeg School Division, the members Opposite will know where the Winnipeg School Division is because there are a lot of members opposite who represent constituencies in the Winnipeg School Division. What is even more concerning is the fact that — having talked to people who live in this Winnipeg School Division — this increase in taxes this year comes at a time when, as I've said, people are loosing their jobs, companies are going bankrupt, the cost of living has gone higher, people are having difficulty meeting ends together. Times are extremely difficult for people out there, and at this particular time the government has the audacity to include a statement that they have provided major increases to ease the property tax burden and to provide improved assistance to municipalities.

Suppose the Minister of Urban Affairs, and he wasn't in the Legislature during the previous four years, you know, when I asked about this attempt not to take any responsibility for the tax increase, he says it is the city determines it's own spending plans, we are not telling them what services they should provide except for the fare increase on the Transit. If the government is going to attempt to take credit for their major increases in assistance to municipal govern-

ments and school divisions to ease the property tax burden, and their promise in that document that we've all seen in this House where the now Premier says that he promises to ease the property tax burden throughout the province, they are going to have to take the responsibility and the blame for this exorbitant tax increase imposed upon the taxpayers of the City of Winnipeg and I understand throughout the whole Province of Manitoba on agricultural land and in rural areas, similar increases have occurred.

We obviously in our Party had a very effective program for education financing and municipal financing. I ask the members to recall back. We increased the property tax credit by \$100 in 1980. In 1981, we put in well over \$70 million additional money into the financing of education. We had a real commitment, Mr. Speaker, to the realty taxpayer and that's why over four years, to the Member for Dauphin, the increase on that average home was only \$78.03 and in one year, it's more than doubled under this NDP Government. We are going to make sure that every taxpayer in the Province of Manitoba knows these figures and knows who has caused this particular problem for them and why this exorbitant increase is being imposed upon them at this particular time.

Mr. Deputy Speaker, there are other aspects of that I wanted to speak on, but obviously time has gone by too quickly. I just want to refer to a statement that was in the Throne Speech by the government. They said, "Later in the Session, the Budget Address will provide further evidence of my government's commitment to improved economic and social justice." We have seen what justice is to them. The tax bills, we've seen what justice is to them, Mr. Deputy Speaker, and we'll see what effect the payroll tax has and its justice. Last fall, 47 percent of the electorate in Manitoba, taxpayers, consumers and workers fell for the promises of the NDP, Mr. Speaker, and their election promises. "A Clear Choice for Manitobans." They know now what a clear choice means and what a NDP choice means. I suggest to the members opposite that the electorate is not going to fall for those promises again, that we intend on this side in Opposition to bring forward as forcefully as we can the plight of all individuals in Manitoba suffering under the economic circumstances that this government is causing, particularly the young who are unemployed, the workers of this province, because the workers of this province are going to defeat this government in the next election, because everything that they have done has caused unemployment and an increase in costs and it's going to be the workers. Perhaps, it won't be the labour union leaders like the one in Thompson who took his people out on strike for weeks and months and then settled the strike after the election and had the audacity to say, having received a very similar amount to what they were offered prior to the strike, that this was the best contract of its kind in North America. We don't want those kind of people, but the workers who will see the record of this government and the creation of jobs in this province will not support that side of the House in the next election because it's obvious they are not providing any economic direction and leadership for this province and don't have the kinds of policies that are required in this particular time, kinds of policies that are required to province jobs

for Manitobans.

MR. DEPUTY SPEAKER: The Honourable Attorney-General.

MR. PENNER: Mr. Speaker, shortly after being elected and taking office, I began to look forward with some expectations — I wouldn't say great expectations — to meeting the House and to engaging in what I hoped would be, at least from time to time, some meaningful debate. I presumed that there were at least half a dozen, maybe seven, members of the Opposition with the intelligence enough to engage in that kind of debate, but day by day I must say that expectation, limited as it was, has eroded. Instead of reasonable discourse, instead of constructive criticism — I would have even settled for intelligent political rhetoric. Instead of all that, Mr. Speaker, what we have heard from the Opposition day after day, throughout the question period, in Estimates and now in the Budget Debate, have been tired clichés, knee-jerk reactions, dog-eared dogmatism which makes the 19th Century look progressive, jackboot language inside of a straightjacket mentality.

Well I suppose one expects some of that in the course of political debate, in the course of the thrust and parry of a Legislative or Parliamentary Session — some of it — but in addition to that there have been, Sir, statements made in this House, which outside of the House, because I couldn't do it inside the House because it's unparliamentary, I have called irresponsible and in my view, speaking as I did outside of the House, they were irresponsible and that's not strong enough. Statements, Sir, which are astonishing not only, I submit, in their disregard for the facts, but mainly and what I must say for the record, in their careless disregard for the political and economic future of this province.

I want to illustrate at the beginning of these remarks by three examples having to do with questions, indeed scarcely questions, more innuendo than questions relating to the mega projects, bankruptcies and the Prospectus. Just to illustrate the point that I've made about the relatively — everything is relative — low level of political debate, which I submit sadly, we have encountered in this House.

With respect to the mega projects, for example. The Leader of the Opposition speaking in this House on the 30th of March, 1982, said for example, "In view of the fact that in the last four weeks under questioning in this House it has become apparent to this House and to the people of Manitoba that Manitoba stands a much worse chance, if any change at all, of getting an Alcan Smelter and according to the most recent revelations of the Minister of Mines and Energy, that it's back to Square One in negotiations on a potash mine." And I say what fact, that was a fact made up out of the whole cloth, out of the lurid imagination of the Leader of the Opposition. No more of a fact was it than that outrageous rumour, which the Leader of the Opposition trumpeted in this House just a few days ago, that Alcan had opted to go to Thunder Bay; trumpeted as if he was appealing some note of triumph.

Again the Honourable Member for Rhineland in the Budget Debate, said "You've blown Alcan; you've blown potash; you've blown the Western Grid; we're in

trouble" and all he was doing was blowing in the wind. All that the Member for Rhineland was doing was suggesting to this House his own unfounded suppositions.

The Leader of the Opposition in the Budget Debate, speaking of the mega project, said as follows: "My question . . .

POINT OF ORDER

MR. DEPUTY SPEAKER: The Honourable Member for Tuxedo on a point of order.

MR. GARY FILMON (Tuxedo): Mr. Speaker, in the absence of the Honourable Member for Rhineland, I happen to be aware of the fact that he has not yet spoken on the Budget Debate and he's been quoted twice by the Attorney-General.

MR. PENNER: Right you are. It might have not been the Member for Rhineland, but it was the Member for Emerson who made that statement. They are sometimes in my mind interchangeable. They seem to be cut with the same cookie cutter, painted with the same stencil.

On the 26th of March, 1982, the House Leader for the Opposition said, with respect to the mega projects that, "Mr. Speaker, is the Minister of Finance not concerned about the credit rating of this province and about his integrity when he places this type of document," and it was about the Prospectus, "before the House and before the investors of the United States and indeed of the world and asks for their support, when that information is clearly not true," suggesting that the Minister of Finance of this province has told a lie to the investors of the United States. It's that kind of thing which I talk about when I talk about irresponsibility. The Leader of the Opposition in the Budget Debate talked about the mega projects and said as follows: "They're in limbo, Mr. Speaker, they're all in jeopardy."

I have the feeling, Sir, that sometimes it almost appears like they would like these projects to fail. They gloat, they literally gloat at every apparent setback for this province. It's like kids, it's like kids saying "I told you so. See, didn't I predict?" That's the kind of language, those are the kind of innuendos. They need to be told that we're not engaged in kid's games when we are attempting to deal with the economic future of this province. These are difficult times and they need a measure of responsibility, not yet forthcoming from the Opposition Benches.

Tough times, Mr. Speaker, call for a tough mindedness, not political petty fogging borne of post-election depression. You've lost the game; recognize that we're in a much more serious game having to do with the economy in this province, with jobs for Manitobans, a future for Manitobans. At least engage, if you can and some of you can, in some thought out criticism, some construction criticism, not the type of thing we've heard.

Secondly, with respect to bankruptcies, when I talk about irresponsibility. Sir, it's positively ghoulish. They sometimes seem to feed on them. They bear each new bankruptcy into this House like a trophy into the huntroom, ready to nail it to the wall, ready to lick

its bones. "Look another one," say they.

For example, the Member for Arthur, when he was speaking on April 6th, asked "Could the Minister of Agriculture indicate to the House how many farmers have gone bankrupt in the past three months."

On the same day the Member for Sturgeon Creek wanted to know about Wolch's Limited; wanted to know about Creative Fibre Glass Limited; well knowing these facts, but raising them in the House so they could lick on the bones of these bankruptcies, in my view.

