



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

DEBATES
and
PROCEEDINGS

33 Elizabeth II

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Speaker*



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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Second Legislature

Members, Constituencies and Political Affiliation

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

LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, 26 April, 1984.

Time — 2:00 p.m.

OPENING PRAYER by Mr. Speaker.

MR. SPEAKER, Hon. J. Walding: Presenting Petitions
. . . Reading and Receiving Petitions . . .

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

MR. SPEAKER: The Honourable Member for River East.

MR. P. EYLER: Mr. Speaker, I beg to present the First Report of the Standing Committee on Public Utilities and Natural Resources.

MR. CLERK, W. Remnant: Your Committee met on Thursday, April 26, 1984 to consider the 1983 Annual Report of The Manitoba Public Insurance Corporation.

Your Committee received all information desired from Mr. Olafur P. Sigurdson, Chairman of the Board, and Mr. Carl Laufer, President and General Manager, with respect to matters pertaining to the 1983 Annual Report and the business of The Manitoba Public Insurance Corporation. The fullest opportunity was accorded to all members of the Committee to seek any information desired.

Your Committee examined the Annual Report of The Manitoba Public Insurance Corporation for the fiscal year ending October 31, 1983, and adopted the same as presented.

MOTION presented and carried.

MINISTERIAL STATEMENTS AND TABLING OF REPORTS

MR. SPEAKER: The Honourable Minister of Health.

HON. L. DESJARDINS: Mr. Speaker, I would like to table the Annual Report of the Department of Health for the year 1983, and the Annual Report of the Manitoba Lotteries and Gaming Control Commission for year 1982-83.

MR. SPEAKER: The Honourable Minister of the Environment.

HON. G. LECUYER: Thank you, Mr. Speaker.

I beg leave to table the report of The Workers Compensation Board of Manitoba for the year 1983.

MR. SPEAKER: The Honourable Attorney-General.

HON. R. PENNER: Mr. Speaker, under the provisions of Section 113 and 114 of The Insurance Act, I'm tabling Order-in-Council 543/83 as certified by the Clerk.

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

HON. A. ANSTETT: Yes, Mr. Speaker, I have Return to Address for Papers No. 5 on the motion of the Honourable Member for St. Norbert requesting copies of the media plan for the Manitoba Jobs Fund advertising campaign, showing placement and frequency of all television, radio, and newspaper advertising.

Also, Mr. Speaker, I have, if you'll bear with me for a moment, copies of Return to Order of the House No. 16, on motion of the Honourable Member for Rhineland showing the log for all Government of Manitoba aircraft showing passenger lists; dates; destination and purpose of all flights from June 26, 1982 to the date of this order, and (2) the number of aircraft chartered or leased by government and crown agencies during the period June 26, 1982 to the date of the order, the date of each flight; the passenger lists; the purpose of the charter or lease; and the costs of said charter or lease.

Mr. Speaker, because of the bulk of the report I have one copy for filing with the Clerk and one for the honourable member. I'm unable to provide the normal larger number of copies for distribution.

Mr. Speaker, I'm not prepared to comment on the cost of preparing the order. I think it's obvious that the cost in paper alone is substantial but we on this side appreciate that members of the public and the opposition have the right to this information when the House grants . . .

MR. SPEAKER: Order please.

HON. A. ANSTETT: Mr. Speaker, I also have for tabling with the Clerk for inclusion in Votes and Proceedings tomorrow, reply to written question No.1, on motion of the Honourable Member for Lakeside. The written question was with respect to a Winnipeg chartered accountancy firm and a member of that firm. That'll be included in Votes and Proceedings tomorrow.

Thank you.

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

HON. W. PARASIUK: Mr. Speaker, I have a statement.

Mr. Speaker, I am pleased to announce that the Government of Manitoba and the Aluminum Company of America, the largest producer of aluminum in the world, have signed a Letter of Understanding that could lead to the construction of an aluminum smelter in the Province of Manitoba.

This announcement is also being made at this time by the Aluminum Company of America, or Alcoa, in Pittsburgh, Pennsylvania.

Mr. Speaker, the Letter of Understanding calls for a joint feasibility study to begin immediately.

It outlines the broad features of a long-term . . .

MR. SPEAKER: Order please.

The Honourable Minister.

HON. W. PARASIUK: Thank you, Mr. Speaker.

It outlines the broad features of a long-term power contract to be supplied by Manitoba Hydro. This contract will be based on the principle that all hydro costs associated with the smelter will be recovered over the length of the contract. Manitoba Hydro will continue to be owned by the people of Manitoba, for the people of Manitoba.

It indicates that the province and Alcoa have agreed to participate in the financing of the smelter, on an approximately equal basis.

And finally, pending favourable results of the joint study and related discussions, it states that Manitoba and Alcoa expect to sign a smelter development agreement within the next year.

If a decision is reached to proceed with the smelter, this would mean a requirement of 3,000 gigawatt hours of electricity annually. The capital cost of the smelter is roughly estimated at around \$700 million and its construction would require a labour force of over 2,000 person years over a three-to-four-year period. The operation of the smelter would require around 600 people on an ongoing basis.

