

LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, 10 June, 1982

Time — 8:00 p.m.

SUPPLY - EXECUTIVE COUNCIL

MR. DEPUTY CHAIRMAN, P. EYLER: This committee will come to order. We are considering the Estimates for the Executive Council, Item 1. General Administration, 1.(a) Premier and President of the Council's Salary.

The Member for Thompson.

MR. S. ASHTON: Thank you, Mr. Chairman. When we last met I had just begun to make a few comments in regard to the - well, I'd like to call it debate, Mr. Chairman - but to a certain extent it's the lack of debate or at least lack of intelligent debate that we've seen in this committee because of the strange tactics the Leader of the Opposition has been using in the discussion of these particular Estimates and those strange tactics I am referring to are the rather cheap shots that the Leader of the Opposition has taken at the labour movement, at the NDP. For awhile it was El Salvador, Chile, various other elements which were thrown in by the Leader of the Opposition, but I think in each case the best way to describe it was that they were cheap shots.

Those cheap shots, Mr. Chairman, were not just used by the Leader of the Opposition in this particular discussion today in Estimates but were used by other members of his party. Yesterday, in discussion of Bill No. 40, The Act to amend The Labour Relations Act, in which they suggested that Bill 40 was somehow a payoff to labour and various other such devious things when it was no such thing. Had the Leader of the Opposition been here for my remarks on Bill 40 today when I pointed out that this was not in fact the case, that Bill No. 40 was supported by people within the NDP, people within the labour movement, people generally, that it was discussed, that it was a campaign promise and one that we have no bones about keeping, I would have thought perhaps he might have changed his attack but obviously he missed my earlier comments. Well, knowing the Leader of the Opposition, he hasn't learned too much even from the results of the election on November 17th, so given that I rather give up any hope of trying to bring a more reasonable attitude on his part toward discussions of these things.

What I could say, Mr. Chairman, in response to the Leader of the Opposition is that: Bah! The Tories are the captives of the corporations. I could say that they're bought and paid for, all 23 of them, by the corporations. I could say that, Mr. Chairman. It's a well-known fact that the Conservative Party receives substantial donations from the corporations; it is a well-known fact. We heard in discussion of the Crow rate, they received to the tune of \$30,000 a year from the CPR. I know from Thompson experience that they received \$30,000.00. In fact, the amount may have increased, but they have received in the past \$30,000 from Inco, whereas we've received no such money from corporations, Mr. Chairman. I could say that proves that they were bought and paid for, that they

are puppets of the corporations, but I haven't said that, Mr. Chairman. My colleagues haven't said that.

We have some basic level of respect for the Conservative Party as a political party, for those individuals as representatives of their constituents, a respect that prevents us from using such cheap tactics in debate. I haven't said that they are captives of the corporation just because they've received substantial contributions in the past. They haven't extended that same courtesy to members on this side. No, Mr. Chairman, they haven't done that.

I could also, from Thompson experience, get up and say how members of the party opposite have put a great deal of pressure on people in various constituencies using their positions, their connections, with other people to try and force them to vote Conservative. I could have said that, Mr. Chairman, and in this particular case I would have been quite accurate, because I can tell you from the Thompson situation that the strongest political machinery that exists there is not the machinery that exists within Local 6166 of the United Steelworkers of America. No, Mr. Chairman, it's the machinery that exists amongst Inco staff.

I can tell you of cases I ran across during the election where people who were Inco staff members had Conservative signs banged up on their lawn. They tore them down; they were banged up on the lawn again. They tore them down one more time and they were banged up again. Now, they hadn't requested these signs, Mr. Chairman. They hadn't even indicated to anyone that they planned to vote Conservative, but because they were Inco staff members the Conservative workers naturally assumed, well, they're voting Conservative, banged up the lawn sign, when that was not in fact the case, Mr. Chairman.

I can speak well of the pressure that is often put on Inco staff members because my own family, my father, is an Inco staff employee. So I have certain rather close knowledge of the kind of pressure that is put on various people.

Now that's what happens in Thompson in terms of the Inco staff. There's also more subtle pressure, using such positions that I ran across when I went campaigning in a particular apartment block on Nickel Road in Thompson during the election, Mr. Chairman. I ran across a poll which was very supportive of the NDP with one exception, or so I thought. I came across a person that had about two or three Conservative signs in his window. He had about four or five stickers on the door. As I was going down the hallway speaking to various people, they said, well, you better skip that guy down there, he's Tory, skip him. This was a fairly strong NDP poll and they were quite surprised that there was such a strong Tory in that poll. So I went down there and then all of a sudden, from out of the door of this person with all these Conservative stickers and signs, up popped this particular individual who started off in a good nature throwing political comments down the hall.

Well, I wanted to be polite. I didn't want to get into a political argument with him and I replied to him and it was my intention to speak to him and then just continue on my way. But as soon as I finished my conver-

sation with the other person down the hall, as soon as I finished that this particular individual came out of the hallway, came up to me and said quite quietly off side, look, I'm not voting Conservative; I'm actually voting NDP. He said, I've always been a strong NDPer and the way the Conservative Government's treated us the last four years I'm sticking to it. So I asked him, but why have you got all these stickers on the door? Why all these signs? He said, well, I'm a bit behind in my rent and I figure if I put all these signs up, my landlord who is a strong P.C. maybe he won't collect on the rent too quickly and boot me out. So that was the kind of subtle pressure that particular individual felt. Because his landlord was a strong P.C. and had planted this huge Conservative sign in front of the apartment block, he figured, well, if I pretend to be a Conservative, maybe I'll get off with my rent payments.

I could continue with other similar examples, Mr. Chairman, of people who had signs planted on their driveway, signs which they didn't request. I ran across a number of other people in apartments, where people had knocked on the doors. They'd given the signs to the particular individual and they placed them right by the door. In fact, I remember a number of occasions, I knocked on the door and I was talking to this person. They were quite friendly. I noticed all of a sudden there was a Conservative sign there, so I figured, well, that's one lost vote. Then the particular individual turned to me and said, can I get an NDP sign to stick on my window. I was figuring, well, this guy's got to be crazy. He's already got a Conservative sign and now he wants to put up an NDP sign. Maybe he's undecided; maybe there's another member of the family who's voting Conservative. So I said, well, I thought you were voting Conservative. The guy said to me, well, they came around. They asked me whether I wanted a sign; I said, sure. I took it. I'm not putting that in my window; I'm not voting Conservative, but I took it anyway. There are a lot of cases like that, Mr. Chairman. This particular individual was actually a lot more charitable to the Conservative sign than other individuals I had seen.

The usual tactic of people in some of these apartment blocks that were strong NDPers was, if they were offered a sign, they said sure. They'd get the sign; they'd rip it in two and then they'd give it to their kids to play with. I could say that there was some devious plot on the part of the Tories in Thompson; I could say there was some devious plot to coerce Inco staff members into voting for the Conservatives; to coerce tenants to vote Conservative; some plot to force them to put up Conservative signs in their windows. I could say that, Mr. Chairman, and that would be totally in keeping with the spirit of debate that the Leader of the Opposition is starting. But I am not saying that, because that simply would be a totally and gross exaggeration of what happened.

I recognized that; the Leader of the Opposition recognizes that on this particular case. It's too bad that he wouldn't be as objective in looking at the situation with the NDP in the Province of Manitoba in regard to their relationship with the labour movement. I think the Premier pointed out quite well, earlier, that we have a strong affinity with the labour movement, with the MFL, as the provincial spokesman for the labour movement. We have a strong affinity with them. We

have very many people in the MFL unions who are members of the NDP, active members at that, and we have a strong history of a close connection with them. We make no bones about that, Mr. Chairman, but where are the strings? Where are the political payoffs? Where are they, Mr. Chairman? Well, they simply don't exist.

It is exactly the same sort of thing that I said in regard to the Conservative Party, that we are not doing, that the Leader of the Opposition is doing in this particular case and that is why he spent one hour of the Legislature's time or more actually, Mr. Chairman, one hour, I would say, wasting the time of the Legislature talking about the MFL, because he hopes to create this big bogeyman, the MFL and the NDP, and they're all in cahoots and oh, there is some devious plot going on here. Well, Mr. Chairman, that simply doesn't wash with the people of this province.

Earlier he mentioned about Thompson having a strong labour background. It doesn't wash up there, Mr. Chairman, where we do have a large number of people involved in the labour movement, members of labour unions. They voted NDP this time in large numbers, Mr. Chairman, in large numbers; not because the Manitoba Federation of Labour said, vote this way; not because members of local unions said, vote this way. If that had happened, Mr. Chairman, a good number of those people would have told the person telling them to do that to go - well, to go to a certain proverbial place, Mr. Chairman - because the members of labour unions just as anyone else in Thompson and probably more so in Thompson are very individualistic. They don't take orders from anyone; they make up their own mind, and that's that. In this particular election the vast majority of them voted NDP and in fact that's been the case over the last few years. —(Interjection)—

Well, Mr. Chairman, if the members of the Conservative party don't think that's the case, they should talk to the average working person in Thompson at the present time. The establishment in Thompson voted en masse one way; the working people voted the other way. The establishment voted Tory; the working people voted for the NDP. They talked earlier - as a matter of fact, the Leader of the Opposition makes reference to the fact that I won the election by 72 votes - I tried to cheat you out of 21 votes - but I won by 72 votes, Mr. Chairman, and he is trying to use that as some argument for the fact that working people up there have some great affinity for the Conservative Party rather than the NDP. Well in fact, that's not the case.

If one was to look at the results and look at the reason why my opponent, Ken MacMaster, did fairly well, it was because he did have a certain amount of affinity with union members, with working people in Thompson going back to the years when he was an NDP candidate. While the honourable members opposite don't often refer to that fact, he was a former NDP candidate, a former Liberal, a former Conservative - God knows what he is now - but he had a connection with working people. I would say one of the reasons why he came within 72 votes, Mr. Chairman, was the very fact that he did have a certain support base amongst working people in Thompson.

If I was Leader of the Opposition, I'd be pretty scared of the political future just by looking at his

Caucus members, his 22 colleagues, the other MLAs in this House, Mr. Chairman, because if he was to look at them, I don't think you'd find one by any stretch of the imagination who could be classified as a working person. Not one. —(Interjection)— Oh well, now they laugh, Mr. Chairman.

POINT OF ORDER

MR. DEPUTY CHAIRMAN: The Member for Roblin-Russell on a point of order.

MR. W. MCKENZIE: Mr. Chairman, on a point of order, I ask the honourable member to withdraw that remark. There are no working people in our Caucus. I ask him to withdraw that remark.

MR. DEPUTY CHAIRMAN: The Member for Thompson.

MR. S. ASHTON: Mr. Chairman, on the point of order . . .

MR. W. MCKENZIE: . . . an allegation. There are no working people in this Caucus sitting across here in the Opposition and I ask him to withdraw that remark.

MR. DEPUTY CHAIRMAN: The Member for Elmwood on the same point of order.