One has visions of some members opposite searching the paper each night almost hoping for a new one. Many, in fact, of the matters raised in questions by members opposite have dealt not with bankruptcies but with receiverships, and they should know, and I'm talking about the issue of responsibility, they should know that to deal in the way that they have dealt with receiverships — and receiverships are very delicate things — can be a self-fulfilling prophecy and drive them into bankruptcy. I know, of course, and I have heard some of the remarks being uttered across the House in the last few minutes that there were criticisms about the economy that were raised by the then Opposition, but we were relating to a specific economic program which was being criticized, namely, that discredited scorched-earth policy of acute protracted restraint and we were illustrating what that policy had done.

There is not one possibility, if one knows anything about bankruptcies and it appears that many of the members opposite don't, of attributing the bankruptcies that have occurred in the last few months to this government. Bankruptcies don't sprout like mushrooms overnight. —(Interjection)— No, they do not. The bankruptcies that have taken place have been the result of acute protracted restraint. They have been the result of monetarism with its high interest rates. They have been the result of a structural depression in the economy. They have been the result, Sir, of a structural recession in the economy which has been particularly hard on small businesses. Small businesses in the face of monetarism, high interest rates, have had to carry inventory. Small businesses in the face of declining demand because of the structural recession have had to carry those inventories without movement.

I want to just refer here to begin to relate this to the latter part of my remarks to the fact that given where the main impact of the economic recession is hitting and given where the greatest need for assistance is to help particularly the movement of goods in the hands of small businesses in this province, the decision not to impose a sales tax was a wise decision, was a responsible decision and I am going to deal with it in a very few moments at greater length.

A third example of what I call the irresponsibility of the members opposite has to do with the question of the prospectus. —(Interjection)— Mr. Speaker, sometimes when these Points of Order are raised, what is overlooked, if it is one thing to call a person irresponsible, it is another thing to call a statement irresponsible. You can't call a person irresponsible; you can merely call his statement irresponsible or her statement, as the case may be. On March 26th, 1982, the Leader of the Opposition, speaking in question period

because he often speaks rather than questions, "My question, Mr. Speaker, in light of the attempt by the Minister of Finance to state that he had told the truth in this prospectus, whereas in fact he hasn't, would the Minister of Finance care now to confirm that this statement" and he goes on to quote part of the statement, "is untrue?" The same type of thing that the Opposition House leader said at another point.

You see, to suggest to the financial world — I am making this point again deliberately — that the Minister of Finance of the Province of Manitoba lied to them is the best evidence in my view of why the Opposition are not fit to be the government of this province and of why the electors told them so.

I would like to point out, incidentally, that dealing with the prospectus, Professor McCallum — you know Professor McCallum, the one who gives you advice from time to time — said on CBC in the morning that, in fact, the prospectus was a careful and proper prospectus. Now, we have the Budget debate. Instead of a reasoned analysis, instead of a balanced, comparative approach, we get rhetoric. Instead of constructive criticism, instead of positive suggestions, you get the kind of mindless bombast delivered the other day by the Member for Roblin-Russell. "Frightening Budget," he said, seeing spooks in the night. "Socialist doctrinaire Budget," — he wouldn't know a Socialist doctrinaire Budget if he tripped over it. "Taxing the little guys," he said in his contribution on Friday in the Budget Debate. In fact, what he said was in fact as follows, "The tragedy of these taxes that are being levied in this Budget, Mr. Speaker, that concerns me," listen to this, "they're taxing the food; they're taxing the clothing and they are taxing the little guy that's walking down the street."

I thought he was describing the Ontario Budget and the Leader of the Opposition who day by day sounds more like a north of 49 General Haig talks about "drunken sailor spending." He says that on the 12th with his poor sense of timing, only to be embarrassed on the 14th by his Tory friends on the other side of the border in Ontario, who according to a Globe and Mail analysis increased that province's deficit year over year, print over print, by 124 percent. 124 percent, print over print. That is what the Member for St. Norbert was talking about just a few minutes ago in this House, wasn't he? He was saying, let's compare print over print. Well, in Ontario, print over print was 124 percent. Talk about drunken sailors, God Almighty, he even beat the Argentinians. —(Interjection)— I live in the world. I like to be considered a citizen of the world. A little worldliness wouldn't do you any harm. Look, he's smiling. It is a great day. —(Interjection)—

Mr. Speaker, let us consider for a moment the situation with which we had to deal, the context. We inherited, as a government, the chaos that was left over from their scorched-earth policy and there is no other name for it. The Minister of Finance in his Budget Address has described that and it bears repeating and I will repeat it. He said, "In the last half decade, Manitoba had the dubious distinction of recording the lowest increase in real output of any province, the smallest growth in investment of any province and the worst rate of job creation of any province." That was the inheritance with which we had to deal. That was the result of a deliberate policy; it was the result partly

of a deliberate policy, a chosen policy. It wasn't solely the result of extraneous factors. There was a calculated choice of policy made in 1977 and it was the worst possible policy for the time.

Now, dealing as well as we were and are with a very bad phase of the business cycle in which clearly the need to stimulate the economy is the paramount duty of any government and more and more that is being recognized, except by the Opposition who talk to us about spending like drunken sailors, who talk to us about fiscal irresponsibility. Speaking in the House on the 29th of April, 1982, the Member for Turtle Mountain and I will quote the whole passage, "Mr. Speaker, my question is for the First Minister. In light of the fact that hardly a day goes by without another business declaring bankruptcy in the province, and in view of the fact that unemployment is escalating rapidly, and in light of the fact that the First Minister made promises during the election to farmers, to small businesses, to homeowners, to those that were unemployed, to those that were threatened with unemployment, will the First Minister advise the House when he's going to stop issuing press releases; when he's going to stop talking; when he's going to stop shuffling paper and when he's going to take some action to fulfill the promises that were made and to deal with the economic situation that exists in the province?"

Now stripped of its pejorative language, the question, what is to be done, is an appropriate question and let's deal with it as we've attempted to deal with it in arriving at this Budget and in presenting this Budget. What, indeed, in the face of this situation, the result of acute protracted restraint, the downturn in the business cycle, what is to be done? Let's look at the alternatives. Let's try to reason this out.

One alternative is to continue acute protracted restraint. Well, no thanks. The other alternative is to stimulate the economy in some reasoned measure and, as presented in the Budget, Sir, we have done that. There have been something like, in addition to the expansion of programs that was made manifest in the Estimates, an additional \$60 million of job creation. Money, \$50 million, that will be spent on badly needed housing, but that necessarily means, if you just stop to think about it for a moment, even that modicum and it is relatively a small amount of economic stimulus in the situation. That necessarily means some mixture of deficit financing and new taxes or all of one or all of the other and we don't like new taxes any more than anyone else. But, clearly, that is necessarily — once you've made the choice as the electors made the choice — no more acute protracted restraint, get the economy going. Once you've made that choice, then you have to make the choice of how you're going to pay for it. Are you going to pay for it with new tax dollars solely? Are you going to pay for it with deficit solely or are you going to have some reasonable mix of the two?

Now note, Sir, that the real deficit, counting the \$25 million taken out of that fund that was buried for I don't know how many years, was \$277 million for fiscal 1981-82. Now if that's indexed, that is, if you just take into account the increased cost of doing business, you're really dealing as the starting point with \$307 million. All you would be doing is running in the

same spot; there would be nothing in terms of the expansion of program. There would be nothing in terms of job creation. There would be nothing to stimulate the economy and you would still have a \$307 million dollar deficit.

Now, anyone who thinks that you can deal with this situation without some additional revenue, anyone who expressly or impliedly thinks otherwise, be it the Tories or the Free Press, are clearly in my submission playing political games with the economic imperatives of recession. So, what were the tax alternatives, increase corporate and personal? Can you imagine the howls had we done that and we didn't? The Minister of Finance explained very carefully why we didn't. Increase sales tax, the Ontario answer, carefully examined by us and firmly rejected as the answer at this time at the very bottom of the business cycle firmly and properly rejected by us at a time when there's a need to help small business which is the heart of the business economy of this province. The sales tax is regressive, it can be ameliorated if it becomes a necessity, but if it can be avoided, it should be avoided and we avoided it. It's wrong for now and so the levy — well, let's take the Chevy to the levy and see what we've got. It's been called — and I think a brilliant example of ignorance — a hidden sales tax.

I would like the members opposite to listen to this. Take the example of the Manitoba Telephone System which was used by the Leader of the Opposition in his Budget Debate, in his Budget speech, and I have the report for 1980-81 — the sales of services on which sales tax was paid was approximately \$210 million. Now, increase the sales tax two points, it means an additional charge to the ratepayers on the bill of \$4.2 million. The payroll of the Manitoba Telephone System for the same year was \$91 million. At 1.5 levy, that's an additional cost of 1.3. Even if every penny of that were passed through and there's no need to pass it through, but even if every penny were passed through there would still be a saving to the users of Manitoba Telephone System of \$3 million. Don't tell us "hidden sales tax" unless you're prepared to do your homework.