Mr. Speaker, I would like to outline briefly the main features of the Letter of Understanding:

Manitoba and Alcoa will cost-share a joint study to examine further the feasibility of constructing, in the Province of Manitoba, an aluminum smelting facility having an annual capacity of 200,000 metric tonnes and beginning operations in 1990.

A study for the joint study is now being finalized; it will include provisions for identifying site selection and for studying and detailing engineering, economic, environmental, transportation and other factors affecting the project. I should emphasize, Mr. Speaker, that if the smelter project does not go forward, then Alcoa will be responsible for all costs associated with the joint study.

Under the terms of the Letter of Understanding, discussions will begin immediately on the long-term power contract and the financing of the smelter. Based on favourable results, the province and Alcoa will then conclude a smelter development agreement on or before March 31, 1985.

Manitoba and Alcoa have entered into a commercial confidentiality agreement, under the terms of which both parties will disclose to each other feasibility studies that each has undertaken related to the project, including studies concerning smelter economics and power costs.

Mr. Speaker, the Letter of Understanding provides an opportunity for the province to participate in the ownership of the smelter by contributing an approximately equal portion of the capital required for the smelter. Under this provision, each party agrees not to sell its interest in the smelter for 10 years.

And finally, Alcoa and the province agree that Alcoa will provide construction and operating management according to budgets and other policy guidelines approved by the Management Committee. The Management Committee would be established by the two parties and each would have representation proportional to its interests.

In conclusion, Mr. Speaker, I want to acknowledge publicly the amount of work undertaken by staff, from both parties, over the last two years, leading to this Letter of Understanding.

It demonstrates, I believe, the serious interest by both the Government of Manitoba and Alcoa in examining the feasibility of building an aluminum smelter in this province. While much remains to be done and many important decisions have yet to be taken, we are encouraged by this Letter of Understanding and are hopeful that a smelter development can be achieved for the benefit of Manitoba and Manitobans.

Mr. Speaker, with the permission of the House I would like to table the Letter of Understanding signed by Mr. Fred Fetterolf, President of Alcoa, on behalf of Alcoa, and myself on behalf of the Government of Manitoba.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. H. ENNS: Mr. Speaker, in responding to the Minister's statement, I must of course remind all of us where this announcement now brings us. It brings us precisely to where we were four years ago . . .

SOME HONOURABLE MEMBERS: Oh, oh!

HON. H. ENNS: . . . precisely to where we were four years ago in arriving at a Letter of Understanding. Mr. Speaker, I think the very words are just about the same that were uttered in this Chamber four years ago in this respect.

But, Mr. Speaker, you know, the concept of bringing to Manitoba an aluminum smelter to utilize our substantial hydro resources is of course not new to Manitobans. I'm sure even members of this government will acknowledge that. Certainly the Progressive Conservative Party of this province welcomes any effort that can bring together a major private sector economic development that provides in the first instances, or could provide in the first instances, very significant jobs in our construction industry and, more importantly, permanent jobs in the future, harnessing one of those natural resources that this province is particularly blessed with.

Mr. Speaker, I can assure honourable members opposite that the opposition will await further developments. We will want to know what is in the interests of Manitoba in getting into high-risk development of the smelting industries. I say "high risk," even we know for instance, Mr. Speaker, that companies, blue-chip companies such as we have in our economy, whether it's Inco or others, have in the last few years lost \$50 to \$60 to \$100 million. We'll want to know whether the indication by the Minister today in participating to agree in the financing is participation in ownership. If that's the case, we will want to know what kind of safeguards there are for Manitobans in the future.

Mr. Speaker, I just want to assure honourable members opposite that the opposition will be responsible in its constructive examination of any proposals being brought forward. We won't get into a snit, Mr. Speaker, if the Alcoa Corporation of America should decide to embark on some institutional advertising in the province. That won't bother us at all, in fact, we would be relieved if this government would stop wasting taxpayers' money on advertising things like their Budget, etc.

So, Mr. Speaker, yes, we welcome this announcement. We look forward to the development, further

development of the negotiations as they proceed. We expect, we will demand, that the opposition through this Chamber and through us, Manitobans, will at all times be fully and completely informed as to how the negotiations are proceeding, Mr. Speaker.

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

INTRODUCTION OF GUESTS

MR. SPEAKER: Before Oral Questions, may I direct the attention of honourable members to the gallery. We have 18 visitors from the Y.W. Women's Group under the direction of Mrs. Falzarano. On behalf of all of the members, I welcome you here this afternoon.

ORAL QUESTIONS

Payroll tax cut - letters

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. G. FILMON: Thank you, Mr. Speaker. My question is for the Honourable Minister of Finance.

Mr. Speaker, in view of the fact that the Conservative Party in this Legislature has never proposed the 2 percent increase in sales tax, will the Minister apologize to the House and to the people of Manitoba for the gross distortion that's contained in this letter, the gross distortion of fact that's contained in this letter that he sent, at public taxpayers' expense, to 27,000 employers in this province yesterday?