MR. R. DOERN: On the point of order, I don't know if my honourable friend understands the remark. I think it is well-known that the word or expression "working people" refers to people in blue-collar occupations of a particular variety and the fact that the Honourable Member for Arthur, for example, may be a farmer doesn't mean he doesn't work. It's just that his classification is farming. When we talk about "working people," you're talking about certain varieties of occupation. I don't normally include lawyers in that particular group. Now maybe the Leader of the Official Opposition does, but "working people" I think, is well-known. My honourable friend is perfectly correct in using that expression and if the honourable member can give us an example of somebody on that side of the House who's a blue-collar worker, or holds a trade union card, or is a machinist, let him do so. It would be very interesting to know who it is.

MR. DEPUTY CHAIRMAN: The Member for Thompson on the same point of order.

MR. S. ASHTON: Mr. Chairman, on the point of order. The statements I made were descriptive, they were certainly not unparliamentary language. You know, I've heard members on the opposite benches go around and say, oh, there are no farmers on the other side, they're all a bunch of preachers and teachers going around with the little descriptions, which have been totally inaccurate. My description for that . . .

MR. DEPUTY CHAIRMAN: Order please. Would the Member for Thompson like to complete his remarks? —(Interjection)—

The Member for Thompson.

MR. S. ASHTON: Thank you, Mr. Chairman. I believe the honourable members opposite are sensitive and with good reason.

MR. DEPUTY CHAIRMAN: Order please. Order.

MR. W. MCKENZIE: He is not speaking to a point of order . . .

MR. DEPUTY CHAIRMAN: I have not recognized the Member for Roblin-Russell.

The Member for Thompson on the point of order.

MR. S. ASHTON: Not on the point of order, Mr. Chairman.

MR. DEPUTY CHAIRMAN: Not on the point of order.

MR. S. ASHTON: On the main section.

MR. DEPUTY CHAIRMAN: Does the Member for Roblin-Russell like to speak on a point of order?

MR. W. MCKENZIE: Nay, Sir.

MR. DEPUTY CHAIRMAN: Ayes and nays on what?

MR. W. MCKENZIE: On him withdrawing that point of order, that there are no "working people" in this Caucus. —(Interjection)—

MR. DEPUTY CHAIRMAN: There's no motion on the floor. I believe there is a very wide latitude for interpreting the term "working people." There are two interpretations being used here and I don't think that either one is necessarily the only interpretation. Perhaps the Member for Thompson could be more precise in his wording.

The Member for Thompson.

MR. S. ASHTON: Okay. Well, Mr. Chairman, I think if one just looked at the situation . . .

MR. W. MCKENZIE: Well, Mr. Chairman, I still don't accept it.

MR. DEPUTY CHAIRMAN: Order please.

MR. S. ASHTON: I believe I have the floor, Mr. Chairman. In terms of the discussion we've been talking about here today of MFL, of "working people" being the labour movement and whatnot, I would be pleased, in fact, to see those members opposite who will classify them in that category, because there are a number of people on this side of the House who certainly would.

I know from personal experience, Mr. Chairman, that working, for example, in a mine, or a smelter, or any such similar operation, or in a factory does give one a certain kind of perspective. I know that because I have had but a brief connection with that kind of employment, Mr. Chairman, previous to this election. My employment was in the mine in Thompson and I say that when I use the term "working people," that I use it out of great respect for those people who day in, day out, work their way in about the most honest way

possible, and that is, through their very sweat and their blood, Mr. Chairman, because that is indeed how most working people make their existence in Thompson.

I said, out of credit to my predecessor, that he did have a strong connection with the labour movement, with working people in general, because he started out that way and I said that as a credit to him and I suggested to the members opposite, that they should perhaps try and encourage more people to be involved in the Legislature from that particular employment, that particular perspective, because a large number of people of Manitoba are from that background, Mr. Chairman. I would say the members opposite would do well to encourage people from that occupational background and experience.

HON. S. LYON: Are we on the point of order, Mr. Chairman?

MR. DEPUTY CHAIRMAN: No, we are not.

HON. S. LYON: Well, let's clear it up, Mr. Chairman, because I am speaking on the point of order and the Honourable Member for Thompson is putting . . .

MR. DEPUTY CHAIRMAN: The Honourable Leader of the Opposition on a point of order.

HON. S. LYON: I say there is a point of order and you, Sir, will hear me while I say there is a point of order. I am saying to you, Mr. Chairman, that the term being used by the Member for Thompson is an offensive term unless, as you ask him to do, he clarifies it. But your "working person" is not a term that is restricted just to his class ideology. Everybody in this province who draws a salary or who makes a living is a working person. If my honourable friend wants to talk according to his narrow, tunnel vision of society about people who work for Inco and who are unionized as being the only working people and the people who aren't unionized as being non-working people. Well, that's fine, according to his prejudice.

My honourable friend, the Member for Roblin-Russell, is merely saying, don't use offensive terms like that in this House when you've only been here a short time because you really don't know what you are talking about. The farmer who goes out and works by the sweat of his brow, a damn sight harder than a lot of union people that I know, is also a working person. The lawyer who works 18 hours a day in court is also a working person. The legislator, like the First Minister or that pup from Thompson, is also a working person in here.

So, Mr. Chairman, there are distinctions to be made in the term, if you can cajole the honourable junior member to make that distinction, then fine, otherwise, he has to withdraw.

MR. DEPUTY CHAIRMAN: The Honourable Minister of Labour on the same point of order.

HON. V. SCHROEDER: Yes, Mr. Chairman, on the same point of order and indeed on another one. I think that the Leader of the Opposition should well know, that reference to the Member for Thompson should be

withdrawn and I would hope that he would do so quickly.

HON. S. LYON: I'll be quite happy to call him the Honourable Member for Thompson and we hope he'll act like one.

HON. V. SCHROEDER: Mr. Chairman, with respect to the reference to "working people," surely the Member for Thompson was specifically following your instructions. I believe the instructions made sense, as the Leader of the Opposition indicated when he started out. He said that you had made a ruling indicating that the Member for Thompson should clarify what he was saying and what he was saying was, very simply, that he was referring to a specific segment of people who work for a living — (Interjection) — yes, he did. He did say that. He did not and he said very specifically, as I recall, that there are others who work, and probably equally as hard, but in a different class and the members of the Opposition, in terms of ownership of businesses, have recognized throughout since they've been on that side, that there are some people here who don't own businesses because that's one of the things that they keep throwing over to this side. They say, where are your business people? Where is this group? Where's that group? You're a bunch of preachers and teachers, as the Member for Thompson said.

They are the ones who are talking about some kind of a class system. They are the ones who, just yesterday afternoon, when we had the Member for Sturgeon Creek standing up and talking about class warfare and referring to Boeing, we remember that. Mr. Chairman, he stood up and suggested that Bill 40 would somehow have created class warfare when, in fact, it did exactly the reverse. Because of the election of the New Democratic Party, that group of workers went back to work; they didn't stay on strike; they were getting their paychecks after that; their employer was getting work done, which wasn't happening before there was an understanding on the part of those workers that, in fact, this legislation would be coming in as a result of an election.

Now, Mr. Chairman, there has always been an indication from that side, whenever we start talking about working people, that somehow we are talking class warfare. It is in fact that group that has been talking class warfare and I would suggest that we allow the Member for Thompson to get on with his excellent address to this Assembly.

MR. DEPUTY CHAIRMAN: The Member for Roblin-Russell on the same point of order.

MR. W. MCKENZIE: All I want is the record to be shown on Hansard that there are working people on this side of the House, and I just want that to be clear. Now if you are not going to make sure that it is clear, then we have no recourse. You're the Chairman of this Committee, Mr. Chairman. You are the only one who can make the ruling. If you're going to leave the remarks on the record which the honourable member has put there, that there is no working people over here, we can't help it. We don't have enough votes to vote against it, and if that's what the socialists believe

about us, and you're not going to rule on it, let the record show, it's not correct.

MR. DEPUTY CHAIRMAN: I thank the Member for Roblin-Russell for his clarification of his interpretation of the term, "working person." As I said before the term "working person," I believe, has latitude for a wide interpretation as well as for a narrow interpretation, and both sides are free to interpret the term in any manner they choose.

The Member for Thompson.

SUPPLY - EXECUTIVE COUNCIL (Cont'd)

MR. S. ASHTON: Thank you, Mr. Chairman. I must say that I would agree - as the member says they're very sensitive - but I would agree on one thing and that is, that certainly people in other occupations work damn hard as well, with one exception, and that is in terms of legislators. After seeing what is being produced by this particular body sometimes I somehow feel rather guilty when I look at the amount which we are paid. —(Interjection)— Well, the Leader of the Opposition says, why don't I resign? I'm hoping to bring some sanity to this place one of these days, because to sit here for one hour, the Honourable Leader of the Opposition is paid a rather handsome salary to sit here for one hour, and go on with this fetish he has about the Manitoba Federation of Labour. You know, to compare that with some people in my constituency who are working underground, under incredible physical pressure and physical danger for far less salary, or to compare it with people who work for staff positions at Inco in Thompson who are under a great deal of mental pressure for reduced salaries, I think is a perversion of the way society works, but that is only a personal comment, Mr. Chairman.

As I was saying, before the Honourable Leader of the Opposition attempts to put himself up as some expert on working people, he mentioned how he was at MFL conventions and people came up to him and spoke to him and said how concerned they were about the briefs of the MFL and whatnot, I find that rather hard to believe. There were very few members of the MFL affiliated unions I ran across in Thompson who would have come up and been anywhere near civil to the Leader of the Opposition after the way he treated them for four years, but if he wants to talk about that, that's fine. If he wants to talk about the fact that many working people - and I can use that in whatever sense those members opposite want - vote Conservative, he can do that, because that is indeed the case, Mr. Chairman, because a lot of people do vote Conservative.

As I said earlier, people who are members of unions, members of MFL unions, or individuals, they vote whichever way they want. A good number vote NDP; a good number vote Conservative. The fact is that the Conservatives have slipped rather considerably there recently and I would throw that out as a suggestion that they perhaps check into why, and I think if one were to listen today, Mr. Chairman, one would see one of the reasons why, because the members opposite have tried to bash the MFL setup as some great ogre, as pulling strings and political payoffs and whatnot, when that simply is not the case, Mr. Chairman. Peo-

ple of this province know that and for the Leader of the Opposition to waste the time of this Assembly with ridiculous insinuations like that, ridiculous charges, it's just beyond me, Mr. Chairman.

There are a lot of issues that we should be discussing here. I would like to hear some discussion when the Leader of the Opposition talks about the North and whatnot, of Northern issues, instead of just throwing it out and then saying, oh, well the MFL brief didn't know what it was talking about, because some of the points he mentioned are of very great concern to people in Thompson, Mr. Chairman, such as, energy costs, transportation costs, as indicated in the MFL brief. It's not just the MFL which talks about it, it's the Chamber of Commerce as well. So I would hope that he would not look at the source of these documents, and would look at the substance, and would look for the good points, look for the feedback and perhaps pay some attention to that. He didn't do it for four years as Premier of the province, he might well take his additional time now as Leader of the Opposition to look into it.