When the Leader of the Opposition comes with these frightening stories. It's not a hidden tax, it's out in the open where you can see it. Where if you want to take the time, you can deal with it. If you want to use your intelligence and you have some — I heard it, but not in this House — you can deal with it. That's what you should be doing and so with every example that's being used there has been a failure to differentiate, for example, between payroll costs and other costs which go into the product.

The Honourable Member for Roblin-Russell with his stories about piggies go to market, I mean that was all hog wash. That's all it was because he kept on moving those piggies to market as if every cost was a labour cost and forgetting all of the other costs that go into the bottom line of the product.

Then, they say and the Leader of the Opposition, in another example of unmeasured irresponsibility, talks about the tax as if it were a tax on employees. They drag out — and God Almighty you could see the fear and the trembling, the sickness unto death — the nuns, drag out the rabbis, drag out the churches. How come he didn't reach for widows and orphans?

He was having a bad day, I suppose. Right? It's a totally and I'm quoting, "It's a totally universal tax," said the Leader of the Opposition, "that applies to every employee in Manitoba." And that's echoed by the Free Press. It's an employer tax. They know it's an employer tax and to suddenly buy — and he has used the term "rabbits from the disappearing hat" which if you analyse it, it doesn't make a hell of a lot of sense — "rabbits from the disappearing hat," which if you analyse it doesn't make a helluva lot of sense, "rabbits from a hat." You know, that is a rabbit from the hat type of slight of hand to change the word "employer" to "employee" and to suppose that for a moment the people of this province won't catch on. The fact that it's an employer tax is what they don't like, that's what it is. Face up to it and I've heard, —(Interjection)— yes, yes, that's what they don't like. They're true born natural constituents. The major employers of this province will have to pay out of some of those profits that they've making a little more in a redistributive Budget. They wanted, if anything, they wanted a sales tax. Hit the little guy.

Compare our Budget to the Budget in Ontario, a tale of two cities, Tory Toronto and I suppose wonderful Winnipeg. Look at the Tory Budget, look at it, be honest with yourselves so that once and for all you may reject and disregard some of the rhetoric that you've been using and get back to the land of reason.

A MEMBER: This isn't Ontario.

MR. PENNER: Well, you'd like it to be, I'm sure you would. That's the kind of things that you are projecting. Increased health insurance premiums, now that's a Tory tax. School supplies, student supplies including exercise books and workbooks, loose leaf paper, drawing books, music manuscript paper, school bags, classroom supplies, that's a Tory tax. Look again in terms of snacks, candy, they're robbing the kids. Candy, confections, soft drinks, snack foods, anything over 20 cents, and nickel and diming the little kids to death in Ontario, that's a Tory tax. Face up to what's happening —(Interjection)— Yes, is that what you would do in Manitoba? Well I can just see the Leader of the Opposition if he were here saying, "Heaven to Betsy no, we wouldn't do that." Well, what would you do? What are the choices? let's look at them again. Acute protracted restraint. No way, no way. So what would you do? How would you stimulate the economy? Cut spending, you're spending like drunken sailors, you're fiscally irresponsible.

Well, Mr. Speaker, after listening to the increasing strident calls of the Opposition; particularly those, but not only from ranch country constituents, that the \$20 million in our Beef Support Program should be given away no strings attached. We heard it day after day, give them money, give them money; never mind the conditions, give the money. Didn't we hear it in this House, day after day? Talk about drunken sailors or raunchy ranchers!

No, Mr. Speaker, all of this talk about fiscal irresponsibility doesn't wash from people of that kind. Mr. Speaker, economic stimulation by a combination of prudent spending programs, selective tax cuts paid for by a tax measure that to a considerable extent is paid by Ottawa is not spending like drunken sailors.

As that old philosopher from Pictou County once said, "It's damn good management and it bugs the hell out of them." And said the Leader of the Opposition, "Oh boy, the deficit, the deficit is up to unmanageable levels. Almost unmanageable levels." He saved himself a little bit of room there. A mischievous statement if I ever heard one.

What does the net public debt in the Province of Manitoba represent. Let's let the people of Manitoba know in reality what their money has purchased. The debt total is \$4.7 billion. Now just listen for a moment, it won't hurt, I promise you it won't hurt, it might help. It may be like chicken soup to a dead man, you know, it might not help but it can't hurt, right. \$4.7 billion, but of that, less than 30 percent is a general purpose debt; that is, the rest about \$3.4 billion is accumulated capital, it's the wealth of this province represented by assets which today have a far greater value than they've ever had. You know, Sir, to replace one power dam today would cost us \$3 billion, and for \$3.7 billion we've got a whole string of power dams; we've got a telephone system; we've got highways; we've got schools and universities; and we've got human capital, we've got wealth. —(Interjection)— Yes, we all did for heaven sakes face up to it instead of playing politics with this question of the deficit. And what are the carrying charges? —(Interjection)— Yes, today. 4.5 percent. —(Interjection)— You pretend to be an economist but you've got a long way to go if you don't know about the way in which — the carrying charges, Sir, the carrying charges are 4.5 percent of the total expenditures. Now that is compared to a Federal 22 percent.

I would readily admit — we have no problem in joining forces here — that amounts to fiscal irresponsibility, that is the Ottawa, the federal impulse, the federal carrying charges on the debt of 22 percent is fiscal irresponsibility. We know, and I'm sure that you know, that the 4.5 percent of our total expenditure which goes to carry the debt is easily a manageable amount. Ask any home owner. My God, you know, if you want some advice, go to the people on the street. Take somebody who has a \$20,000 income after tax, a \$50,000 home, and a typical situation a \$35,000 mortgage at, let's say, even 16 percent is paying \$5,600 interest per year on that debt. That is 25 percent of that homeowner's budget is going to carry that homeowner's mortgage so that the homeowner can have shelter, can have a place to live, and yet has an appreciating value, and tell that homeowner that we're fiscally irresponsible with 4.5 percent. He'll say, "Hogwash."

Mr. Speaker, for the deficit, and for indeed the accumulated deficit, but for the program particularly that was brought forward on behalf of the government by the Minister of Finance, what are we getting? We're getting jobs. We'd like to have more but there are jobs in that program. There is economic stimulation. There is steps that have been taken to preserve the basic economic infrastructure. Yes, they're not enough; we know they're not enough; we would like to do more. We're a small province in a world that is suffering the structural ills of capitalism. Let's —(Interjection)— yes, yes, there's no question about it. Even the Bond Street experts on Wall Street are telling us that. I just wanted to see what your reaction would be. You know,

if I had just said structural defects, they would have said, "Well, structural defects," because they don't understand those words, but you throw in capitalism and, oh, God Almighty.

Penner the Red has emerged from under the bed and he's here to play spooks. There are structural problems because of the redistribution of the world's wealth, occasioned in part by what the OPEC nations did with oil prices for a period of time, occasioned in part by the proper and meaningful demand of the people of the Third World for a share in the world's product. There is a redistribution which is straining our economy, showing its cracks, showing its weaknesses and in that situation, there is little that we can do, but we were not going to stand pat. We were not going to continue acute protracted restraint. We were going to show the people of Manitoba that they are getting the kind of program for which they voted and I am proud of that fact. I am proud of the Budget brought forward by the Minister of Finance on behalf of the government. We do say, we have faith in this province, that it is a great province. There are great people. We are providing the circumstances in which, when the upturn begins as it will later this year, the economy of this province will be in a position, the Budget of this province will have created that position where something meaningful can be done, and you will see. Don't be disappointed when it happens.

You will see that Manitoba will once more, under the prudent leadership of this government, be a leader in Canada in terms, not merely of the advance of the economy, but in terms of social programs. If you would only have the honesty to say, your drunken sailor spending is what you are giving in social programs; say it, but tell us where this drunken sailor spending is. You tell us to spend money on cattle support programs without strings, but what have you said about our social programs. How are they to be paid for? Tell us, how are they to be paid for? Where would you cut? Don't tell us about half-a-dozen civil servants in the Department of Urban Affairs. The Department of Urban Affairs was run right into the ground. You know, it had a fairly decent Minister and an underpaid secretary. That was the Department of Urban Affairs under the previous government.

Well, Sir, I have attempted to say in the 40 minutes allocated to me that it is time to end this series of irresponsible statements that seem to triumph or enjoy or wallow — that's the word I am looking for — wallow in the economic misery of this province. Come out of it, look forward, analyze the situation; if you have got a better program, offer it. But all of this business, this knee-jerk reaction, this socialist under every bed is nonsense; the people aren't buying it. There are half-a-dozen intelligent people over there. I would name them, but the others would feel bad. Each one of them thinks that I meant them, you see.

Mr. Speaker, again in closing, let me congratulate the Minister of Finance. He has presented a Budget which, I hear it and other members on this side hear it, the people of Manitoba say, you did a good job. We did a good job and we will continue to do a good job. That is what we were elected for.