MR. SPEAKER: The Honourable Minister of Finance.

HON. V. SCHROEDER: The letter certainly doesn't say that the statement was made in the Legislature, and if we're into a position now where we can only attribute statements . . .

SOME HONOURABLE MEMBERS: Oh, oh!

MR. SPEAKER: Order please.

HON. V. SCHROEDER: . . . made in this Chamber to the opposition, that would be very convenient to the opposition, because then they could squirm away from the statement that the Leader of the Opposition made just a couple of months ago outside of the Chamber, when he said that the only way we would ever get an aluminum deal was if we gave away a plant.

SOME HONOURABLE MEMBERS: Oh, oh!

HON. V. SCHROEDER: Mr. Speaker, the chief economic advisor to the Conservative Party for Manitoba, Mr. McCallum, has recommended a sales tax substitution for the health and education levy. He is honest enough to recognize on behalf of the Progressive Conservative Party that if you take a tax away, that you have to say what you are going to do instead. You are either going to substitute another tax, which he had the honesty to say, or you're going to say which programs you're going

to cut or you're going to say you're going to increase the deficit. But very clearly, that statement was made on behalf of the Progressive Conservative Party.

MR. G. FILMON: Mr. Speaker, when a professor at the University of Manitoba happens to make a statement about his feelings on something, how can the Minister indicate that that is the policy of this party, this Conservative Party in this Legislature? How can he use tax dollars to send out a letter saying it's the policy of the Conservative Party, when the statement was made by a Professor at the University of Manitoba, who is not a member of this Legislature, or this party in Manitoba?

HON. V. SCHROEDER: I'm somewhat surprised that now Professor McCallum is no longer a member of the Progressive Conservative Party when he was instrumental in helping prepare the Budget of the Member for Turtle Mountain, the one Budget he prepared. He is now the official, you used the term "official," the Member for Sturgeon Creek uses the term official, he is the official economic advisor to the Progressive Conservative Party.

One assumes that when their official advisor speaks, he speaks for the Progressive Conservative Party. When our official people speak, they speak for our party, and if you want to tell us who speaks for you and who doesn't, give us a list then and tell us that no longer does Professor McCallum speak for you.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. SPEAKER: Order please, order please.

HON. V. SCHROEDER: It's an interesting concept that the Member for Tuxedo can say in this Legislature, somehow qualify things so that if he doesn't get caught on the record here, that somehow . . .

SOME HONOURABLE MEMBERS: Oh, oh!

MR. SPEAKER: Order please, order please. If members could curb their natural exuberance, perhaps we could all hear the question and the answer.

The Honourable Leader of the Opposition.

MR. G. FILMON: Mr. Speaker, in view of the fact that the Minister's letter, on Minister of Finance letterhead, does not say that it was some professor, that it was some advisor, in view of the fact that his letter says that "It is preferable to the 2 percent tax increase proposed by the Conservatives," will he admit that that's a lie and withdraw that statement and send out a retraction to the 27,000 employers of Manitoba who were misled?

HON. V. SCHROEDER: Mr. Speaker, the sentence just read out surely speaks for itself. Conservatives, such as McCallum, are saying they would rather have the sales tax.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. SPEAKER: Order, order.

HON. V. SCHROEDER: I'm sorry. If they want to take McCallum out, let them go ahead and do it.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. SPEAKER: Order please, order please.
The Honourable Minister of Finance.

HON. V. SCHROEDER: Thank you, Mr. Speaker.

I would hope, Mr. Speaker, that that group can send us then a list of the people who are qualified to speak for them. We have the Member for Morris telling us, outside the Chamber, not inside so maybe it doesn't count, that he likes user fees for Medicare, health items. We have the Member for Tuxedo saying, outside of this Chamber . . .

MR. SPEAKER: Order please.

The Honourable Member for Morris, on a point of order.

MR. C. MANNES: Mr. Speaker, on a point of order, I defy the Minister to tell me when . . .

MR. SPEAKER: Order please, order please.
The Honourable Member for Morris.

MR. C. MANNES: Mr. Speaker, the Minister is attributing a statement to me that I never made. I'm asking him to withdraw that.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. SPEAKER: The Honourable Minister of Finance.

HON. V. SCHROEDER: People on this side recall that kind of a statement being made during the leadership convention. I will look it up and if I can't find it I will certainly withdraw it. I also recall the Member for Morris indicating that university students should come up with about 25 percent of the cost of their tuition fees, and I'll look that up too before he gets up. I'm sure that we will be able to locate that, but we have members opposite such as the Leader of the Opposition standing up outside the House and making statements such as the statement that he made that we couldn't get an agreement with an aluminum company, unless we gave away a hydro-electric dam and that all of our negotiations were very preliminary and wouldn't come to anything, unless we did something like that.

Now, if those statements can't be attributed anymore, then let them give us the rules and let them send us the list of names of Conservatives who speak for the party. But Manitobans, in general, when they see the official economic . . .