Just in terms of the time, Mr. Chairman, I believe a good part of the time was taken up with points of order.

MR. DEPUTY CHAIRMAN: Order please. The member has used his 30 minutes allocation on this particular speech.

1.(a) - the Member for Roblin-Russell.

MR. W. MCKENZIE: Mr. Chairman, I have a few questions I'd like to ask the Honourable First Minister now that the new wing of Thompson has got all the gas off his chest and has given us some idea of how a backbencher bails a Premier out - the first time I've ever seen it in my lifetime here. It gives you, Mr. Chairman, a classic example how weak this government is. There are no Treasury Ministers bailing the First Minister out in this debate at all. It's a lonely backbencher from Thompson who had - what did he say - a 70 vote majority, who is coming to the rescue of the First Minister of this province on some of the most difficult and economic times that I've seen in my House and I've been here going on 17 years in a very few days, and I've never ever seen a backbencher trying to bail a Premier out, especially if he'd added even one sentence in his debate that added something to help us in this most difficult time, to bail ourselves out of these most horrible times that we're facing since this government took office.

Mr. Chairman, can I ask the First Minister, has he or any of his Ministers been out to this new CSP Foods at Harrowby, a plant that was brought into this province, thanks to the Pool Elevators of Manitoba and Saskatchewan, who are now facing difficult times and have these problems at Gimli today, the problems we see all around; I'm just asking, have any of his Ministers been out to talk with CSP Foods since he took office?

MR. DEPUTY CHAIRMAN: Mr. Premier.

HON. H. PAWLEY: Mr. Chairman, I think that the member should ask the Minister of Agriculture whether or not he has been out. We can indeed check that out, but it would seem to me to be more appropriate that

the member enquire of the Minister of Agriculture who would be the most intimately involved insofar as the operation in question.

MR. DEPUTY CHAIRMAN: The Member for Roblin-Russell.

MR. W. McKENZIE: Mr. Chairman, can I ask the First Minister if any of his Treasury Bench, or even any of his backbenchers have been in San Clara to talk with the Mountain House Loggers in these most difficult times to see if that industry will survive?

HON. H. PAWLEY: Mr. Deputy Chairman, I must indeed inform the honourable member that the members of the Treasury Board have been quite involved in visiting various areas of the province. Although we've been in government only six short months this, indeed, and I think it's been generally recognized, is a government that has been very much involved insofar as travelling to various parts of the province, consulting with people in Manitoba. In fact, I look about me and I believe there are to be no exceptions in regard to the extent of involvement, participation and effort at consultation on the part of the members of this Treasury Board. I appreciate the Honourable Member for Russell giving me the opportunity to point this out.

MR. W. McKENZIE: Mr. Chairman, may I then go to one that's well-known. Have any of his Ministers been at Rossburn to talk with MANCO and the dairy industry at Rossburn? Have any of his Ministers since this House opened, or since they took government, been to Rossburn to talk to MANCO and the unemployed workers there?

HON. H. PAWLEY: Mr. Chairman, I think what the honourable member should do in order to expedite matters is list all the areas that he would like to be advised as to whether or not my Ministers have been to and I will make an effort to advise him. I'm already informed by the Minister of Agriculture that yes, indeed, there have been discussions with MANCO and there have been discussions with the people from the Harrowby Plant.

MR. W. McKENZIE: Mr. Chairman, can I ask the First Minister if any of his Ministers, or any of the bureaucrats, have been at the five co-ops in my constituency:- Grandview, Roblin, Russell, Gilbert Plains and Rossburn, with the difficult problems that industry is facing today?

MR. DEPUTY CHAIRMAN: The Minister of Agriculture.

HON. B. URUSKI: Mr. Chairman, the Member for Roblin-Russell is speaking of whether someone has been out. I should advise the honourable member that there is work presently going on in co-operation with MANCO to do a review of their entire operations and the difficulties that they have, Mr. Chairman, and that work is being undertaken in co-operation with the Board of Directors.

There are discussions under way presently. I have

had, personally, at least three or four meetings with management and some of the Directors of MANCO concerning their operations, and the Minister of Co-op Development has also had meetings with them with respect to some of the difficulties they're in.

I should mention to the honourable member that there is a difference of opinion on the Board of Directors of MANCO in terms of the approaches that might be taken to assist that firm in the problems that they're having. There is a fundamental difference of opinion on that Board of Directors with respect to how best to settle some of the difficulties that the Co-operative has; so it makes our involvement much more difficult as well, and much more delicate, in terms of whether one goes about insisting that he should impose himself on those operations or one who would want to work co-operatively with the Board of Directors and with the farmers who are involved to try and settle some of the issues - very serious issues I might add from our point of view - and we are attempting to assist them as best we can.

INTRODUCTION OF GUESTS

MR. DEPUTY CHAIRMAN: Mr. Premier.

HON. H. PAWLEY: Mr. Chairman, I think it would be less impervious if honourable members would like to know that during the supper hour, I had the opportunity to meet an upcoming Progressive Conservative candidate from New Brunswick, who I see is in the gallery tonight, along with the past New Democratic Party candidate in the same Federal constituency in New Brunswick in the gallery behind you.

MR. DEPUTY CHAIRMAN: The Honourable Member for Roblin-Russell.

MR. W. McKENZIE: I'm sure all the members of this House and the Province of Manitoba welcome these distinguished guests to our province, and we wish you well here and we hope you enjoy your visit.

SUPPLY - EXECUTIVE COUNCIL Cont'd

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

MR. W. McKENZIE: Mr. Chairman, that is the problem we in the Opposition have had with this government since Day One. We come here day after day with these serious problems in this province, economic problems, and I don't know anybody else that I'd sooner go to as the First Minister of this province to see if he has control of his Ministers, if in fact he knows where they're going every day, if in fact he knows what their work — (Interjection) — Well, I'm just telling you. Mr. Chairman, I have never seen a weaker government in my 17 years in this Legislature than the one that sits right across from us right now. This is by far the weakest government that I've seen in my time. That's why I am concerned tonight and I am raising these questions. I hope that what I'm doing is prodding the First Minister of this province to get out of this place and see what's going on out there.

Sure the Minister of Agriculture says somebody's

been talking to MANCO. I tell you, Mr. First Minister, go out to the heart of the problem right in that creamery at Rossburn and talk to those unemployed people. That's where the problems are, not in here, or not listening to a Minister or a bureaucrat. Go out where the action is and listen to what's going on.

I know it's difficult for the First Minister to go into my constituency because it's a Tory constituency. We saw that with the centennial bash. Sure Selkirk is NDP; so is Brandon, and they're having their big centennial bash. We can't get a centennial bash in Shelmouth unless I pay for it and that's the problem we have with this government, Mr. Chairman. They've got their blinkers on, tunnel vision, and they'll sit and listen all night to the Honourable Member for Thompson put nothing into the debate, nothing to contribute to the difficult problems we have.

So before I sit down, I'll raise another question. Can I very briefly, Mr. Chairman, ask the First Minister in the ensuing months, will he come out to my constituency - I'll go with him - and let's go and talk to those longstanding viable industries that have been the guts and the whole economic thrust of that constituency for decades and see if we can't, before it's too late, save them all.

MR. DEPUTY CHAIRMAN: The Member for Elmwood.

MR. R. DOERN: Mr. Chairman, this particular debate has been going on for four days and I think there's a very interesting thing happening here. There's something happening superficially, and there's something happening beneath the level of the debate itself. I think that is an explanation which I'd like to take a look at, as to why the Leader of the Official Opposition is getting so exercised in this particular debate and why he is trying so hard in all of his speeches, starting in the beginning of the Session, going through the Session and particularly the last four days to demonstrate that his party didn't in fact lose the election, but in some peculiar way the New Democratic Party stole the election. Isn't that the theory that is being put by the Conservative Party in the last few days and by the Leader of the Official Opposition? Isn't this what he's trying to argue? That it was due to a deceitful advertising campaign, some sharp television commercials that the New Democratic Party found itself in office. Isn't that the theory? —(Interjection)— Well, that's my theory. That's right, that's my theory based upon your theory. I see that several of your backbenchers agree. They don't believe that the government, the Lyon administration, lost the election. They believe that the New Democratic Party stole the election. —(Interjection)— Mr. Chairman, well we stole it fair and square perhaps.

Mr. Chairman, that is what they would like to believe. It was a very interesting comment this afternoon made by one of the backbenchers or made by my colleague the Minister of Cultural Affairs who, when we were talking about party colours, talked about the Tory colours which are black and blue as a result; the new Tory colours as a result of the last election campaign.

Mr. Chairman, it's very interesting to have listened to the Leader of the Official Opposition over these last few days. He's been quite worked up as to the method

of operation by the New Democratic Party during the election campaign. I have dug out the ads that were put into the newspapers by his government. You know how they read us their pamphlets, Mr. Chairman, how from the beginning they have been reading us our pamphlets as if their pamphlets and their advertising was all terrific and that there was no problem concerned.

Mr. Chairman, I think the reasoning behind this is easy to see and that is that it would take a pretty big man to admit that he lost a campaign. It is not an easy thing to do, to admit defeat or to admit mistakes, but that is the situation. What is really at stake in this Legislature in the last few days and in the last four months is the place of the Leader of the Official Opposition in history; that is what is at stake. He has to attempt to demonstrate that he is not there on the side of the losers because the losers in the last 30 years in this province have included Premier Weir and Premier Lyon. Those are the two prominent losers. —(Interjection)— No. Well, sure he was prominent and sure he lost, sure Duff Roblin lost and sure Doug Campbell lost, but the people who since 1948 have stood out as the big men in this province have been Premier Campbell who was in 10 years and then lost, Premier Roblin who was in nine years I think and then lost —(Interjection)— all right, so okay he didn't lose, he retired. Then Premier Weir came in after him, operated for two years and then lost. I don't believe that Weir lost on his own accord; I don't believe that Weir blew the government. I believe what happened was, he took the rap for the Roblin Government plus his own mistakes and successes as they were, but he in effect lost partly on his own and partly on behalf of the Roblin Government. Then you had Ed Schreyer who came in for eight years.

So how do you measure the greatness of a Premier? How do you measure the ability of a government, the record of a government? You have to look to judge whether a government is good or not at its record, at the things that it accomplished in office, and its length of term. Those, I think, are the two criteria, Mr. Chairman, and if we were to start listing what the accomplishments of the Schreyer Government were, that would take a great deal of time —(Interjection)— it would take all night, as the Minister of Finance said, to list the achievements of the Schreyer administration. —(Interjection)— well, sure, I'm willing to include Saunders Aircraft and I am willing to include King Choy and I'm willing to include CFI, and I am willing to include Autopac and Pharmacare and Medicare premiums and all of those things, Mr. Chairman. I am willing to include all of those things.