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

MR. L.R. (Bud) SHERMAN (Fort Garry): Mr. Speaker, I was not going to enter this debate until a little later in the week, but I am prompted to rise and speak now after the highly flamboyant, highly theatrical and highly fictitious performance of the Attorney-General. No, Mr. Speaker, the Attorney-General looked at the Ontario Budget, not the Manitoba Budget, not the situation here in this province. He looked at the Ontario Budget and he picked out a couple of items which I think none of us in this House would be particularly inclined to fasten on as sources of revenue, all things being equal, but accounted for and accommodated in the spectrum of taxation approaches. No doubt, there are governments from time to time that may find it possible to justify them. I think in particular of the smaller items that he talked about, such as take out food and children's candy and weeping his crocodile tears, Mr. Speaker, he said, that is a Tory tax.

Mr. Speaker, there are two fundamental flaws in that particular rhetorical position taken by the Attorney-General and a number of fundamental flaws in his comments in general, but those two fundamental flaws that perhaps he should have thought about before he offered that kind of declamation and that kind of drivel, as the Honourable Member for Pembina says, is: One, what about punitive income tax levels? That is an NDP socialist tax. What about mining and mineral resource taxation that was driving investment and mining activity out of this province? That is an NDP socialist tax. What about penalties for doing business? What about discouragements and disincentives to private enterprise? What about that very payroll tax which is a disincentive to employment and to business? Mr. Speaker, that is an NDP tax; that's a socialist tax.

So, let us not spend our time concerning ourselves too much with what the Attorney-General describes in flamboyant fashion as a Tory tax. In the first place, Mr. Speaker, as I said, there are two flaws in that argument because first of all, we can identify many NDP taxes, many socialist taxes which are killing this province, killing this country and have killed a number of major western economies including Great Britain's. But, over and above that, Mr. Speaker, there is a second flaw and that is when he talks about it being a Tory tax, I think he needs only to look no further than just the superficial paper work on that tax itself and he has to admit, if he will honestly and candidly, that's an NDP tax. A tax on kids' candy, a tax on take out food, a tax on pets, a tax on every activity, a tax on every kind of purchase, that's an NDP tax. If he doesn't think that kids' candy will be taxed through that payroll tax, then he is living in the fool's paradise that so many of his colleagues in that party have lived in for so long.

There is no way, Mr. Speaker, that the Attorney-General or the Member for Thompson or the Minister of Health or the Member for Elmwood or anyone else on that side of the House or anyone on this side of the House or anyone anywhere in Manitoba can operate a business and absorb that payroll tax and not increase his or her costs of doing business. There will be price increases. He might as well face it. They live in a paradise, Mr. Speaker, that harks back to Harvard Square in the middle of the Vietnam War. They live in a paradise that harks back to that do-goodism, those crocodile tears of the mid-1950s and the mid-1960s. I

don't know when they are going to grow up and face reality.

There is no way that those businesses, even the kids' candy business, the activities in those businesses as a result of this payroll tax will not result in higher prices, in higher costs, and if the Attorney-General is worried about that kid and his nickel candy, he better start worrying about that kid and his seven or eight or ten-cent candy because that is what it is going to go to.

Mr. Speaker, how soon they forget. The Attorney-General berates us, Sir, for the questions that we have raised on this side of the House. He takes great pride and he felt that he was amusing everyone in his — and that's part of politics and part of performance in the House and I give him credit for a good performance, no depth, but a good performance. He takes great pride in berating the Progressive Conservative Opposition for the questions that we have asked, Mr. Speaker, because we have asked a few questions of concern and root concern to Manitobans relative to the affairs in every sector of our activity and our lives today. How soon they forget, Mr. Speaker. Obviously, the Attorney-General never spent one afternoon or one evening in this Legislature between 1977 and 1981, neither in the gallery, nor in the NDP caucus room, nor even in the corridors. That must be obvious from that kind of criticism of our performance, Mr. Speaker.

He doesn't like us to ask questions about bankruptcies. He doesn't like us to ask questions about unemployment. He doesn't like us to ask question about problems in agriculture. Mr. Speaker, where was he and where were his colleagues who were applauding him while he spoke and many of whom were in this Chamber, some who weren't, but many of whom were in this Chamber during those four years when that party, now on that side, which was in Opposition, raised every conceivable, contrived, fictional excuse for laying down positions that were demonstrably untrue, for accusations against the Government of the Day, the Progressive Conservative Government, which were not accurate or truthful, which constituted nothing but a barrage of propaganda aimed at manipulating public opinion and media opinion and stirring up Opposition and stirring up emotionalism, even to the extent of orchestrating demonstrations by strikers and picketers in the halls of this building. Where was the Attorney-General in those days, Mr. Speaker?

He comes in here and talks so proudly today about what this Opposition has done because we have asked a few questions, but where was he between '77 and '81, when they in Opposition made a travesty of some question periods, some committee hearings and some of the work of the Government of the Day simply by orchestrating. The Minister of Mines and Energy was one who was involved in direct orchestration with respect to some of the incidents of those days simply by orchestrating and manipulating emotionalism in such a way as to produce distortions and propaganda and misrepresentation having to do with business, having to do with health care, having to do with social services, having to do with interprovincial relations, having to do with federal-provincial financing, having to do with fiscal and monetary approach, having to do with agriculture, having to do with urban

affairs, having to do with education, having to do with every activity in this province. So, Mr. Speaker, let him go back and read the record. He's a good reader, he's a good student, he's a scholarly man, he's an intellectual man, he's got some education. Let him go home and read the record of the last four years.

Mr. Speaker, he doesn't like us to ask questions about bankruptcies. Where was he when the great manifesto, the great election document of the great new NDP Government was written — "A Clear Choice for Manitobans" — policies of the Manitoba New Democratic Party which promised in effect that there would be no bankruptcies? In effect, that's what it promised, that there would be no bankruptcies. Certainly, there would be no suffering from bankruptcies. Where was he, Mr. Speaker, when this document was being written with respect to employment — employment problems and job opportunities and unemployment arising from business closures and layoffs? Where was he when this document was being written with respect to relief for agriculture — farmers and beef producers with particular problems of the day who were seeking solutions through consensus and through consultation, not through doctrinaire abstract hypotheses developed in some back room somewhere and imposed on them? Where was he when this document was being written and where was he during the election campaign when it was being circulated? I happen to know, Mr. Speaker, that this document was circulated in the Constituency of Fort Rouge just as I am sure the Attorney-General knows of things that his party was doing in my constituency, Fort Garry. It was no secret that the NDP was circulating this document in Fort Rouge, the home constituency of the Attorney-General. Did he move to stop it? Did he move to say, look these are ridiculous promises to make, totally unrealistic promises to make. What are we distributing this kind of literature for in my constituency? I can't go to the people of Fort Rouge and feed them this kind of hog wash.

Mr. Speaker, I don't recall having heard, I may have missed it, maybe it was broadly reported, maybe it was on television, radio, the newspapers — Penner disclaims NDP election document, Penner disassociates himself from "A Clear Choice for Manitobans," says this is unfair to my constituents, it's misleading, it's misrepresentative; says, I can't live up to those phony promises. Maybe he did, but I don't recall his doing it. I don't recall his saying so. I certainly don't recall any reports of his doing so.

So now, Sir, when we come to this House and we come into question period and we ask questions related to bankruptcies which are mentioned in this great manifesto, the gospel according to "St. Howard," when we ask questions about unemployment and job creation, when we ask questions about problems in agriculture, he's upset, it's unfair. Somehow we are not being positive, we are not being constructive, we are not fulfilling our role as the Opposition; we are somehow impeding the work of this House. We're somehow engaging in rhetorical arguments because we're not here rubber stamping his and cheering for his and his colleagues policies that were based on the impossible, unrealistic, cynical and phony promises in this document and are turning out to be as shallow and as hollow and as superficial as this document

indicated at the time, but with which not enough Manitobans were fully familiar at the time.

Mr. Speaker, that is a totally impossible, illogical position for the Attorney-General to take and he may be able to get away with it among some persons in this Chamber, notably on his side, but he's not going to get away with it with me and he's not going to get away with it with the Honourable Member for Lakeside or for Pembina or for Turtle Mountain or for La Verendrye because we remember when — we were here when we saw it happen. For him to try to accuse this side of doing anything that is other than in keeping with our role as a realistic Opposition that is going to call into account for their phony promises, Mr. Speaker, represents total ignorance of our role of the system of what we are here for. Let's get on with what we are here for, the Attorney-General says.

Mr. Speaker, my understanding is that I enjoy equivalent status to every member in this Chamber. I have 40 minutes to speak on the clock. I intended to devote 10 or 12 minutes to responding to the Attorney-General just to straighten him out a little bit, just to tell him where he's at and where he isn't at, just to tell him where he's wrong and just to tell him how to watch it when he's dealing with this Opposition.