A MEMBER: Dick Martin . . .

MR. SPEAKER: Order please.

HON. V. SCHROEDER: He's not an official advisor to the . . .

MR. SPEAKER: Order please.

HON. V. SCHROEDER: Mr. Speaker, the Member for Morris asks does Dick Martin speak for the NDP? Dick Martin is not an official advisor to the NDP in any capacity.

SOME HONOURABLE MEMBERS: Oh, oh!

HON. V. SCHROEDER: Mr. McCallum is an official advisor to the Progressive Conservative Party - the only one I know of. He is the only one I know of and I think it's quite legitimate to quote Mr. McCallum's views on behalf of the Progressive Conservative Party.

A MEMBER: You are a liar.

MR. SPEAKER: Order please, order please.
The Honourable Leader of the Opposition.

MR. G. FILMON: Mr. Speaker, in view of the fact that no member of this party, no member of the Legislature speaking on behalf of the Conservative Party, has ever proposed a 2 percent increase in the sales tax in Manitoba, will he withdraw this remark and send out a letter of correction to 27,000 Manitobans in the entire province that have been misled?

SOME HONOURABLE MEMBERS: Oh, oh!

MR. SPEAKER: Order please, order please.

Since a question was asked, I presume the members would like to hear the answer.
The Honourable Minister of Finance.

HON. V. SCHROEDER: Well, Mr. Speaker, you could very well be wrong on that. I don't think they want to hear answers. I think they want to shout and scream and make sure that logic does not reside in this Chamber.

We have heard the Leader of the Opposition stand up and say that we're supposed to retract something about something being made in this Chamber. The letter doesn't talk about this Chamber. It doesn't talk about whether it was one of the particular members of this particular caucus. It said "the Conservatives," and are they now disowning Mr. McCallum as their official economic advisor - their one official economic advisor?

One would assume that if the Conservatives ever should take office, heaven forbid, but if they should, they would surely take the advice of their only economic advisor, the only economic advisor the Conservative Party has in Manitoba that I am aware of.

MR. G. FILMON: Mr. Speaker, in view of the fact that we, as a party, have people offering us advice at all times just as this Minister has - we have people who offer us advice on all sorts of things - we, as a party, have never adopted that position or never proposed a 2 percent increase in sales tax. It is nowhere on the record on behalf of any member of our elected caucus, anywhere - outside the House, inside the House. It is not a part of our policy. It has never proposed by us and I ask the Minister to withdraw this lie, to withdraw this lie, made using taxpayers' dollars and sent out to 27,000 employers. Withdraw.

MR. SPEAKER: Order please, order please.

Would members restrict themselves to parliamentary language in this Chamber?

The Honourable Minister of Finance.

MR. B. RANSOM: We're supposed to play by the rules while he can lie as much as he wants to.

HON. V. SCHROEDER: Thank you, Mr. Speaker. I have the feeling . . .

MR. SPEAKER: Order please.

HON. V. SCHROEDER: . . . members opposite - I'm sort of surprised. They seem to react very much to a letter. I was speaking here on Tuesday evening and I quote Page 216 of Hansard and I said, "I will be listening with interest during the Budget Debate to hear whether the Conservatives will persist in their view that a 2 percent increase in sales tax would be preferable. If on the other hand they merely say that the tax should be eliminated without increasing other taxes, they must surely, in all honesty, tell the public whether they're going to increase the deficit or specifically which programs they're going to eliminate." That's what I said then. They didn't ask me to withdraw the statement then.

Mr. Speaker, we now hear the Leader of the Opposition disown his own economic advisor, say that doesn't count for us, he doesn't speak for us, of course not, and on top of that he has the gall to get up and say, we have no policy on this. All we've said is we're going to eliminate it, but we're not going to tell the people of Manitoba what we're going to do to replace it. Their economic advisor has the decency and honesty to tell people exactly what it is that they're going to do to replace that letter.

MR. G. FILMON: Mr. Speaker, in view of the fact that advisors to the Ministers of this Crown have suggested that they bring in anti-scab legislation in this province, is that a policy of this government? Is that a policy of this government? Is every bit of advice that's given to this government a policy of this government? Of course it isn't. The Minister knows full well, Mr. Speaker, that the advice of anyone is only advice and it's only policy and it's only a proposal if it's taken up by the members of this caucus and by the members of this party. Mr. Speaker, will he now admit that he has lied to the people of Manitoba and withdraw this and send out a letter of correction?

HON. V. SCHROEDER: Well, Mr. Speaker, if people there are disowning Mr. McCallum, I seem to recall a letter sent out by Mr. McCallum to a number of Conservative Party members not that long ago. I think the Member for Turtle Mountain remembers the letter I refer to. I'll certainly locate that and possibly table it. If the members opposite however are saying that somehow the Minister of Labour doesn't speak for the government when she makes a statement about what our labour policy is, that's nonsense. She's made a statement about what our policy is. The only policy statement made on behalf of the Conservative Party was made by John McCallum who suggested . . .

A MEMBER: That's not true.