Mr. Chairman, now we get to a situation of looking at the record of the Lyon administration, and I am very hard pressed to list the accomplishments of the Lyon administration. It is not an easy thing to do, and —(Interjection)— well, Mr. Chairman, the Lyon administration demonstrated a number of things. They put into practice an economic theory; they put into practice their beliefs on government, and what happened when they put them into practice? Did those laissez-faire economic theories work? Did the cutback of the Civil Service, the cutback of spending, the restraint program stimulate the economy? Did the money taken from the public sector stimulate the private sec-

tor and stimulate the entire economy, stimulate a mixed economy? No, it didn't do that. What happened was they followed an outdated theory; put it into place; the public saw what was happening and threw them out of office.

Mr. Chairman, I'm going to take a look at a few ads. I am going to remind you of a few ads that were put into the paper. Now, I think one of the worst ads ever put into a paper, and this is preceding the Lyon administration, was the series in 1969 by the Weir Government. Remember the hand keeping down expenditures which was a philosophy followed by the Leader of the Official Opposition? It was the restraint concept that by hard restraint on educational spending among many other things, you will achieve prosperity. — (Interjection)— but this is serious. That's what they believed at that time — (Interjection)— well, my honourable friend has never seen it. But if that was a bad ad, Mr. Chairman, surely the worst ad ever come up with in a political campaign in contemporary history in this country is this particular ad. It has a picture of the constituents of the Honourable Member for Thompson, and what's the heading? "Manitoba is sitting on a gold mine." You know, you'd better be careful who you say that to. If you say that to certain people, they may be shocked.

You know what? I made a mistake, Mr. Chairman, this wasn't the campaign ad. No, this was a government ad, a series of government ads, a program that cost the taxpayers \$150,000, just happened — (Interjection)— we have to have a Special Warrant— just happened to be perfectly timed with the election. Mr. Chairman, these ads were just fortunately timed with the election campaign. It just happened, I mean it was an accident that they phase in these ads, week by week, and then they called the election, and then they ran their ads. It was a fortuitous circumstance. And how they wanted to give Manitobans a first chance at these exciting opportunities — remember that? The Industrial Benefits Office, remember that? You set that up. Manitoba is sitting on a gold mine, not to mention nickel, copper, zinc, potash and oil. That was one ad, 'Putting food on the table and corn in your tank.' A lot of corn. — (Interjection)— this is no laughing matter. These are real ads. We forgot about these. — (Interjection)— No, I'm wrong again, this isn't a Tory ad, this is a government ad.

Now here's one, Mr. Chairman, on the mega projects. 'Manitoba's mega projects will mean \$3 billion worth of opportunity,' 3 billion. Yes, Sir, they had those contracts sewn up; they had those plants ready to roll; the piles were being driven; the plans designed; the contractors were given the contracts. All the people had to do was re-elect them and, boy, those plants would be right there. We could go out there now and smell the pollution, and we could see the potash mines and so on.

Mr. Chairman, the fourth ad, 'The Industrial Benefits Program, getting the most from Manitoba's economic growth,' and here's a list of all the help wanted. Look at this, the jobs are there, where's the line up? 'Help wanted, tool and die makers, welders, machinists, mechanics, electricians, engineers, technicians, computer programmers, systems analysts, researchers, accountants and managers,' and then it says continued. Mr. Chairman, where was one job?

Name one job that came out of these ads in terms of the mega projects that you tried to create the impression that were in the works, not one.

Mr. Chairman, the Weir government made the same mistake. When the Weir government called the election in '69, they had a list of things that they promised to do and then they called the election, thinking that the public would then vote for them to do the things that they promised. This government made the same mistake; they made exactly the identical mistake. They couldn't sign an agreement; they couldn't get a deal; they couldn't bring about this thing into fruition; they couldn't start a project. If you had been able to sign one contract, as Leader of the official Opposition when he was Premier, if he had produced one contract he might have been re-elected. He might have. The people might have — (Interjection)— well, the Minister of Finance says maybe. That's right, it's still an iffy thing.

Now let's talk about truth; let's talk about the truth in advertising. They want to talk about our promises — (Interjection)— I remember '69 well, it was a very good year. There's a song like that - in 1969 it was a very good year - I think Frank Sinatra sang that song.

Mr. Chairman, let's look at what they said in their ads. Let me tell you, Mr. Chairman, if you want to see distortion this is it, this is it. Here's an ad from November 14th, and here's a chart showing the 15,979 new jobs that construction of the mega projects will create. Mr. Chairman, the public didn't buy this stuff. The people of Manitoba didn't believe that there was anything behind these ads other than flimflam and distortion. The people of Manitoba didn't believe that there were going to be 2,100 carpenters signed as soon as they voted for the Conservative Party; they didn't believe that 1,124 electricians were going to be taken on; they didn't believe there were 4,265 welders and boiler makers. We've got the exact numbers here. You think I'm kidding. I'll show you this ad after, I'll show it to you. Truck drivers, and equipment operators, 1,095. Start lining up you guys, get your chauffeur's license out there. Bricklayers and concrete workers 745; operating engineers 1,010; general construction 3,102. Notice the numbers, Mr. Chairman. Who could tell that they need 3,102 general construction? You've got to be kidding, you've got to be joking. Others, we need 2,538 others. Are there any others available for work on this particular - an exact figure of 15,979 jobs, Mr. Chairman. Not 16,000 - no, 15,979, that's what they said, Mr. Chairman.

I talked to a lot of people during the campaign and before because I was worried as to whether people were buying the Tory line. The Tory line was vote for us, you get thousands of jobs, billions of investment, and you get prosperity ahead. You've got to be kidding.

'Don't stop us now.' Well that's what Scotty McVickar said in Concordia, remember him, Scotty McVickar? He was knocked off by my colleague here. He ran on the slogan 'Don't stop us now.' That was the slogan in the last campaign. It seems like a long time ago, but that was the slogan.

Mr. Chairman, let's see what they said about us. Here's the interesting thing. You know, I'm glad the Premier makes this point. I would like to have been at the meetings with Foster Advertising, and the other

agency down on Osborne, McKim - were they involved too? I would love to have been there to see the strategists of the Conservative Party gathered around the table, especially with those industrial benefits ads - 'You're sitting on a gold mine.' The Member for Sturgeon Creek, I could see him there all excited about the fact that this is going to get the people, and all the other top strategists there - Nate Nurgitz and the Attorney-General and the Leader of the Official Opposition and the Member for Fort Garry. I could see them all really just chortling with glee, using public taxpayers' funds to pay for all these ads, 'Sitting on a gold mine.' Boy, that really has a catchy ring, that has a ring to it.

Now if that's what they said about themselves, what did they say about us. Now you want to talk about distortion, just listen to this; this is the best ad of all, a full page ad in both papers on November 16th, "When you vote tomorrow, choose Manitoba's mega projects and a decade of prosperity for all Manitobans." Now here's what they're going to do, and here's what we were supposed to do. This is the contrast. Compare what your choice means. First, the first one is the Tory position. Thousands of more jobs for young Manitobans. That's what they would do, right? Create thousands of jobs. What would the NDP do? It would scrap the mega projects. Well, Mr. Chairman, that is a complete distortion, a complete distortion, a total distortion.

Now this gets hotter as it goes along, it escalates. This is what the Tories would do. 'The mega projects will mean a decade of unparalleled prosperity for Manitobans, and unparalleled security for the people who need our help.' Here's what the NDP would do. Want to know what the NDP would do according to the Tory propaganda? 'No new jobs, no new opportunities, and no growth for Manitoba.' A complete distortion, Mr. Chairman, complete distortion.

The final point — (Interjection) — you're too conservative, right, you were too conservative. The last point: 'The taxes the mega projects will pay will help keep everyone's taxes lower.' What do they say the New Democrats would do? 'Without the mega projects taxes would go up, hydro rates would soar, and the opportunity to build a decade of prosperity would be lost.'

Okay, now here's a question. Given the choice, Mr. Chairman, why didn't the people of Manitoba vote Conservative? Come on, what is the answer? Why didn't a majority of Manitobans vote Conservative, given those alternatives? You know why? Because for four years they saw what the Tory Party could do; they saw the record of the Conservative Party in Manitoba. They said, we're not going to go with these guys again, we know what they can do. We don't care what they say they can do. We don't care what they promise us. We don't care what they dangle before our very eyes. We have been there before, we were "had" once, we have seen four years in office and we're going to have nothing to do with these people.

So, Mr. Chairman, I conclude on that point. The Conservatives think or want to believe, they want to believe that the election was stolen by a series of slick ads put out by the NDP which were bought over their slick ads. Is that what they're saying? — (Interjection) — They were honest, yes, they want to believe . . .

MR. DEPUTY CHAIRMAN: The Member for Roblin-Russell on a point of order.

The Member for Elmwood.

MR. R. DOERN: Mr. Chairman, the Conservatives don't want to believe that they lost because of four years of nonaccomplishments. That hurts. They desperately want to believe and they want to tell other people that it was because of the advertising campaign put on by the New Democratic Party that people were bamboozled during a five-week period to voting NDP. — (Interjection) — Mr. Chairman, call it what you will. The fact of the matter is that the public watched the government in action, saw the results, voted them out of office and the election campaign was just the frosting on the cake.

MR. DEPUTY CHAIRMAN: The Member for Arthur.

MR. J. DOWNEY: Mr. Chairman, it is unfortunate the Member for Elmwood didn't continue to read the truth for a change because it's refreshing to hear from one of the members from the government side of the House, a former Cabinet Minister, because in fact we did hear the truth in what he just said; the fact that the truth was told by the Tory Party and the fact that we were honest with the people of Manitoba.

We, Mr. Chairman, didn't make any pie in the sky promises. We didn't have any catchy jingles that maybe sold a few people on the New Democratic Party. But you know, Mr. Chairman, I have to say, and I think the Premier is one who should listen very closely to this, that Manitobans have a pretty long memory and when the Member for Elmwood tries to go over our record of accomplishments and tries to make fun of the fact that we were broadening the tax base for the people of Manitoba, that there were job opportunities being created and developed, I do not stand here and feel badly that our record was bad. I'll go over a bit of the history as well for the Member for Elmwood because I think for some of the new members in particular, if they want to go back and compare when they are out of the House after the next election, something to do in remembering their few short years in the Legislature, I think they should compare some of the accomplishments that have taken place in our term as opposed to what they have accomplished in their first period of office.

Mr. Chairman, the First Minister first of all, I think, will never ever be able to clear himself from the propaganda that he put out to the people of Manitoba: "A Clear Choice for the Province of Manitoba." I would ask him a question and he can answer it sometime during his Estimates if he wants, but it's been proven and pointed out many times over that the first thing as far as the farm community is concerned is the kind of numbers that he used when he told the people of Manitoba that in the Conservative - and I will quote from the "Clear Choice" document "for Manitoba" which was the propaganda sheet that he put out - "While the Conservatives sat on their hands, almost 40 percent of Manitoba hog producers left production." That, Mr. Chairman, a document signed by the now Premier of the Province of Manitoba, is an out and out untruth.

The recent Hog Producers Marketing Report, Mr.