Mr. Speaker, my main reason in speaking is to put on the record some very serious concerns being expressed by many Manitobans over the policies, the philosophy and the conduct of this new NDP Government. I had intended to do that later in the debate but I was prompted to rise and respond to my friend, the Honourable Attorney-General.

Six months ago today exactly, Mr. Speaker, this new NDP Government was elected, this being May 17th and at that time, Sir, they captured 47 percent of the popular vote. I want to say that within two or three days of that election, two or three days after that election, it would be my estimate and it's just a guesstimate from a person who's campaigned through one or two elections and tries to make his living or at least part of his living at politics that it would be my estimate that their share of public goodwill and public support went up over 50 percent, substantially over 50 percent, maybe as high as 55 or 60 percent, within two or three days of the election. Part of that is the result of the process of election victory itself because most people are very fair-minded, most people take the attitude that the new boy or girl should be given a chance and there is some kind of sympathy and empathy that develops for a new government, particularly elected in trying and challenging times, as it moves into its first few days, weeks and months of office. I have no hesitation, I may be wrong, but I have no hesitation in suggesting that my reading of the mood of the public on election day was that attitudes and support was very close, but that three days after election day, attitudes in the public were predominantly in favour of the NDP and the new government, that they enjoyed, as I say, more than 50 percent of public support.

Well, Mr. Speaker, the tragedy for the members of this government is that they took that goodwill, that public support, that enthusiasm and in six months they have started to dissipate it, to undermine it, to see it eroded, in fact, to actively erode it and to lose it. I say to the new members and the backbenchers in that

party, Sir, that if they have concern for their party and through it for Manitoba, they had better move now and act now to arrest the unsound, impractical, damaging, destructive and doctrinaire, and doctrinaire approaches and policies of this government before it is too late, before their support, before their public goodwill is completely dissipated, has completed vanished and disappeared because there is no question today, Sir, that if you went into the street today that element of public support for them, the NDP Government, would not be 55 percent. It was five and a-half months ago, but it isn't today. It isn't today. — (Interjection) — Well, the Member for Thompson says about 47. Well, that ain't so hot either. You had 47 on election day; we had 44 and, of course, the other 91 percent was splintered and fragmented across other parts of the spectrum but that splintering and fragmenting across other parts of this spectrum may now have gone, may now have disappeared. It may now be a straight two-party situation, so 47 percent ain't necessarily so hot today. What you did have was 55 percent five and a-half months ago, that's what I'm suggesting to you and you're losing it, you're blowing it.

The first cracks in the armour, Mr. Speaker, consisted in the promises that NDP Government made and then failed to keep in this infamous document "A Clear Choice for Manitobans." Dishonest promises because there never was any chance of keeping them; they was never was any chance of meeting them.

Sir, they made promises in terms of meaningful mortgage interest relief; they made promises in terms of business failure relief, in terms of homeowner support and housing, in terms of agriculture and beef industry support, in terms of job creation, in terms of so-called immediate construction (Limestone) and other forms of construction, in terms of spurs to the economy, in resource development, and in their phony trumped-up sermons in all their campaign literature about health care and social services. Well, Sir, those promises have proven to be empty, cynical election rhetoric and more and more Manitobans are becoming increasingly aware of that fact. So those were the first cracks in the armour, the first cracks in the white knight presentation but now, Sir, the real cracks have come. The real cracks are beginning to show and they show in the form of this Budget, this document brought down by the Minister of Finance last Tuesday night.

In the first place, Sir — and I want to get back to this in the time available to me — that document, that Budget, is an exercise in economic asphyxiation for Manitoba. But in the second place — (Interjection) — I'll explain, I'm coming back to it, but I just want to get the point on the record that essentially my criticism with it is because it's going to strangle this province in an economic way. But the other very important thing that should be remembered about this document and that Manitobans must be told and will be told by me and our colleagues and by all people who take a fair-minded approach to the cynical games of politics that are played from time to time, the other part that will be told, Mr. Speaker, is that this Budget is an exercise in duplicity and an exercise in hoodwinkery.

You went out to the people of Manitoba and you said that we have to face some very hard decisions.

We've got to face some very hard decisions, so will you, the people of Manitoba, help us, support us, acquiesce in these, go along with us, recognizing that we've got these tough decisions, these tough challenges and help us made these hard decisions. You know what happened, Mr. Speaker, they ducked the hard decisions and they gave the people of Manitoba hard treatment. That's what happened. You ducked the hard decisions and you took a way out that was designed in headline form on Budget night to create the impression that you were Mr. and Mrs. Nice Guy all over again, but that in one hour inspection revealed that all it was, was a smoke screen, a trick, a euphemism for laying a tax on all Manitobans for everything they do, for all goods and purchases. —(Interjection)— Let me just say, Sir, if Lloyd Axworthy gets involved, I may be on the side of the Attorney-General. Let's take it one fight at a time, Mr. Speaker.

Mr. Speaker, why do I say that? I say that because, for one thing, we have gone through Estimates processes in this House which now turn out to be a sham, which now turn out to be dishonest. There is no way that the Minister of Community Services — I absolve the Minister of Health from this because we just completed the Health Estimates and I really have no way of proving or knowing that the payroll tax was included in his budget. If he tells me it was, I accept his word, but there is no way that the payroll tax could have been included in the budgets of the social service agencies, the child caring institutions, all the shelter facilities in the field of mental health and mental retardation, etc., all the facilities and programs run by the community social service advocacy groups in this province. There is no way that payroll tax could have been included in those budgets, because this government hadn't even made up its mind to go the payroll tax route until they were panicked by the Saskatchewan election result and also pressured by the Manitoba Federation of Labour to stay away from an increase in the sales tax.

We cleared those Community Services Estimates over a month ago —(Interjection)— Pardon?

A MEMBER: The same would have been true of the sales tax.

MR. SHERMAN: Why did you need either? I am coming to that. You never promised a sales tax in this document. You never talked about tax increases. For the Member for Wolseley, who is so amused, where did you predict either a sales tax or a payroll tax in that document? There is no way that the . . .

MR. ENNS: They say ManOil was going to pay for it.

MR. SHERMAN: That's right, ManOil was going to pay for it. There is no way, Mr. Speaker, that those Estimates in Community Services could have included the cost to those agencies and facilities and operators and programs of this payroll tax, so that I say that exercise in Estimates was a sham. It might also apply to some of the budgets in the Department of Health, but because the conclusion of the Health Estimates was so closely connected in calendar terms with the Budget Debate, it may well be that they worked some of those considerations into the Health Estimates, but

they certainly could not have worked them into the Community Services Estimates, Mr. Speaker.

So, we have, Sir, a Budget that as I say is an exercise in hoodwinkery because the public was prepared for something else and prepared to help and then hit over the head with a hidden weapon, attempted to mug them in their business and employment and job creation activities, and an exercise in duplicity because some of the Estimates processes obviously had to have been undertaken independent of the kinds of features and factors in the Budget as are represented by that payroll tax. In fact, independently of anything that might have been connected with a sales tax, because, Sir, obviously the estimates we were considering are estimates of spending, not estimates of revenue, and a sales tax specifically and exclusively only affects revenue. The payroll tax will affect the operating and thus the spending estimates, the spending side of all of these operations and activities.

Mr. Speaker, the worst features of the Budget though are not those that I have mentioned. The worst features, and they have been referred to in substantial part by many of my colleagues, but I just want to recap them briefly, because I want to connect myself with that criticism on the record. The worst features are the staggering deficit that this government is condoning and approving and which will be much higher than that specified and predicted by the Minister of Finance the other night. There is no doubt that it will be above \$400 million, Mr. Speaker. We know that because of spending promises they have made which are not included in the Estimates. We know that it is going to be over \$400 million. And the absolutely stupefying borrowing requirement laid out by the Minister of Finance. Can you imagine, Sir, in this day and age, in today's fractious and fragile and volatile money markets, with today's unpredictable and crushing interest rates, going into the public market to borrow \$750 million, three-quarters of a billion dollars over and above the 150 that is going to be sucked out of the Canada Pension Plan fund. I am not particularly enthusiastic about that technique either, Mr. Speaker, except that successive preceding governments have done it and I don't think it was to the credit or the pride of any of us and I think that all of us, Opposition and Government, should face up to that fact about Federal-Provincial financing and fiscal arrangements, but over and above that 150 million that's going to surreptitiously sucked out of the Canada Pension Plan funds, we are going into the open market with the traders of the world, in today's volatile situation to borrow three-quarters of a billion dollars, over and above a \$400 million deficit, over and above the debt load that we are already carrying, Mr. Speaker. These people proffer that and offer that to the people of Manitoba as a sensible realistic Budget?

Who do they think they are kidding? Who do they think they are kidding? They are mortgaging, not only their and our kids, that was done long ago. They are down to their great-grandchildren now, Mr. Speaker, with this kind of financing, this kind of fiscal and monetary policy.