HON. V. SCHROEDER: I'm sorry, it is true. The only statement made by the Leader of the Opposition is we're going to eliminate the health and education levy. Their economic advisor comes along and says, yes, that's a good idea, we should eliminate the health and education levy and he says we should replace it with the sales tax. I did not say that the Progressive Conservative caucus made that statement. That's not what the letter says. I did not say that the Progressive Conservative Leader made that statement. That's not what the letter says. I did say the Conservatives made that statement very clearly, very clearly. It was made and it is a legitimate statement to take. It makes sense to say you're going to replace it with something. You people are the biggest bunch of hypocrites I have seen in this Chamber for some time. Here they are.

SOME HONOURABLE MEMBERS: Oh, oh!

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

The Honourable Minister of Finance knows that he cannot make allegations of that sort in this House. He will kindly withdraw what he said.

The Honourable Minister of Finance.

HON. V. SCHROEDER: Mr. Speaker, I'll certainly withdraw that but, Mr. Speaker, they certainly are a bit inconsistent. We hear the Member for Morris talk about more money for education. We hear a number of their members talking about more money for agriculture. We hear other members talking about more money for highways, and we hear their economic . . .

MR. SPEAKER: Order please.

The Honourable Member for Morris on a point of order.

MR. C. MANNESS: Mr. Speaker, I make a submission to this House. I have never asked for more money in the area of education, not publicly, or privately, at no time.

MR. SPEAKER: Order please, order please.

That remark was more a matter of clarification than a point of order.

The Honourable Leader of the Opposition.

MR. G. FILMON: Mr. Speaker, my question is for the Premier.

I appeal to him in a sense of decency and fairness. Will he ask his Minister of Finance, who is unable to substantiate the remark that he has made in his letter, that he has sent out at public expense of thousands of dollars to 27,000 employers in this province - he has sent this letter out on his letterhead - will he not appeal to his Minister of Finance, direct his Minister of Finance, to withdraw this statement and to send out a letter of correction to all the people who have received this letter?

MR. SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: Mr. Speaker, I've not seen the letter that the discussion pertains to but I understand the

letter refers to Conservatives. And certainly there have been Conservatives that have urged an increase in the sales tax. Certainly John McCallum is one of those that has urged an increase in the sales tax.

Alcoa Company, Negotiations with

MR. SPEAKER: The Honourable Member for Thompson.

MR. S. ASHTON: Thank you, Mr. Speaker.

I have a question that relates to probably what is of more interest to the people of Manitoba than the letter, that being the Alcoa announcement made today by the Minister responsible for Manitoba Hydro. I'd like to ask specifically, Mr. Speaker, if the Minister can clarify whether the question of the ownership of a power plant will be discussed over this one-year period, or whether Alcoa has agreed to begin discussions on the precondition that Manitoba retain public ownership of its hydro capacity irregardless of whatever discussions take place?

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

HON. W. PARASIUK: When the Conservatives undertook negotiations they, in fact, acceded to a request that a part of Manitoba Hydro resources should be sold off to a private company. Mr. Speaker, that was a precondition for their discussions with the Aluminum Company.

Mr. Speaker, the record is very clear. Mr. Filmon is quoted on February 20th as saying that without the NDP reversing its . . .

MR. SPEAKER: Order please, order please.

The Honourable Member for Rhineland on a point of order.

MR. A. BROWN: Mr. Speaker, never at any time did the previous government anticipate or negotiate a deal where a portion of Hydro was going to be sold to Alcan, and I would challenge that Minister to prove it. The deal that was made with Alcan was that they were going to purchase, build, construct one portion of that dam but Hydro was not involved with that, had nothing to do with it.

MR. SPEAKER: Order please, order please.

That was not a point of order.

The Honourable Minister of Energy and Mines.

HON. W. PARASIUK: Mr. Speaker, I find that the Conservatives are now disowning what they did three years ago. They should have disowned it three years ago, Mr. Speaker.

Mr. Speaker, in the last election campaign, the Leader of the New Democratic Party, Mr. Howard Pawley, took the position that Manitoba can develop its resources without selling them off to a private company. That was a major election issue and the Conservatives kept saying that if the NDP is elected they would stop projects.

Mr. Speaker, we are proud to say that we do not have to follow the advice of Mr. Filmon who says that

without the NDP reversing its policy and selling the company a portion of a power plant they will not be very successful. I am proud to say that when we made a commitment that we don't have to sell resources to a private company in order to achieve development. We made that commitment in the campaign. Today we're producing on that commitment, Mr. Speaker. Hydro remains Manitoban.

MR. SPEAKER: Order please.

The Honourable Member for Thompson.

MR. S. ASHTON: As a supplementary, Mr. Speaker, I might ask whether Alcoa, or any other of the companies that we've been in discussion with, have ever seriously suggested that we sell them part of the power plants or whether it appears that the Tories were once again when they were in office trying to give a resource giveaway to get a quick fix in terms of economic development at the expense of the Manitoba taxpayer?