Chairman, clearly states that our hog production stayed relatively stable where in fact 13 percent of our hog producers either left the business or started to do something else, not 40 percent as the now First Minister told the people of Manitoba. There is a tremendous difference between 13 percent and 40 percent. In fact, Mr. Chairman, just so much that I think the First Minister of the province who now is standing and making speeches and saying that he is doing his best to help the economy, that he is putting everything into trying to make this a better province, I think that the people of Manitoba are paying the same amount of attention to him now as they will after they find out what he really means and how sincere he is.

Mr. Chairman, the First Minister, and for the Member for Elmwood's benefit, I want to just go back and look at some of the records of the accomplishments that were carried out under the Premiership of Sterling Lyon and the leadership. Mr. Chairman, the First Minister would well be advised to read a little bit of the history and how in fact the direction of a province, the direction of a government and the whole system can operate and try and develop those problems, because it's very true that the expenses and the whole business of bookkeeping was so out of whack under the last New Democratic Party that it did in fact take hours and hours and hours of consorted effort by Cabinet Ministers in the 1977-81 period to try and bring some form of economic or bookkeeping accountability to the people of Manitoba, because that's whose money in fact we are handling in government. It's not some money that comes from some unknown source. It's hard-earned money that comes in taxpayers' money.

Mr. Chairman, we have a health system in the province that was admitted by the people, by the First Minister, as one of the best there is, that it didn't deteriorate even though for four years they tried to discredit the work that was being done by my colleague, the Minister of Health. In fact, the developments that took place with the Cancer Research Lab, with all those major developments in health and the absence of trouble between the doctors and the government, the working relationship, I think, Mr. Chairman, to give those kind of health services was a commendable effort in itself, the development and the work that was done to see that the business community had job opportunities and employment through the development of our resources.

Mr. Chairman, the record speaks for itself and the First Minister again wants to pay attention that we saw record mining and oil development in this province in the four years that we were in office, Mr. Chairman. Mr. Chairman, I want the First Minister to know that the oil and those resources were there in the Cabinet of the Schreyer Government. Mr. Chairman, those resources are there to be developed, worked on and jobs to be provided from them and the wealth of this province. What is happening, Mr. Chairman? We have record layoffs in the province, Mr. Chairman. What is the First Minister doing, Mr. Chairman? He's standing there wringing his hands and saying, well, we're meeting with the different groups, we're listening to the different groups and we're going to do certain things. What has he done, Mr. Chairman? Yes, he has taken the odd kick at Ronald Reagan. He's taken the odd kick at him saying that he's got a high interest rate

policy that he doesn't support. No one likes high interest rates, Mr. Chairman.

But he was elected, the First Minister of this province was elected on a promise of doing something about it. What has he done, Mr. Chairman? What has he done? Talk about sitting on his hands, Mr. Chairman. He has done more than sit on his hands, he's sitting on his head, Mr. Chairman, that's what he's doing. Well, the people of Manitoba — (Interjection) — the Member for Elmwood says the Tories put food on their table. You bet we put food on their table, Mr. Chairman. We gave them jobs and we gave them the economic opportunities and the environment which they could excel and provide livings for their families. — (Interjection) — That's right, the lowest unemployment rate for years.

But what are we seeing under a New Democratic Party, Mr. Chairman? We have seen in the last six months the development of the worst economic conditions in this province since the Depression of the 1930s, Mr. Chairman, and what is he doing about it? He's not sitting on his hands, Mr. Chairman, he is sitting on his head. He's trying to now hide from the people of Manitoba. When he's asked, Mr. Chairman — I liked the questions from the Member for Roblin, have his Ministers gone out to see what is taking place in some of these areas where they're having economic difficulties, like the cheese plants, like the CSP plant?

Yes, Mr. Chairman, let us talk about CSP for a minute, because CSP Foods, which is owned by the Manitoba and Saskatchewan Wheat Pool, which was developed under the leadership of Sterling Lyon and the Progressive Conservative Party in this province, CSP is providing some 80 to 100 jobs, some \$40 million being invested in that small community and that, Mr. Chairman, happened under a Progressive Conservative Government. But what happened under his prior government with the Schreyer years? Kraft Foods were going to build a plant in Brandon. They said, no, you're not welcome in Manitoba because you're a multinational, down with multinationals. That, Mr. Chairman, is the kind of leadership and the kind of government we have under the Premier we have today. That's the kind of disincentive.

Let's talk about another particular industry that the Member for Elmwood tried to make fun of — and this is really what he was trying to do was make fun of economic development at Minnedosa — under our government and under the Minister of Finance, the Minister of Energy, the tax laws were changed on road gas, on tax of gasohol, Mr. Chairman. The distillery at Minnedosa, Mr. Chairman, was closed under the term of the New Democratic Party. Under the New Democratic Party the distillery at Minnedosa was closed. Mr. Chairman, under a Conservative Government it was reopened and what did that do? That created 20 to 30 jobs. It created a market for some millions of bushels of barley and, Mr. Chairman, the Member for Elmwood laughs about putting corn in our tank. You know, they're laughing at the job creation that took place under our government.

We had record development in the area of mineral and resource development. We saw record oil production and development of the oil fields in the south west corner, Mr. Chairman, and yes, they sit back and laugh about it because they think that all at once,

because there is a New Democratic Party in, the payoff for some strange reason has gone the golden way. Mr. Chairman, the answers aren't easy at this particular time but the bases were being laid for some major economic initiatives to take place with the Potash Development in Western Manitoba, with several hundreds of millions of dollars being invested, with the Power Grid and the Hydro development on the Nelson River, Mr. Chairman, they didn't discover it. The New Democratic Party think they found the Nelson River.

Under the years of Duff Roblin, that's when that whole development started, Mr. Chairman. D.L. Campbell, Mr. Chairman, gave rural electrification to the people of Manitoba. And what did the New Democratic Party give the people of Manitoba? They gave them a Hydro rate that was three times as high as it should have been in about a four-year period, Mr. Chairman, unprecedented Hydro rates when it could have been the cheapest anywhere in the world. Yes, Mr. Chairman, under the leadership of Sterling Lyon and the Progressive Conservative Party, they got a five-year frozen Hydro rate. Under the Progressive Conservative Party, Mr. Chairman, they got a grain system that moved grain from the prairies to the coast, and how much money did that make for the farmers of Manitoba? Millions of dollars, Mr. Chairman, that the small businesses and all the people in the community earn. That's what happened under a Leader, Mr. Chairman.

The Leader of the Government today, the First Minister of this province, who should be earning the money that we're voting for him, should be taking the lead in the further development of our agricultural industry. But what has happened? Let's talk about Gimli, where today we see the layoff of some 35 people; the cancellation of some thousands of bushels of corn that would go into the distillery. That, Mr. Chairman, was started again by the First Minister - not by our First Minister today, but by the Leader of the Opposition when he was with the Roblin Government. That whole industry, Mr. Chairman, was developed in Gimli and that's leadership and development, Mr. Chairman.

Under a New Democratic Party, Mr. Chairman, what is happening? We see a regressive taxation system, a payroll tax brought in, so that it encourages people to be laid off. Is that their whole strategy, Mr. Chairman? Is that their whole strategy? To make people dependent upon social assistance, welfare, so they vote for the NDP, so that they think the government are supposed to look after them. Is that their philosophy? The closing of two cheese plants in Manitoba, Mr. Chairman, under the now Minister of Co-op Development. Mr. Chairman, he hasn't even been out to one of the cheese plants. He doesn't even know where they are. How does he know how the people feel?

Mr. Chairman, we talk about the Ministers going out to talk to the people. That's exactly what we did, Mr. Chairman. In 1980, when the spring conditions were so intolerable by the rural people, the Premier of the Province went to Brandon to meet with every municipal councillor who represent the vast majority of farmers, Mr. Chairman, and laid \$40 million on the table and said, there's the money, the programs are in place, go ahead and use it. Don't put the people

through a bunch of bureaucratic regulations and red tape. He was sincere about helping the people of Manitoba, Mr. Chairman, and for the First Minister that was leadership, that was leadership, Mr. Chairman.

We had four of the toughest years, Mr. Chairman, to try and correct an economic situation which was, first of all, not told properly, eight years not told properly to us when we got into government. We were under certain economic difficulties to try and keep the taxes down, in which we lowered the personal income tax, we removed the gift tax, succession duties, mineral acreage tax, and all those punitive taxes that were put in place by a former NDP Government. Those are the kinds of positive moves that were made, Mr. Chairman, and for the Member for Elmwood to get up and say that we didn't do anything, is disgusting and disgraceful. He said that. I'm telling you, Mr. Chairman, we won't sit and take it.

Mr. Chairman, I could go on and on and on about the developments that took place under our term of office. Yes, Mr. Chairman, I could go on and on and on, because they were Progressive Conservative moves, Mr. Chairman. The proposed Hydro development along with the development of Limestone, and having the product sold so that the rest of the people of Western Canada would help pay for the installation of that particular facility that was going to be built was the proper way to go, Mr. Chairman. It was the proper way to go. You produce a product after you have a sale for it that is going to pay for the production of that particular infrastructure. But no, Mr. Chairman, what has the government done today under the leadership of the now First Minister? Well, Mr. Chairman, first of all, he's committed a sin that I don't think the people of Manitoba are going to tolerate. He's gone out and further put us in debt, borrowed money under false pretences, that this all is developing and taking place very nicely. Yes, Mr. Chairman, he went out and borrowed \$200 million under false pretences that we're going to have all these developments. But he comes back within his little shell on this particular building, Mr. Chairman, he talks to his Ministers of Energy and says, well, we're a little afraid to carry on with what the Conservatives were doing because there's something wrong, we don't really trust the deal. It wasn't signed, there was nothing signed. There were lots signed, Mr. Chairman, and there was a lot of hard work went in by the Minister of Energy and Mines under our term of office to put that in place so that it could be carried on, Mr. Chairman, so that the Hydro could be sold to the people of Saskatchewan and Alberta and return revenues for this province. But first of all, Mr. Chairman, what we really believed in was developing and providing jobs for those people in this province and using that energy right here to help broaden our tax base so we didn't have to put in payroll taxes like the First Minister has now allowed to come into the Province of Manitoba.

Mr. Chairman, I don't believe for one minute that the people of Manitoba are going to accept it. In fact, I would challenge him to ask his Minister of Finance if he's not going to reconsider the Budget that he has introduced like they're having to do in Ottawa. When I suggested some time ago on my comments in this House that it's another MacEachen Budget; that as the people see how it's going to erode the base and the

incomes of everyone, he's going to have to reconsider his position. I would hope that he would start to do that very shortly because, Mr. Chairman, as their term of office rolls along and let me tell you —(Interjection)— he says, we've only been in office six months. Six months is quite a long way into a term of government. That's only 3 ½ years to the next election and let me tell you, through you, Mr. Chairman, to the Premier that if we see the same kind of economic stagnation continue to take place with his Minister of Energy, with his Minister of Finance, with his Minister of Agriculture, I can't see anything that's going to make the people of Manitoba really vote them back into office.