Mr. Speaker, I want to quote briefly for one-half minute from my National Leader, the Leader of the Progressive Conservative Party of Canada, the Right Honourable Joe Clarke. I want to offer for the consid-

eration of this Assembly and those on the other side, who approach the events of the province with some reason and come in here willing and prepared at least to listen and to exchange ideas, and I am not excluding anybody from that in a permanent or a universal way, but from time to time it seems difficult to exchange ideas, when Mr. Clarke was speaking about the social obligations that we face, the social responsibilities that Canadians face and our obligation to meet them the other day, Mr. Speaker, he said, "The greatest social problem in this country today is economic insecurity. The greatest enemies of social justice in Canada today are the Liberals and the Socialists because they have driven away growth and economic security."

That is what is at the root of this kind of financing. That, Sir, is what is at the root of this kind of financing. That, Sir, is what is at the root of this kind of philosophy of payroll taxes and spend and spend and expenditure and don't worry about tomorrow and go out into the open market and borrow another three-quarters of a billion dollars.

You know, Mr. Speaker, the comments of the Honourable Member for River East intrigued me and, in fact, I must say to a certain extent shocked me because I had the impression that he was something of a contemporary man. —(Interjection)— I don't know him particularly well yet. The two of us haven't been in this Chamber together for very long, Mr. Speaker, but I had the impression that he was a relatively bright and contemporary person, but he said in speaking to his government's Budget, Mr. Speaker, and in speaking particularly to the payroll tax feature and I am hopefully quoting him correctly here that, "It reflects the economy of the 1980s." I assume he was speaking literally and I find that absolutely staggering, Mr. Speaker. If he is suggesting that the payroll tax addresses the economic problems of the 1980s or reflects the economic wisdom of the 1980s, this is precisely what it does not do. That is the kind of thing that economists, both of the right wing and the left wing, were talking about in the 1950s, in the 1960s. That is dead, Mr. Speaker, that kind of economic thinking. The Member for River East is 20 years out of date.

Many economists in North America and Europe, Mr. Speaker, today are trying to point out to governments all over the west that because of the enormous disincentives that have been placed in the way of initiative and enterprise by left wing taxation policies applied by governments of the intellectual left in a score of western jurisdictions over a score of years, the concept of a progressive tax system now is self-defeating. The most urgent requirement in the economy today is to shift some of the burden of taxation away from income and on to consumption so as to induce and encourage ambition and enterprise. Mr. Speaker, the NDP payroll tax does precisely the opposite. It flies precisely in the face of that growing wisdom. It harks back to the mid-1950s and to what I referred to a few moments ago, Harvard Square in the middle of the peacenik demonstrations in the middle of the Vietnam War. It flies precisely in the face of that ethereal, abstract, unrealistic, sophomore thinking.

When are the members of the NDP in this province, Mr. Speaker, going to face the harsh realities of life?

When are they going to face the real world and the harsh realities of life and the harsh realities of government? That tax is a direct penalty for doing business. It is a direct penalty for creating jobs. It is a direct disincentive to investment and a job creation and opportunity, and yet the Member for River East says it reflects the 1980s. What it reflects, Mr. Speaker, is the United Kingdom of the 1950s. What it reflects, Mr. Speaker, is the British economy and what disastrous difficulties it has found itself in for the past 25 years. What it reflects is the typical eastern European economy. What it reflects is the economy of our own country that is now going steadily and disastrously downhill. What it reflects, Mr. Speaker, is the stultifying economic philosophy or non-philosophy of the Trudeau Government in Ottawa. That is what it reflects.

Mr. Speaker, members opposite, I think, have been for far too long under the influence of the resident guru for Brandon East, the Minister of Community Services, who still lives, flourishes, smiles and makes himself as lovable as possible in the abstract environment of academe and academia, when are they going to recognize that their hair is growing thin - with some notable exceptions - that their middles are growing portly, that their brain synapses are breaking down, that they are 40 and 50 years old, they're not 20-year old college sophomores anymore; when are they going to realize that, Mr. Speaker?

They tell us, poverty is terrible; inadequate pensions are awful, they say; social injustices are terrible; unemployment is an awful thing, as if that is some new discovery, Mr. Speaker. They keep weeping these crocodile tears. Let's cut out the crocodile tears, Mr. Speaker. We know that poverty is terrible and that social injustice is an awful thing and that unemployment is terrible; spare us the crocodile tears. Let us deal with the basic issue at hand here, what is necessary is opportunity for initiative, for enterprise, for progress, for investment; what is needed is some recognition of the basic human spirit and that philosophy over there has never recognized the basic human spirit, has always felt that they could fly in the face of human instinct and has always, as a result of that, Sir, pursued abstract philosophical straitjackets which have produced nothing but grief and nothing but economic difficulty and the record of the world, as demarked by the eastern and western countries of this world, is eloquent testimony to that.

Now, Sir, what we need instead of this kind of theorizing, instead of this kind of socialist theorizing and these crocodile tears is a budget that says to men and women in Manitoba, yes, we have to make some hard decisions. We have got to contain public spending and we have got to take fiscal and monetary approaches that encourage you go out and work and work harder and work longer so that you can make more, so that there is some benefit and profit in it for you because we know that as you work harder, as you aspire to ambitions, you will create opportunities, activities, jobs and goods for other Manitobans. That's the basic fuel of the economy. Mr. Speaker, everything in this Budget flies in the face of that much needed fuel, that much needed catalyst, that much needed approach to our economy in Manitoba and Canada today. Everything in this Budget takes us back to

the sterile, defeatist, philosophical, and economic attitudes of the mid-1950s and the 1960s that destroyed many western economies and that are seriously damaging ours in Canada today.

MR. DEPUTY SPEAKER: The Honourable Minister of Health.

HON. LAURENT DESJARDINS (St. Boniface): Mr. Speaker, I'd like to follow in the lead of the member that just spoke and I will also address mostly the members from this side of the House. If some of the, especially the new members from our side, if some of the new members on the Opposition wish to listen, that's fine also. I don't think I'll convert them but maybe they'll have a chance to see what the PC Party has been all about in the last four years. As far as the front benchers, I don't expect too much attention, I expect a lot of yapping, but that's all right.

Mr. Speaker, I think that it's obvious, I'd like to tell my colleagues here that the Progressive Conservative Party is in complete disarray. It's the first party in our recollection, I think, that has gone only one year in government, one term in government — (Interjection) — no, it's impossible, if they had had an election the first month they wouldn't have been there that long. Thank you. It is quite obvious, Mr. Speaker, that their policies have been complete failures, and I'll come to that, and I'll prove that. Now, they are looking for a new leader because this leader has been a complete embarrassment to the nation, to the province, and mostly to their own party and they know it.

They have but one consolation and the consolation is that the economic problems that we face are probably the worst that any government of Manitoba has ever faced and it's going to be extremely difficult to give the proper leadership and to govern this province. This is going to be extremely difficult. It has been in the past and it's going to be worse. I would think that a lot of the conditions are nothing to do with this province, either this government or the former government. The situation is all over the world, all over North America, and there is no way. I want to say to you to be patient, and don't try to do it all because there is no way that approximately one million people right smack in the middle of North America, no matter what's happening to other policies across Manitoba that you can change the world or change everything. You can only do your best, and that's all you can do so be very careful.

I think that some of the reasons that this hasn't worked and we'll come back to the Reaganomics. That is certainly one of the conditions, the federal policies, the complete failure of communism and the greed of materialistic capitalist system and that the people across from us will not admit. They'll talk about communism, they'll talk about everything else but they will not talk about the greed of our capitalist, materialistic society and that is the important difference between us. It's obvious, Mr. Speaker, I say to my colleagues that you will have to provide your own opposition, you'll have to be on your toes because I doubt if there'll be too many that will give you the constructive criticism that you should have if you want to be a good government.

Let's look at their strategy, let's examine the stra-

tegy of the Opposition. They know that they've been a failure; they've failed completely and they are on the defensive. You wouldn't believe it because they have heard it said that the defence is a good offence and this is what they're doing. They're living in the past now. You know they've got this document, that has been their Bible. Every single one of them has it, and if they'd spend as much time looking forward as looking back on November 17th - somebody should tell them that November 17th is gone. You're living in the past, if you want to keep on fighting the past election of November 17th be my guest, but you're wasting your time. I think we have to look forward, and I think this is the important thing.

You know, the Opposition's strategy has been very clear, to me anyway; it's been trying to set us up, trying to find out that we can spend more. If they were sincere as they say they are and if the last member that spoke, and I know that he's sincere, he believes a lot of these things that he has been saying, why would they say that they think this is a bunch of garbage, these promises are a bunch of garbage? Why would they say hey, hurry up and keep up your promise? Is that helping Manitoba? They should tell us no matter what, you're elected, it was a mistake, don't fulfill these promises because it's going to be harmful to Manitoba. But is that what they're saying? You know what they want to do? They want to rush us, they want to goad us, they want to make sure that we go ahead with every promise as fast, without being properly ready, and then they'll say look at all the money that's wasted. Now if that's an honest Opposition, that's not my definition of honesty. If these people across think these are bad promises they should say, please, for the good of Manitoba don't go ahead with these promises.