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

HON. W. PARASIUK: Mr. Speaker, that question was raised with us in our discussions with aluminum companies. Mr. Speaker, had we been weak, we would have in fact exceeded to that request but we felt that would damage the integrity of Manitoba Hydro both today and in the future, and we said no. We said that our party fought an election on the basis of Hydro being owned by the people, for the people of Manitoba, and that is the basis on which we negotiated. We said we would negotiate with all parties to ensure that we had fair development for everyone, Mr. Speaker. We said that development had to be fair. We said we could do that without selling off a portion of hydro resources to a private company. We have done that, Mr. Speaker. We have been successful, and I find it very surprising and very shocking that the Conservative Party is now trying to say that they did not do that in the past because all of Manitoba knows that they did that.

MR. SPEAKER: The Honourable Member for LaVerendrye.

MR. R. BANMAN: Mr. Speaker, I address my question to the Minister of Finance.

In light of the fact that the government has now embarked on a political ad campaign and sending out misleading letters to the public at public expense, could he now tell us what the ads in the daily papers are going to cost, what this letter has cost, and what it's going to cost the taxpayers of Manitoba in hard-earned tax dollars to try and prop up this ailing government who is so out of touch with people that they resort to this type of direct distortion, trickery and treachery as far as sending out different types of materials to people of Manitoba at their expense, not at his expense, at taxpayers' expense?

MR. SPEAKER: Order please.

The Honourable Minister of Finance.

HON. V. SCHROEDER: Thank you, Mr. Speaker.

The advertising in today's daily newspapers is advertising I would like to draw the attention of all members and indeed of the public to, because it gives a little bit of a background to the Budget and gives people an address in which to write to get further information and to get copies of the Budget and so on . . .

MR. W. MCKENZIE: They're entitled to that.

HON. V. SCHROEDER: . . . which I think taxpayers should really be entitled to.

I would point out, Mr. Speaker, that there's a story in *The Globe and Mail* this morning, a front page story, giving the cost of advertising in various provinces. A province like Ontario is about \$3 per person per year. Manitoba is at 85 cents per person per year overall. You put that into a little bit of context with, for instance, what we invest, about \$1,000 per man, woman and child in each year for health care. This, less than \$1 per person, does provide some public information to Manitobans and gives them an opportunity, Mr. Speaker, to look at the spending plans of its government and look at the revenue planning of its government and to comment. I think that it only makes sense that that kind of an opportunity should be available to taxpayers who are financing these operations.

MR. R. BANMAN: Thank you, Mr. Speaker. I wonder if the Minister could tell the House how much this NDP propaganda is going to cost the taxpayers of Manitoba.

HON. V. SCHROEDER: Mr. Speaker, I was just indicating that overall government advertising, all advertising, including lotteries, the Jobs Fund, health care, all the various safety advertisements last year cost 85 cents per Manitoban. This year I wouldn't expect it would cost very much more. There's a bit of inflation; it might be a dollar per Manitoban for all of the advertising the government does. I think that is a reasonable investment in order to inform Manitobans of what it is that government is doing.

Mr. Speaker, the information can be of use to Manitobans who are interested, for instance, in using the venture capital corporation information. We've indicated in the Budget that it's been quadrupled. We want people to have access to information on it and to be able to respond to it and so on. If we have programs available and then make no access available to the public of that information, then I don't really think we're doing our duty as a government.

MR. R. BANMAN: In light of the fact I believe that the Jobs Fund alone spent over a million dollars on advertising, I think that 85-cent figure, the Minister should go back and check his books. But will he tell us now what this ad, what his department is spending on sending out Budget propaganda on his NDP Budget? What is this costing Manitoba taxpayers? That's all we want to know.

HON. V. SCHROEDER: Mr. Speaker, certainly, no more than previous administrations, have been spending on their various items to . . .

SOME HONOURABLE MEMBERS: Oh, oh!

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

HON. V. SCHROEDER: I don't blame them for never having advertised any of their Budgets. If I had sent out a Budget like that, I wouldn't want to advertise it either, but don't let them sit there and talk about them never advertising. Let's recall the ads about "you're sitting on a gold mine," remember those ads, Mr. Speaker, at a time when they had a bunch of interim agreements.

We had the former Minister of Finance there, the Member for Turtle Mountain, approving those "you're sitting on a gold mine" ad, when you had nothing happening. He sent letters out in pay cheques of government employees accusing the NDP of doing something to prevent people from being paid. — (Interjection) — Certainly. All those things cost money and I would suggest to you that the advertising we are doing of the Budget is advertising that does provide for more information to the public rather than less. I think, certainly as compared to the kind of advertising that bunch did, it is advertising that is useful for the public.

Jobs Fund

MR. SPEAKER: The Honourable Member for Elmwood.

MR. R. DOERN: Mr. Speaker, I would like to direct a question to the Minister responsible for the Jobs Fund and ask him whether it is an aim of the government to provide employment for the thousands of unemployed construction workers in the Province of Manitoba?

MR. SPEAKER: The Honourable Minister of Culture.