Well, Mr. Chairman, really what has been their thrust to this point? You know, they talk about rent control. Certainly, the rent controls are going to give the people the protection that I think they had under our government; nothing's going to change that much. Nothing's going to change that much under the rent control that's being proposed. The one thing that might change though, is that people are going to expect their rents to stay very very low in fact. What happens if people don't get paid to produce housing? Well, Mr. Chairman, there isn't housing to live in. You know, the eventuality of the whole system is a degrading of the living conditions; lack of jobs in the construction industry. Those people, as I said, Mr. Chairman, to the First Minister, have a long memory and they will not forget the kind of economic stagnation, the kind of depression that has been created during the term of the New Democratic Government under the Premier that's now in office.

So, Mr. Chairman, I will stand up any day of the week, at any time of the day, because I don't believe that we should classify people. I don't believe that the people in Thompson are any better or any worse than those people who work on the farms or in the fisheries or in the factories. Well, certainly the people of Manitoba are great and I have nothing against those people who felt that maybe the New Democratic Party with the promises that they were giving were going to give them a great future. But can you tell me how, Mr. Chairman, with the unprecedented layoffs that are taking place in the mining industry; that are taking place in the factories; that are taking place in the distilleries; that are taking place in all those areas, the cheese plants; railways; lumber; mining?

Mr. Chairman, the Premier of the province who's showed me the great future Manitoba and the NDP, great future, great, yes here it is, the choice for Manitoba. "A Clear Choice for Manitoba," great people, great future, Manitoba and the NDP. Mr. Chairman, it is he that has to back all this up and he can stand up and say that under his first term in office that he saw hundreds of people being laid off in the service industry; that he's seeing hundreds of people being laid off in the processing industry. Is that the kind of a record, Mr. Chairman, that this First Minister wants? Is that the kind of a record that he wants? Is that the kind of great thing he thinks the people of Manitoba should have?

Mr. Chairman, I think the First Minister of this province has dug himself in so deep, has allowed his Minister of Finance to throw some dirt in on top of him, as well, with the kind of economic policies and the kinds

of tax policies brought in that has helped encourage layoffs. Mr. Chairman, the fact that we have seen the lack of any real clear direction that this government is going other than this, the only thing the First Minister has done is taken the odd kick at Ronald Reagan, taken a swing at him when he's in Canada but when he's in the States, when he really could get the message to the President, doesn't say a word, doesn't say a word about Reaganomics. Very nice, you know, it's unfortunate that he didn't stand up and say I don't believe what the President of the United States is doing is proper. He could have got the message directly to him, but he didn't, Mr. Chairman.

So, Mr. Chairman, the First Minister I believe, first of all, got elected on a lot of false promises. He's now in office and he's truly demonstrating his inability to deal with what I call economic depression in this province to put forward any positive leadership, Mr. Chairman. For the Member for Elmwood to stand and say nothing happened during our term of office is totally disgusting, Mr. Chairman, and that's why I was compelled to rise and put on the record some of the positive developments that took place and don't anyone think that there were easy economic times in our four years in office.

One other comment I want to make, because he's in the Committee and I think our Attorney-General during our term of office spent a lot of time through his work with constitutional efforts and the family law, I think it should be noted that the work and effort in an hour spent by him, Mr. Chairman, probably helped keep the Prime Minister somewhat under control in the kinds of things he wanted to do with our country. That, Mr. Chairman, too, often goes unrecognized or unnoticed. That kind of long-term effort and work, I think, will help Manitoba be a better place to live.

So, Mr. Chairman, I would hope that the First Minister would, first of all, talk to the Member for Thompson who tried to put on the record something that I think would make the people of Thompson somewhat ashamed of what he said tonight in the First Minister's comments. I'm pleased to have been able to correct the Member for Elmwood in some of the things that he tried to mislead this House with.

MR. DEPUTY CHAIRMAN: The Minister of Finance.

HON. V. SCHROEDER: Thank you, Mr. Chairman. I believe that the remarks made by the member who just sat down, the Member for Arthur, have to be addressed. They remind me of his remarks that he made on Saturday evening on CBC television. They have just as much relationship to the truth as the remarks he made Saturday evening on CBC television.

He had the unmitigated gall to say twice, Mr. Chairman, that the Minister of Community Services and Corrections had fired a civil servant in order to replace him with someone else and we all know in this Chamber that the Minister of Community Services and Corrections has not fired a civil servant, but that member doesn't care about that. He couldn't care two hoots about the truth. He didn't care Saturday night and he didn't care tonight. Tonight he stood up and said, the First Minister has done nothing, in six months he's done nothing except blame Reagan.

Well, I don't happen to have any speaking notes

here and I'm just going to have to speak from memory about what has been happening in the last six months in this government and I suppose one of the ways of seeing what we have done is just try to remember the amounts of money that we have had to come up with in order to keep the economy going, at least at a certain level, while we are in a period of national and international recession. What has that achieved? It has achieved first of all, an unemployment rate which, although unacceptably high, is for the first time in the last four years more than 2.5 percentage points below the national average. That has something to do with the policies of this government in terms of the many programs that we are introducing for this economy.

That's not something that the Member for Arthur, who is a stranger to the truth, that's not something that the Member for Arthur would have told you. He's not talking about the assistance to farmers that we have provided. He's not talking about the assistance to credit unions, and if we hadn't provided that assistance, he full well knows that there would have been serious problems for a lot of people in this province, a lot of people in his area and other areas represented by both NDP and Conservative members.

He knows that we have committed millions of dollars to interest rate relief for small business; for a Beef Income Stabilization Program for his constituents and constituents of ours; a Hog Income Assurance Program, a program that was in place, Mr. Chairman, which they didn't fund, which we had to come along and fund. We were prepared to do it, they weren't, not even for their own constituents, they weren't. Then, Mr. Chairman, we have provided a program of interest rate relief for homeowners. That is something that these people say is nothing. They pretend that nothing that we have done has happened. It's as though it didn't exist.

We have come up with improvements to the Critical Home Repair Program. We have gotten out there into the public with respect to that program and let people know that it is there and we have a significant uptake, an uptake that the Minister of Natural Resources indicates is more than what was expected and that's the kind of program one would expect from a progressive sensitive government at a time when we are in recession. Do we hear anything about that from those people? Of course not. They don't stand up and say what is helping their constituents. All they do is complain all the time - the biggest belly achers I've ever seen in my life. Half the time they're saying, we're doing nothing; the other half the time, they're crying about the election which they lost, and so deservedly.

So, Mr. Chairman, to repeat, the Member for Arthur completely, just absolutely and completely and deliberately - I'm sure deliberately because he would know that civil servant was not fired - made a misstatement on television the other night, and he completely ignored the truth tonight when he was talking about the record of this government.

Now we could talk about many other areas that this government has moved into to attempt to retain some semblance of an economy so that we will be able to take advantage of a recovery when it comes, and hopefully that will come soon, but it won't come until we have a change in monetary policies in Ottawa, it won't change until we have a change in Washington.

All of the leaders in the western industrialized world, the Leader of the Opposition, of course, is one person who doesn't agree with all of the leaders of the industrialized world, the western industrialized world - Prime Minister Thatcher, Helmut Schmidt, Mitterand, Trudeau, the whole works of them. — (Interjection) — Yes, you would believe that Brezhnev is in that group. You seem to think that Prime Minister Thatcher and Brezhnev are together. Well, you go ahead and think that, I think you're probably foolish enough to believe that.

Now, Mr. Chairman, all of those people got together at Versailles just recently, they agree with us, they agree with the First Minister of Manitoba. All of those people are saying that everybody else is out of step in this march; they're the only ones who are in step; they and Reagan are the only ones who are in step in the march. Everybody else in the western industrialized world is out of step in this march and if they are out of step, then of course, they are related to Brezhnev and that is such preposterous nonsense that even an idiot from Charleswood should understand that. — (Interjection) — No, I'm not. I am saying, Mr. Chairman, that people who make those kinds of accusations are idiots and that is something that I think is a matter of record.

Now, just to conclude again, the Member for Arthur came no closer to the truth tonight than he did on Saturday evening and I would hope that sometime he would attempt to restrain himself and think about what the truth is before he stands up and speaks.

MR. DEPUTY CHAIRMAN: The Leader of the Opposition.

HON. S. LYON: Mr. Chairman, before we had the brief interlude in Kiddieland contributed to by the Minister of Finance and the Member for Thompson, I was asking some questions of the First Minister. I think there were two that he hadn't had an opportunity to respond to.

One was with respect to the view of himself and the government concerning the recommendation of the Manitoba Federation of Labour for a development tax which the government would then use to fund those industries that government thought should be funded in Manitoba.

The second was for him to give his view on the recommendation of the Manitoba Federation of Labour concerning the legislative restructuring of the Civil Service Commission which I described as a scary proposal.

The third one I would like to put to him because I have had the opportunity over the dinner hour to refresh my memory on the 1980 brief to the then government by the Manitoba Federation of Labour where on page 37 the Federation of Labour suggested to the government of 1980 that, "We should repeal the 2 percent reduction in corporate tax rates and the increased exemption in corporate capital tax; that we should reimpose the succession duties, gift taxes and mineral acreages taxes; that we should repeal the special deep drilling tax incentives, and repeal the oil and gas royalty tax deductions. These policies," I am quoting, "have not proven to increase investment growth and as a result are an unnecessary drain on the

Public Treasury." Continuing the quote from that brief on page 37 of the 1980 brief, Mr. Chairman, "Furthermore, the taxation of resource corporations must be increased. As we mentioned earlier, Manitoba's resource taxes currently make up only 2.2 percent of total tax revenues. In contrast, Saskatchewan's resource taxes make up roughly 20 percent of tax revenues."

I would like to have the First Minister's views on those three recommendations of the Federation of Labour, one of which admittedly is two years old now.

MR. DEPUTY CHAIRMAN: Mr. Premier.

HON. H. PAWLEY: Mr. Deputy Chairman, during the campaign and prior to the campaign, the New Democratic Party in Opposition, and certainly it is the position of the New Democratic Party in government, supports a maximization of returns to the public in regard to resource development. I am satisfied, Mr. Deputy Chairman, that if indeed we are to reach a situation by which we can minimize the tax burden insofar as the average Manitoban, we must ensure a greater return from the natural resources in Manitoba for the benefit of all Manitobans, and in that respect I think the Province of Saskatchewan deserves credit under the Blakeney Government for the progressive efforts that were undertaken on their part to ensure a greater return to the people of Saskatchewan from resources in that province.

The best example, of course, over the years has been the increasing return to Saskatchewan. This year will be an exception because of the decline in potash market but has been an increasing return to the people of Saskatchewan from potash and from other sodium sulphate and other areas of mineral development.

Mr. Chairman, it is my view that it is better to proceed by way of joint venture than by way of tax changes in order to ensure that greater maximum return; a joint venture by which the Crown and the private sector can work together in order to realize that greater return.

A question was raised about succession duty, gift tax, some other taxes. We have no intention of introducing any of those taxes - the gift tax and succession duty, I'm afraid I didn't catch some of the other taxes that the —(Interjection)—

HON. S. LYON: The mineral acreage, the corporate capital tax, the 2 percent reduction in corporate tax rates, all of which were recommended by the MFL for repeal; that is, they wanted those taxes reinstated.