Talking about promises, you know, we've been talking about the mortgage price that has been a joke. There is no way you're going to solve it and any clear thinking Manitoban knows that it's impossible that you're going to salvage everything when all around you there's problems. They laughed at this during the election but look at this, November 14th, "P.C. Offer Mortgage Crisis Aid." That was another one. No, but they're not talking about that. I think we said \$23 million and they had \$20 million, and they're saying that ours is not enough. Now you can see this is what they've done. Now if they were sitting here what would they be doing any differently than we have? They'd have \$3 million less, and they're saying spend more money. The Dental Program, it's the same thing. You want to talk about promises because this is all we heard lately - let's talk about promises.

I refer you to Winnipeg Free Press of May 2nd, 1981. This is government that had been in power not three, four, five months but had been in power for four years. Let's look at some of them, these are the promises, I didn't prepare this. This is something that I found: Study tax credit system for mortgage interest payment of first homeowners, no study, no scheme; low-interest loans to first-time homeowners to encourage purchase of substandard core area homes, no action; review with municipality all zoning regulations to simplify and reduce cost of project approvals, no action; more available education financing, new foundation levy will set a standard, more equitable

rate for education - that's one they got. Tax credit system to encourage home improvements - no breaks on insulation - but eliminated tax in 1980 on storm windows, wood-burning stoves, in 1980. And look, after three months they're saying we're not delivering, this was in 1980. There's all kinds of them on education; I'd need my 40 minutes to go through all that. But anytime you want to talk about promises not kept pull out this clipping from the Winnipeg Free Press of Saturday, May 2nd, 1981 and see the colouring, those are promises not kept. There it is. So let's have no more of that and look at the future because they haven't done any better. —(Interjection)—

Well, Mr. Chairman, we've learned another thing about leadership and I don't think I've ever been as ashamed as I am now with the Leader of the Opposition. This is certainly not the only one. Let's look at a glance, what the people around the country think. "Manitoba's resolutely right-winged Premier, Sterling Rufus Lyon, is regarded as everything from a troubling anachronism to a dangerous looney. The stout red head offended contemporary style at every turn. More significantly, is Lyon's belligerent unfashionable political views. He openly proclaims the world can be divided into the good guys and the Commies. He believes the generals who runs Chile, whatever their shortcomings, are less dangerous to world order than the late Marxist leader Salvador Allende because at least they are on our side."

These are some of the things that they have. These come from all over the place, all over the country. Now you might say, "why am I saying this?" Because I've heard the worst thing that I've heard in 23 years in the House. I've seen a man — mind you he's talked about your physical outlook, you know, a beach whale, I could say here, half-assed — excuse me, I withdraw that — —(Interjection)— no, I can't get the proper words the way he would. But anyway, half a beach whale because I think he's half as tall as I am and he weighs about three-quarters of that, but that's not important. He can call me fatso and that's the fun, but when a man comes in and talks about somebody, like he did about the Attorney-General, a person who was born to people that he loves, the people that were Communist, that came from another country and people that he respected, but then when he could start thinking for himself, he left that party, to his credit. That took courage. We didn't need that kind of courage. We weren't brought up like that and this is when a man comes in and starts hollering about Communism and the first speech and only speech he made in five years, the Member for Portage, that I think is disgusting. I think it's disgusting and it's not proper to have this kind of talk in the House at all. Judge a person on his merits, for what he's doing and the courage that he has, not what he was born, how he was born and to whom he was born.

Now we've talked about this government that had all these ideas and that's the thing that gets me, because you know they talked about Sterling Lyon as a real arch Conservative and a right-wing Conservative and the Member for Fort Garry spoke exactly like that. But this government, and I say now to the backbenchers, the new members on this side, they did not have the courage of their principle. They started like that, they were going to do away with the debt. Talking about

promises, they were talking about the provincial debt. It is higher now than it has ever been. After four years of Conservative Party, they were going to reduce it. They had the higher deficit until this year and we're hearing about deficit, they were not going to have any deficit financing. There would be no more deficit financing and this is what they were going to have, a balanced Budget.

These were the things that the past government did and we look at what's going on in the Conservative world. Look at Reagan. He's going to have, probably, a larger deficit than ever, in the United States also. They haven't been able to live up to this.

Not only that, but look at what's going on around us. All the members from across came in, you remember a couple of weeks ago with a big smile, you'd think they had won an election, and a big flower because of Saskatchewan. If they were sincere they would say, whoa, we have to tell our party. They are out socializing, the socialists in Saskatchewan and that's exactly what happened. They reduced all the taxes. They're going to —(Interjection)— how much, I ask the member that just spoke, how much would it cost? How much would it cost to fulfill the promises in Saskatchewan?

You know, you've talked about a government. It was an NDP Government that probably was too careful, that wanted a balanced Budget, that's what they wanted and where are they? Everybody came in and they could have said, well, okay, we won but where are we going? If I believed in a party I'd say, hey, just a minute, we'll do anything to get the power because we don't believe in that. We don't believe in that at all. This is the situation and these people were happy. Big smile, big flower, yea for Saskatchewan, for the Conservatives in Saskatchewan and if anybody bought an election I think that you have to point out to Saskatchewan.

They wanted to talk about Saskatchewan and if they were sincere and if the Member for Fort Garry — I know he agrees with me. —(Interjection)— Okay, well as long as you don't like the Alouettes because they're gone. But, Mr. Chairman, I know the Member for Fort Garry agrees with me and he was at a policy committee, I'd imagine that he had to tell them. But these are the things that I want the members on this side to remember because they are trying to push you in a panic situation and I say, take your time and forget these promises, that you do not answer to these people, you answer to Manitoba and to Manitobans and be careful in your programs. If you find that those programs are no longer necessary you say, to hell with the promises. You're doing what is good for Manitoba. I know that you'll deliver most of them, that we'll deliver most of them.

I'm not going to be rushed in Health, I can tell you that and I think you know it because I haven't been bugged like some of the members on this side, there is no way that this is going to happen. I say challenge these people across there — challenge. You know, when we talk about personal care homes, how many stood and said, what about my constituency? It's always the same. You know, save money, but after you've taken care of my constituency. You know, give me everything I want and talk of the biggest free enterpriser of them all, the Minister of Agriculture.

The former Minister of Agriculture is asking for welfare for rent for the farmers, those are great free enterprisers also.

I was shocked with some of the things that I heard. It's okay to give anything to these people, you've got to help them, give them more money, it wasn't enough and forget you'd give them loans for nothing, that was all right and that's a free enterpriser that said, no big government in office?

Mr. Speaker, you know, when these people stop, I'll tell you exactly how it was. When we came in in 1977 there was a big freeze, a freeze on all construction, everything. The Budget of the hospital was going to go by 2 percent —(Interjection)— I'm sorry, 2.9 percent. You know, that point nine was so important with only two, I should mention 2.9. You're right. That was the freeze. Of course, it didn't work like that and there was more than that but this is what they announced.

Then in 1980, I think it was, there was a certain Budget speech by a Mr. Crosbie. It was the same thing as with the Minister of Finance in Ottawa now, Mr. MacEachen, it was the same thing except for one thing, the proud strong First Minister at the time, the Honourable Sterling Lyon said, "I go along with them, except he doesn't go far enough." Remember that? That's what he said, he doesn't go far enough. That was, I think in February somewhere in the Throne Speech. A short while after there was an election and they lost. The Conservatives lost and then, here in Manitoba, they lost two or three seats or whatever.

From that day this government changed and don't kid yourself that they were that conservative after that, around 1981; they couldn't push money fast enough and that is why the big deficit and that is what I say, at least Clark went out fighting and I respect them, but what did you do? You out-socialized any socialist that has ever been in Manitoba for these last years. Day care that you figure there was enough - \$4 million, \$6 million. This is the thing that you were doing in those days, you were bringing programs that you never believed in before and you said so and these are the things that you did. Why? Because of the election and you changed completely. When we asked the Minister of Finance that he says "We've turned the corner."

A MEMBER: What corner?

MR. DESJARDINS: Well they might have turned the corner but what did they see around that damn corner? More, and worse, than we've ever seen in Manitoba and this is what we're saddled with now. You blamed us for four years that it was what he had done in those eight years. Well look at what we're facing now. Look, you yell and there's a smile on your face if somebody goes bankrupt. You think that was done in the last four months, or five months? —(Interjection)— Well, you know how much they believe that but if they want to be stuck with it, that's their business.