HON. E. KOSTYRA: Thank you, Mr. Speaker. Yes, it certainly is the aim of the Manitoba Jobs Fund to provide as much employment as possible for Manitobans in areas of construction, in fact, in all areas. As indicated in the Budget of just a few days ago, it's the intention of the Jobs Fund to continue to work in that regard and to have a greater emphasis on longer-term job creation activities. Indications of that in terms of the Jobs Fund projects will be made clear as we get into the year, indications of that in terms of government general policy are clear in terms of the negotiations that have taken place with respect to federal-provincial agreements, negotiations that have taken place with respect to power utilities in the United States, negotiations that have taken place with respect to the recent announcement today by my colleague, the Minister of Energy and Mines.

Yes, Mr. Speaker, it's this government's intention to continue the war on unemployment and to work with Manitoba business and Manitobans to create more jobs, long-term jobs, for Manitobans.

MR. R. DOERN: Mr. Speaker, can the Minister explain how a constituent of mine who applied for a short-term position, presumably under the aegis of the Manitoba Jobs Fund, was told that because he was on Unemployment Insurance one year and then has been

unemployed for the past year, that preference is being given to people who are on Unemployment Insurance?

HON. E. KOSTYRA: If the Member for Elmwood has a problem with a particular constituent with respect to projects related to the Jobs Fund, I'd be pleased to investigate that situation if he would provide me with the details.

MR. R. DOERN: Mr. Speaker, just for clarification, can the Minister indicate that people who are unemployed are not going to be put behind those people who are on Unemployment Insurance? Are they going to be treated equally or is there some sort of a preferential order here? Because the information relayed to me was that if are unemployed and have been unemployed you do not qualify in a sense of only those on Unemployment Insurance will be looked at and if there's nobody left, perhaps we'll consider you.

HON. E. KOSTYRA: As I indicated, if the member would provide me with the details of the particular situation, I will investigate that. — (Interjection) — As the Member for Elmwood may be aware, and obviously the Member for Virden doesn't know, there are a number of different programs under the Jobs Fund. There are a number of different projects that have come under the Jobs Fund that work in co-operation with business, with different levels of government, municipal governments, community organizations, in all parts of Manitoba and the circumstances of hiring on specific projects are subject to specific programs, specific arrangements with municipalities or community organizations. Unless I have the information on the particular complaint, I cannot provide the information.

Garrison Diversion Project

MR. SPEAKER: The Honourable Member for Emerson.

MR. A. DRIEDGER: Mr. Speaker, my question is to the Minister of Natural Resources. In view of the fact that we had a unified agreement here to oppose the Garrison River Diversion last year, in view of the agreement signed by the United States and Canada recently now, can the Minister indicate whether there is any difference in the proposals that have been agreed on apart from the ones that were being proposed last year?

MR. SPEAKER: The Honourable Minister of Natural Resources.

HON. A. MACKLING: Yes, Mr. Speaker. The honourable member speculates on an agreement having been signed by someone. It's not my understanding that there has been anything other than some further understanding on the part of Canada and the United States in respect to the phasing and what's in the phasing of Garrison.

Canada and Manitoba continues to be unalterably opposed to any aspect of the Garrison Development that would see Missouri River water flowing in the Hudson Bay watershed. That has been made clear by Manitoba, continues to be the Manitoba position and the Canadian position.

It appears that what has happened at the meeting of officials is that the proponents of Garrison have acknowledged that what they had proposed earlier, in respect to an attempt to provide safeguards, in respect to biota transfer into the Lonetree Reservoir by way of a screen, would be pursued.

About a year-and-a-half, two years ago, even though they talked about including a screen in the development of the Phase I of Garrison, where water will come into the Lonetree Reservoir, they had dropped that. They're now saying they're putting that back in. They're now giving us assurances again that under Phase I no return flows will enter the Hudson Bay watershed. That doesn't mean to say that the system has been changed. Their Phase II operations and their full operations still contemplate using that water in the Hudson Bay Watershed and we as a province are unalterably opposed to that.

MR. A. DRIEDGER: To the same Minister, can the Minister indicate then that the proposals to a supposed agreement, the paper indicates that an agreement was reached, that the proposals are different from what the International Joint Commission proposals were?

HON. A. MACKLING: Mr. Speaker, the position of the Manitoba Government and the position of the Canadian Government has been that the conditions that were laid down by the International Joint Commission must be strictly adhered to.

It appears that there is some recognition, some further recognition on the part of the American administration now, to those conditions. From what I understand there has been an acknowledgment that with Lonetree Reservoir development there will be a restriction on any fishing in the Lonetree Reservoir. There will be no return flows allowed from the Lonetree Reservoir into the Cheyenne River. As you know the full complex provides for municipal and industrial water supply from Lonetree into the Cheyenne River. We are opposed to that because we say that that would facilitate a transfer of biota, or a transfer of fish, which the International Joint Commission found would be an environmental disaster.

MR. A. DRIEDGER: To the same Minister, a final supplementary. So the Minister can assure us, the people in Manitoba, that in spite of whatever agreements have been reached, there will be no water from the Missouri River Basin entering into the Hudson Bay Drainage Basin in the future?