HON. H. PAWLEY: Well, Mr. Chairman, we just completed a reduction of the corporate tax rate, re small businesses in this past Budget, and that has really received very very little notice so far from members across the way. I would have thought that we would have heard some congratulations from members across the way for the fact that there had been some modest, not great, but some modest decrease insofar as the corporation tax for small business is concerned. So I think in that respect, Mr. Chairman, it goes without saying that we would not reduce net increase simultaneously.

The question of succession and gift tax, it is my view that this is an area that ought to be dealt with in Canada itself, that there is no place for a jungle of different systems pertaining to succession and gift tax, province to province. So we have no intention to introduce those taxes. I indicated, in fact, prior to the election as such.

Mineral acreage tax, the same; there is no intention certainly at this point to introduce a mineral acreage tax, certainly not in the form that the Leader of the Opposition would have in mind. —(Interjection)—

Re the question of Civil Service Commission, I would want to look at the proposal before I would respond. I think in courtesy to the Manitoba Federation of Labour dealing with that specific proposal, I ought to look at that.

I want to say to the Leader of the Opposition, I'd certainly favour the examination of some system by which we can ensure worker representation on the Boards of Directors of some of our Crown corporations. I want to examine that over the next space of time in order to ensure that there is some representation. It is my view indeed that we ought to encourage greater participation by working people within the corporate entities that they work for, and in principle, I support an examination of what steps could be undertaken in order to increase that kind of participation involvement by working people in, particularly, Crown corporations.

I think for instance, the Minister of Energy and Mines is beside me, but I think that should be looked at very carefully insofar as Manfor, Western Flyer and some of our other Crown corporations. I think indeed some problems could have been headed off in the past if there had been some expression to the workers that work in the Crown corporations that yes, there is a place for the workers, and working along with the Board of Directors indeed as part of the Board of Directors, because both parties have a common interest. That doesn't deal specifically with the question of the Civil Service Commission, and I would want to further examine the brief as to the rationale for that. There is no intention on our part to do what is requested, but I would not want to say to the Leader of the Opposition that unequivocally I would not respond to that till I had a chance to further examine the rationale that is proposed for that.

The development tax, there is no intention to introduce a development tax. Again I must acknowledge to the Leader of the Opposition, I have not examined that kind of tax at all in any detail, and certainly there is no intention at this point or any studies geared toward that direction.

HON. S. LYON: I thank the First Minister for those answers, Mr. Chairman. I'm heartened by his comments about the Civil Service Commission because he will appreciate as much as I that any tinkering with the Civil Service Commission, by way of statute, to make out of its membership something the equivalent of the Manitoba Labour Board would not be in the public interest. The Civil Service Commission is something more than arbiter of labour management disputes. The Civil Service Commission is there, as we all appreciate in this House, to preserve the integrity of the Civil Service, to preserve the integrity of the

merit system and to do many things that go beyond, well, well beyond the workaday problems of resolving or arbitrating disputes as between employer and employee. So I take heart from the comments made by the First Minister and hope that in his communication to the Federation of Labour, he will get them off that particular hobby horse which would be extremely dangerous to the future of the Civil Service and could cause, I would think, a great deal of suspicion and disruption within the Civil Service.

I remind the First Minister that it took us the better part of two years to get the Civil Service Commission back in shape after the harassment that had occurred to it during the Schreyer years, and the different techniques that were used to circumvent the Civil Service to put political friends into contract jobs and so on, with the result that the restoration of the integrity of the Civil Service did take a fair amount of time from '77 to about '79 with two different Chairmen coming in. I've already congratulated the First Minister on the appointment of Mr. Poyser as the part-time Chairman of this Civil Service Commission; I think that is a step in the right direction. The avoidance, I would suggest, of any tinkering as recommended by the Federation of Labour would be a further pile to be driven into the ground to assure the continuity and the continuation of the integrity of the Civil Service Commission.

One final question, and it arises, Mr. Chairman, out of a question that was put some days ago to the First Minister relative to his view on opting out under the current Charter of Rights and so on. He or his staff were good enough to send me a statement that was made by the First Minister as Leader of the Opposition, dated September 5, 1980. I really do believe that I have no other questions after this one is asked, which should act as a source of encouragement to the First Minister and a source of warning to those sitting behind him, Mr. Chairman. He will know what I mean even if the less erudite don't.

Under the Charter of Rights, the Minister, as Leader of the Opposition made this statement and I would like a clarification from him about it, because he obviously intended this statement of September 5, 1980 to be the continuum of the position of the NDP on the Charter and if I'm wrong in that supposition why, of course, he can correct me. But I read from the statement dated September 5, 1980: "The NDP has been committed, since its founding, to a constitutional Bill of Rights. I support entrenching rights at this time. Prime Minister Trudeau has explained this concept poorly and only in the Quebec referendum campaign was the issue given wide public debate.

"Basic rights should be entrenched, except where this would hinder the kind of laws and programs to which Canadians are accustomed. Those who wish the ability to interfere with a basic right must defend their position. Canadians are not willing to live with an outdated divine right of Legislatures."

The first paragraph I can understand as being a statement of a viewpoint of the First Minister to which he and his party are, of course, entitled. The second paragraph that I've just read out, really, I'm lost when I read that because it says, "Basic rights should be entrenched except where this would hinder the kind of laws and programs to which Canadians are accustomed." That, of course, was the argument of the eight

provinces who were opposed to the entrenchment of the Charter, mainly that the rights that Mr. Trudeau is attempting to entrench and put beyond the reach of Parliament and the Legislatures would carve into stone for all time rights that the Legislatures could from time to time change to keep them in consonance by statutory law with the community standards, with the desires of people and so on. So I'm not able to understand the meaning of that sentence.

Then the second sentence, "Those who wish the ability to interfere with a basic right must defend their position." It seems to me that is really putting the whole situation upside down. The basic proposition that was being argued with respect to the Charter of Rights was those who wish to propose and to enforce a Charter of Rights upon Canada, which is a new concept, are the ones upon whom the onus resides to prove that a Charter of Rights would enhance or improve the individual rights and freedoms of Canadians, not the opposite. My honourable friend in his statement seems to pause at the opposite.

Then the final statement, of course, "Canadians are not willing to live with an outdated divine right of Legislatures." Well, it's a matter of opinion, of course, as to whether Parliament is an outdated institution. I rather hold to the view that Parliament isn't an outdated institution, that the parliamentary traditions that we have been fortunate enough to inherit in this country and then build upon in our own unique way in this country are amongst the best in the world; they're not perfect. I have never run across any substantial body of opinion or certainly any persuasive body of opinion that led me to believe that the people of Canada are pulling at the traces because there's some outdated to use the quote "outdated divine right of Legislatures" in place - quite the opposite.

So if the First Minister could shed some light of clarification upon those statements, I would be happy indeed.

HON. H. PAWLEY: Mr. Deputy Chairman, I think the Leader of the Opposition recognizes that there are certain basic rights and that those basic rights we feel should be entrenched within the Charter; obviously, freedom of religion; equal access to the law; freedom of assembly. I wish I had the Constitution in front of me, but basically it's my view that the basic rights as enshrined in the existing Constitution are pretty well in line with the kind of basic rights that I feel comfortable with being included within a Charter of Rights within the Constitution.

There are obviously going to be some situations where there can be conflict between various rights. One example of that is the kind of example that the Leader of the Opposition presented to us the other evening and if indeed there was an untrampled right to freedom of religion regardless of the effect that this might have in regard to criminal law, then that indeed would be carrying a particular right too far.

The Leader of the Opposition gave us the example of parents of a youngster that prevented that youngster from receiving a blood transfusion on the basis that in so doing it would be contrary to religious belief. I believe that over and above that, there are certain rights that have to be respected that even go beyond the basic freedom of religion and that is, of course, the

right for a youngster to live. The protection under the Criminal Code provisions insofar as a parent that would neglect one's child in that way as to permit the child to die because of some religious conviction, even though that religious conviction may be very sincerely held, obviously, there is a conflicting right. That can also be the case, Mr. Chairman, with affirmative action and we will see whether or not there be a conflict in the future with the existing Constitution in that respect.

I indicated earlier that there ought to be a northern preference clause in respect to agreement in regard to construction that will take place in Northern Manitoba in Manitoba Hydro. Now it's my understanding that is covered, but indeed if there was a straightforward affirmative action clause that would prevent that kind of preference - I'm sorry - if there was a clause which indicated that there could be no preference in this respect, but one had the right to work anywhere and everywhere in Canada, regardless of any preferential clause, then I believe that would be carrying basic rights too far.

I think Newfoundland, with its high unemployment rate, is most interested in giving to the residents of Newfoundland a first preference in regard to hiring in Newfoundland. So an unlimited freedom insofar as Canadians being able to work anywhere within Canada and prevention of any government in a given circumstance from preventing workers from other parts of Canada to work in a particular province in my view would be a conflict of a right which would not be acceptable.

I think that in our society, and I respect the views of those that indeed do believe that parliament ought to be ultimate, and there are members in my own party that indeed felt very strongly that there ought to be no entrenchment of a Charter of Rights, some within the Manitoba party, some within their own caucus, just as indeed I believe was the principal view of the New Democrats in the Province of Saskatchewan; just as we found that there was difference within the Conservative Party where the Conservative Party federally supported the entrenchment of a Charter of Rights and certainly the Leader of the Opposition and his colleagues opposed the entrenchment. So it appears to cross party lines, differing points of view, and I respect those differing points of view in regard to the entrenchment of a Charter of Rights. I think it does add some check and balance to a given situation. I think that the Japanese Canadians though, deported in the United States, it's my understanding they were deported after much greater delay because of provisions in the American Charter of Rights and indeed with the situation with the Japanese Canadians in Canada, so there was some check and balance insofar as the impinging of freedoms and rights of certain individuals because of that extra safeguard.

As I say, I respect the views of those that hold otherwise and I suppose only time will demonstrate whether or not the new Charter of Rights becomes a dog's breakfast for lawyers, as some might claim, to benefit greatly therefrom, or whether indeed it does with the passage of time clearly and firmly signify an advance for all Canadians. Only time will tell. Our preference has been toward some check and balance and I understand certainly the disagreements that

exist not only within my own party, but elsewhere to this basic concept.

MR. DEPUTY CHAIRMAN: The Leader of the Opposition.

HON. S. LYON: Mr. Chairman, I wish to thank the First Minister for his response to that question and for his reflections on the earlier examples that I gave him the other evening with respect to the Charter. I think that's helpful in terms of future directions of legislation that we might anticipate; and having the confirmation from him, as I understand it also from the Attorney-General, that the benefits of the override are beginning to be seen in certain circumstances where I think it's obvious they will have to be used by both parliament and by the Legislatures.

Now one of my colleagues has two questions, he says. I have no further questions. My honourable friend has a couple.

MR. DEPUTY CHAIRMAN: The Member for Morris.