You talk about some of these things, the people changing. I've got all kinds of things. If I had more time I could quote all kinds of thoughts on this. For instance, "After three years of Tory restraint the provincial coffers are being flung open for Manitoba hospital workers, with some pay boosts running twice as high as in the leaner years following the 1977 election. Most union official in the health field are betting two to

one there will be an election this year" - that was February 1981. The Budget was the final tour of the force of a serious systematic policy reversal which began with 100,000 hike in the minimum property tax in mid-April. These are things that they said that they didn't want to live with.

These are some of the things, Mr. Speaker, that this government has done, so when they stand up, you might impress some of the new members to relax, you are not answerable to these people across there and look back at the promises they made. I remember here, the last member that spoke, walked out and there was some trying moments for me during the Autopac debate. The Autopac debate and that was all going to be forgotten and we would go back. Did we go back on Autopac? We haven't heard a damn thing about it, except from Cleverley who is pushing it; who is still pushing it. I'm not saying they should go back but don't kid yourself when they're talking about the promises. The reason is they want you to jump at those things, to spend more money, so that every program that you bring in, challenge them to say if they are in favour, or against it, if it's enough money or too much and what they would do? The taxes; they were so disappointed because they were so sure that we were stuck with the sales tax. I have news for the Member for Fort Garry, this has nothing to do with the election in Saskatchewan, it was determined long before that, I can assure you; you can take my word for that.

It was a difficult thing and of course we had to look at the sales tax. That was one of the things, none of us liked it, but the thing is, we needed some money and it was difficult. Now you know what they're saying now, they say, "Well, it's the sales tax." Well all their speeches, they were all ready to attack the sales tax, so it's a hell of a lot easier to cross out the tax and put sales tax and deliver the same speech. You know, a sales tax hits everybody. If you're buying a package of cigarettes, you can be an old retired farmer, or you can be somebody on welfare, you're paying your sales tax and it could be anybody, it doesn't respect anybody at all, it's the same thing. It is not a tax on ability to pay and it's not the kind of tax that we believe in. Now this tax, at least you're getting the people that, even if they did go down to the people that have jobs, and I don't say that it has, but even if it did, at least it's not going to get these retired people, the people on welfare and those kind of people. These are the things that I think are important things.

Now, we've talked about Mr. Reagan also, but it's quite obvious what's happening out there in the States. You know it's the same thing with these people; we hear those speeches and they're sincere speeches. I believe that these people are sincere, the majority of them. I think that they are sincere when they are saying certain things, but then they forget, they forget. When you're talking about, you've got to tighten the belt, you're not talking about you, you're talking about the guy down below. You know, you start here by insisting that you have a certain guarantee of certain wages and protection and a pension and you take care of all these things; we're afraid, we're afraid here to say one word, that doctors are getting too much money. You know that's awful, because then you're doctor-bashing if you do that. I am saying,

I am saying very clearly, I don't mind, in fact I think they should be the highest paid people in Manitoba but they shouldn't get it all. The policy will be made in Manitoba; the fees will be made in Manitoba. It will not catch up with the United States or parity with something that we can't compete with and it's not all going to be given to one group and not to the other group.

We're going to talk about dollars and cents also. This is the thing we're going to do. We would like to pay them as much as we can but there is no way that we're going to have one privileged class in society, in Manitoba and that's going to live at the expense of anybody else. My honourable friend talks about making sure, that you have to make sacrifices. Is that only lip service? You know, we've talked about wage restraint; did we talk about profit restraint? Did we ever say, okay, there has to be a maximum on profit? No, it's automatic; it is our system. It is a greedy system; it is a greedy system that the rich want to get richer and the poor, poorer and I think that's probably now where we have the difference. I'm not going to say they don't care about poor people but they are convinced that if you take care of the rich and the brainy, that enough will trickle down - in fact, those are their words. That was the philosophy of the Budget in the United States that there'll be enough, that the poor will have the crumbs, will pick up the crumbs and they'll be better off and that's the only difference.

This is the difference, that I would be personally - I'm not a rich person, but I'm not poor - I would be a hell of a lot better under a Conservative Government, I can tell you that and I'm not ashamed of saying that I've got a social conscience, you know, that I'm supposed to be a traitor because I was in business and what the hell am I doing there, I don't fit there. You know, I'm not ashamed at all, because I've seen things around me and if I've been fortunate enough to get a little more than the majority or than some others, I don't mind being taxed. I don't mind, in fact, I'm ashamed of not doing a little more and this is the difference. I'm not very good with words, I'm not good in putting in words what I really mean, so therefore, I've had to borrow from people that I respect very much and I think that'll give you an idea of my thinking in politics and my thinking of where we go.

You know the difference, as I said before, is we said, all right we're not going to go ahead and start. The Conservative Party have been saying, we want all these things and I know they want it but we are not ready. We've got to wait until the climate is terrific for everybody, then there might be room. We are saying it's a family, so the old man can get his Cadillac and his Crown Royal, you don't sacrifice the kids and say you're not going to have shoes or you're not going to have that. We say, okay, the first thing, you start looking at the people that want it. I'm not talking about Communism and everybody the same, I'm saying at least the minimum of services to the people of Manitoba, those that cannot help themselves. It's okay to talk about the free enterprise system and, you know, that you're going to give them motive to work; there's some people that don't work like that.

There's an awful lot of people that are walking the street that are mentally ill, probably not as many as the percentage in here but quite a few of them. So, Mr. Speaker, these people cannot do the kind of work that

we're talking about. There are some that do and they are well recompensed and those people, no matter where you put them, you can take everything they have, put them on an island alone, they would do it, but that is a gift. This is something that they have and we are looking at those that cannot help themselves. If that is socialism, then I am a real socialist because I believe in that.

I would like to quote a few things, as I said from people that can say it a hell of a lot better than me. I am quoting from the Pope's last visit here in the United States, I think it was in 1979, and he said, "Therefore, I declare, the fundamental criterion for comparing every political, economic and social system must be a humanistic one. Specifically, the proper measure of all systems is the extent to which each one of them can be said to reduce exploitation as well as ensuring through work a just redistribution of material goods and permitting participation in the whole process of production and in social life, having agreed with Marx that human rights depend upon excess to the means of economic production."

Again from the Pope on the same trip, "The poor of the United States and of the world are your brothers and sisters in Christ. You must never be content to leave them just the crumbs from the feast. You must take of your substance and not just of your abundance in order to help them." Listen to this. "You must take of your substance and not just of your abundance in order to help them and you must treat them like guests at your family table." The Pope included this warning by returning to the favorite parable, that of the rich man Lazarus, the beggar, "We cannot stand idly by enjoying our riches and freedom, if at any place the Lazarus of the 20th century stands at our door."

So I say to the Member for Fort Garry, they are not crocodile tears. He might believe it, but I don't feel that I am crying crocodile tears when I say, okay, if it is going to be a deficit, if it is going to be in taxing for other generations, the human resources are our best resources and I think that we have to cultivate it.

Here is another one, "The persistence of injustice threatens the existence of society from within, he declared. This menace from within really exists when the distribution of goods is grounded only in the economic laws of growth and a bigger profit. When there persists a big gap between a minority of the rich on the one hand and the majority of those who live in want and misery on the other."

The Pope is telling them, "The world cannot accept plutocracy, dehumanizing economic policies. Plutocrats have the wrong person in view. They are concerned with the wealthy. The Christian is concerned with the poor." The Pope is saying, "Don't you believe it about both Communism and Capitalism," and I say the same thing. You don't have to be one or the other, but you try to improve both systems if they don't work. You try to find something else. "Both are maximizing their fixed principles and those fixed principles are the fulfillment of state for one and the enrichment of individualized wealth for the other."

There's another one here — I haven't got that many — and this was a report in the *Prairie Messenger*, "The fact that we work for the money is not the final measure. Millions of people would work and cannot. We are the beneficiaries of the wealthy, relatively under-

populated, formerly overendowed natural resources rich nation. More than three-quarters of the world, we are the leisure class par excellence in history. Never had so many had so much for so little exertion and yet we feel harried, incomplete, confused. Something is wrong. We have lost our sense of values and cannot be sure where to reach a replacement."

Mr. Speaker, finally from Barry Bosworth, the former director of the Council of Wage and Price Stability in the United States and this is what he says and that is the question I would like to leave us with: "If the answer is that the economy and its system has to have seven or eight million people unemployed all the time to give us reasonable price stability and that's basically what the answer seems to be, then you have got to change the system. You can't continue to operate under the current rules of the game because it is socially just too high a level of unemployment. You can't expect these people not to riot."

Mr. Speaker, I think that this is the important thing. It seems it might be that the Reagan system will work. I think probably it will, but at whose expense? You cannot just say, okay, we are going to try to re-establish the kind of climate we want to encourage industry and then . . .

MR. DEPUTY SPEAKER: Order please. The hour being 5:30, I am leaving the Chair to return at 8:00 p.m. at which time the Honourable Minister of Health will have 10 minutes remaining on his speech.