MR. C. MANNES: Thank you, Mr. Chairman, I promise not to be too long. I would like to ask a couple of questions though of the First Minister if I could. — (Interjection)— No, I don't think I could last 30 minutes.

I'd like to ask a question specifically to the payroll tax, not so much about any fine workings or dealings on it, or anything specific to it, but I'd like to attempt to get a better feel for the concept of this type of tax as maybe the First Minister himself might have.

I find this tax, as I have indicated previously, somewhat devious, although I see it certainly as a good political tax. It's certainly hidden from probably 80 percent of the people, but I'm wondering if the First Minister at all would share my concern as to the extent that a tax like this can be abused by government and I'm sure his first reaction is, well, all taxes can be abused by government. But I say that in fact, direct provincial taxes by way of our personal tax forms or sales tax or those that are right up front, certainly liquor and gasoline taxes are more indirect, but I think people know when they buy those goods that in fact major taxation rates are included in them.

I am, however, quite concerned about the potential for government abuse by something like a payroll tax where it indeed is probably, in my view, the most hidden type of tax that's been introduced today and I'm wondering if the First Minister could give me his comments on this.

MR. DEPUTY CHAIRMAN: Mr. Premier.

HON. H. PAWLEY: Mr. Deputy Chairman, I would have probably preferred if the member would just clarify what he means by potential abuse.

MR. DEPUTY CHAIRMAN: The Member for Morris.

MR. C. MANNES: Well, fine, Mr. Chairman, I'll gladly expand on that. I say it's a 1.5 percent tax today during these times of inflation which really the vast majority of the people will not see. I am saying it could be doubled to 3 percent and the vast majority of the

people will not recognize the tax. I'd even go on to say it could be put to 5 or 6 percent and the vast majority of the people would not recognize. To me that is a tax, an indirect tax that in fact the vast majority of the people do not see coming their way, which they pay by way of increased price of goods. To me, that is an abuse. It is a tax that can be abused, and I am wondering if the First Minister could again give me his feelings on it?

HON. H. PAWLEY: Mr. Chairman, I want to just advise the Member for Morris that this was not an easy decision to make. As the Member for Morris indicated, something to the effect that there was political advantages or not to this tax as against any other kind of tax. I say that because, Mr. Deputy-Chairman, I have an impression that the imposition of any tax is not very popular. I know right now that the additional tax that we had to impose in regard to liquor and beer is not popular with a sizable number of Manitobans. Cigarettes, I know that my wife is not very happy with the imposition of the cigarette tax. It doesn't affect the First Minister.

So, we were confronted with a hard choice in hard times, but I want to also say to the Member for Morris that for quite a sizable period of time, I thought there was no alternative but an increase in the sales tax. It was only a relatively short time prior to Budget date that we did find out information regarding the possibility of imposing a tax of this nature, and when we weighed the two, the sales tax that we had thought we had no alternative but to introduce because we didn't see any other form of tax under the circumstances that have been suitably available for the revenue that was required and this tax, we decided on this tax.

The advantages were twofold: one is a further imposition of sales tax from 5 to 7 percent which would have hit a small sector of the business community, and hit that small sector very, very severely. Here I am referring to retailers, hardware merchants, shoe-store owners and others that depend upon the retail market. On the other hand, those in my profession, the legal profession and accountants and others would not be affected by way of an increase in regard to the sales tax. So, this tax can be distributed in a more even fashion amongst all businesses in the province.

Secondly, Mr. Chairman, and this was very important and I suppose was the clincher insofar as determining to proceed in this route rather than by some other route, is that we were able to retain some approximate \$30 million in the Province of Manitoba that would otherwise be extracted from the Province of Manitoba for the Canadawide situation. Now I am not imposed to the Canadian Government enjoying more funds, but during our difficult period in time, I think it's important that we try to retain as much capital as we can in the Province of Manitoba. We would have lost \$30 million. We were able to keep in this province \$30 million that we would otherwise not have if we had proceeded by way of the sales tax.

The question is, can it be abused? I suppose any kind of tax can be increased. In the final analysis, the government will be accountable to the public at large. We will have to satisfy the public at large that any increases by way of tax or any reductions in tax are, indeed, justifiable in any given circumstances.

I don't mean to drag in President Reagan again but I want to just simply say that I think the cut by way of taxation in the United States of America has been inopportune during the past year to the extent that the debt has been massively lifted to record heights, and the result is the United States is now having to enter into the world markets for money to an extent that United States has never before had to enter into the world market. That is pressing up interest rates, by the pressure that they are having to bring to bear upon other jurisdictions, both private and public.

They would have been better to exercise some better fiscal responsibility than to do that. I'm not happy about the introduction of any tax, particularly at this time, and basically I think we could have gotten away without any tax increase if it had not been for fiscal transfer cutbacks. I think we could have, with some difficulty, lived with the present situation if it had not been for the fact that over the next five years we will be losing some \$700 million that we would have had under the earlier federal-provincial fiscal arrangement contract from Ottawa.

MR. C. MANNES: Thank you, Mr. Chairman. I have to say to the First Minister, I don't know if this is the time or the hour to have all that come back again; we've heard it before. I would appreciate it the first time he had given it to me. I guess I would like to ask one more question in this particular area. Has he in his own mind set a maximum to the extent that he could see this tax rise, to what level, because I submit that, in fact, with the present rate of inflation a 3 or 4 percent tax would be bringing in close to half-a-billion dollars in a couple of years? I'm wondering if within his own mind, would he be prepared to put a maximum level on this tax, or has he even given it any consideration?

HON. H. PAWLEY: Mr. Deputy-Chairman, I hope my Minister of Finance is present. I haven't had an opportunity to consult with my Minister of Finance in regard to the subject matter and the question that has been posed. But I say this sincerely to the Member for Morris, I hope that we have reached a maximum in regard to all levels of taxation in the province. I would hope that I would not have to be First Minister during any increase in any tax next year or the year thereafter. So as far as I am concerned at this point, I hope that we are at a maximum, but I want to warn, in all fairness and honesty to the Member for Morris and to Manitobans, that if the economy is not turned around, and if we continue to head crushingly downward in a tailspin, and I am not sure - I don't want to be a prophet of doom - where the economy is turning. If there isn't some clearer direction given, I think what the President of MacMillan-Bloedel yesterday that warned that within 90 days we would be on the verge of a - I don't want to misquote his words - but I believe he said that Canada was on the verge of a collapse.

That is frightening and, if indeed that be correct, government will be placed into a situation next year again of determining (a) how much further deficit we go? (b) do we cut health programs and education programs very drastically? Do we go with some other tax route? I hope we are not in that position; I hope the economy will have turned around next year by this time, but if it has not and if the President of MacMillan-

Bloedel is correct and the economy has gone for a tailspin, it's going to be difficult decision-making for the government and, I guess, for all Manitobans in the process.

MR. DEPUTY CHAIRMAN: The Member for Morris.

MR. C. MANNES: Thank you, Mr. Chairman. I, too, hope that in fact that particular tax has reached its maximum because I, again, submit that, to me, the potential to move into that area and increase it must be always facing the government. I would tend to say that would have to be one of the first taxes, from a political standpoint, that any government would want to increase now that, in fact, it's been introduced. Hopefully, the government may repeal.

I move not into one other area. I have heard the First Minister allude to deficit financing on many occasions and I've also heard him mention the word "sincerity" and how sincere he is in certain areas. I would like to tie the two comments together, if I could. I have heard him say on occasions that there is a time for government to save and a time for them to deficit finance. I would like to get a better feeling for the sincerity of the First Minister when he makes those comments. I would like to know whether in fact that is just an ideal or whether in fact he could put some parameters to it in terms of this year's Budget.

What type of revenue would he need in terms of a \$2.9 billion estimate of spending? What type of revenue would he need before he could see this province saving money under the circumstances that we're in? I'd hope he wouldn't tell me that he would begin to save money at \$2.9 billion, because in fact I think he's indicated on many occasions that, were there more revenue, he would gladly spend more. But, I'd like to get a feel for what he means when he says that there's a time for government to save. How much revenue would you need this year before this province could save?

HON. H. PAWLEY: You're talking about the 1982-83 fiscal year? Mr. Chairman, I would be satisfied that indeed we would be within a manageable situation if we do end up the year on the basis of the projection that was given in the Budget as to what the year-end deficit would be. I'm not happy with that but I think, given the economic circumstances, that it would be unwise to be thinking in terms of trying to balance the Budget or even come closer to balancing the Budget during the present difficult economic times. I think less that can be drawn from the public at large during difficult economic times, the better. I think any monies that we can find by way of a surplus during this time, and that is not a great deal because of the uncertainties, ought to be directed towards economic stimulation. That is why \$50 million has been addressed toward a housing program, for example, to stimulate the economy, not so much as housing, though needed, greater is the need for stimulation.

So, I say to you that the revenues that I would hope we would realize would be sufficient in order to ensure that our deficit not be greater than that which was projected. I also though have to say to the member, as I said a few moments ago, that if the economic situation worsened rather than improved then, of course

the flow of all revenues to the province decreases and that would be reflected in any year-end statement.

MR. C. MANNES: I realize what the First Minister is saying. What I'm trying to do here is hypothesize a little bit; I guess I learned that as an economist. I know the First Minister was part of a government for eight years when, I think, times were much better than this and I know obviously that circumstances aren't going to evolve this year that is going to allow a surplus, I fully realize that, but I am trying to understand and get a better feeling for what he means. What year, what specific set of circumstances has he seen in the past or will he have to see in the future before he is part of a government that will allow itself to save money, nothing more than that?

HON. H. PAWLEY: Clearly, where there is economic recovery and the economy is back in full stride. There were certainly times in the past when that could be easily obtained, but no government today in Canada can experience that kind of situation, nor will they for the next while unless there's a very substantial and a very radical improvement in the economy. I hope, at some point, we will be in that kind of situation in the Province of Manitoba in the not too distant future. I am certainly not going to forecast, but there must be a substantial improvement in regard to the economy of the Province of Manitoba before we will have reached that point.

I don't know whether that answers the member's question because we are dealing very hypothetically, but certainly we have talked, as a party, in terms of surpluses and of deficits depending upon the economic circumstances in any given year. A good year, I would hope that we would be in a position to enjoy some surplus. It may be that surplus will be reduced because that will be the time that one would want to look at new social programs. I think that we don't have major social programs that are pressing upon us until such time as the economy is turned around but, at that given time, I think a government would have to determine, does the public want additional social program that will cost X amount of money that will reduce the surplus? That will be a political decision that will have to be arrived at, at that time; or should we build up surplus in order to pay that surplus toward payment of deficit? I think that is a political decision that has to be made at a given time in which a government has to democratically gauge the pulse of the public as to what the public at that time support.

MR. DEPUTY CHAIRMAN: 1.(a)—pass. Resolution No. 5, Resolved that there be granted to Her Majesty a sum not exceeding \$1,426,300 for the Executive Council, General Administration, for the fiscal year ending the 31st day of March, 1983.

MR. DEPUTY CHAIRMAN: That concludes the Estimates on the Executive Council.
Committee rise.