HON. A. MACKLING: Mr. Speaker, that is the position of this government and it will continue to be our concern to ensure that the proponents of the Garrison Project in the United States, not merely continue to give us assurances that the integrity of our waters will be protected, but we will continue to agitate and articulate our concerns until the project has been changed by Congress, or the administration to ensure that that will not happen.

Alcoa Company, Negotiations with

MR. SPEAKER: The Honourable Member for Inkster.

MR. D. SCOTT: Thank you, Mr. Speaker.

Mr. Speaker, following the announcement this afternoon of the Minister of Energy, I would like for the Minister to confirm to this House that whereas the new agreement is a total reversal of the previous arrangement that the Conservatives had negotiated with Alcan . . .

MR. SPEAKER: Question.

MR. D. SCOTT: . . . where we would have a 50 percent interest in their plant rather than them have an equity interest in our Manitoba resources, does that also include, Mr. Speaker, does it also include a full sharing of information, of the technology that is available, the management information and will we be participating in that management of that plant and the development of it in Manitoba?

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

HON. W. PARASIUK: Mr. Speaker, I believe that people on this side of the House have just as much right to ask questions as people on that side of the House, especially regarding something that will be of long-term benefit to all Manitobans, Mr. Speaker.

MR. SPEAKER: Order please, order please.

HON. W. PARASIUK: Thank you, Mr. Speaker.

I can appreciate that the Conservatives don't want to hear answers that might embarrass them but certainly I think the people of Manitoba want to hear answers that the Member for Inkster might have.

I can confirm, Mr. Speaker, that we will have the opportunity of having up to 50 percent interest of an aluminum smelter.

Mr. Speaker, I hear a comment from the people on other side saying where are we going to get the money?

Mr. Speaker, I recall that the Conservative Government was quite prepared to put up to 40 percent of a potash development a number of years ago, Mr. Speaker. I didn't hear them asking questions like that at that time, Mr. Speaker, but what we have today is doom and gloom and negativism on their part.

Yes, Mr. Speaker, we have the opportunity of participating 50-50 in this development. We have the opportunity of gaining the knowledge of aluminum development in a very detailed, sophisticated manner, Mr. Speaker. We in fact have the opportunity of sharing in the wealth that the aluminum smelter could create, Mr. Speaker, yet we retain the wealth that Manitoba Hydro has. That is the difference.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. SPEAKER: Order please. The time for Oral Questions has expired.

Before Orders of the Day, may I ask all members to reflect very carefully on their conduct during question period this afternoon, and perhaps give some thought to observing properly the procedures of the question period.

ORDERS OF THE DAY

BUDGET DEBATE

MR. SPEAKER: On the proposed motion of the Honourable Minister of Finance, the Honourable Leader of the Opposition.

MR. G. FILMON: Thank you, Mr. Speaker.

I rise with a good deal of sadness and one might say a heavy heart in reflecting on, Sir, the topic that you have brought to our attention. The conduct of the question period, the conduct of certain members of the Treasury Bench, Sir, leads me to believe that this is indeed a sad day for Manitoba.

When we have a Minister of Finance, Sir, who is willing to stoop to immoral, almost sleazy actions in order to try and put his point of view across, his perverted point of view across, and is willing to, Sir, put down untruthful statements in writing at public expense and send it throughout the province to 27,000 employers, it obviously is a sad day for Manitoba.

Sir, further to that, when you find in question period that this Minister will not admit to the error of his ways, will not withdraw the untruthful statement that he has put in writing and sent throughout the province and in fact persists in adding one falsehood after another to try and justify what he said and what he did, it is indeed a sad day for Manitoba, Sir.

I was reflecting on some conversation that I had during the course of the Throne Speech because some of the members were suggesting that the language in this House was becoming more and more irreverent, that certain phrases were becoming more commonly used, such as sleaze and sleazy and I think several of us in sitting in discussion said that probably that was the case and probably we ought to reconsider that. But when you see the actions of this Minister of Finance and see the kind of thing he is willing to stoop to in order to try and further his own political interests, utilizing tax dollars, further still, you see, Sir, how this kind of terminology comes into use in this Legislature. Because it's absolutely shameful, shocking, and indeed it's what brings on the kind of debate that we have in this House for this Minister to stoop to that kind of action. I say, Mr. Speaker, that I regret it very much and I say, Sir, that it's not going to get better unless somebody like this Minister is made to come to order by his Premier and by the people who are in leadership across the way - if there are any of them - because indeed that is what brings on the tenor and the tone of debate in this House is that kind of action on the part of the Minister of Finance and it's shameful.

Mr. Speaker, I wasn't even going to refer to it, but it's obvious why the public of Manitoba has lost total respect and confidence for the New Democratic Party in government when you see what the Minister of Finance did, when you see that he's not only willing to make that untruthful statement in his Budget Speech, but he's willing to take it the step further of putting it in writing and sending it out through the province.

It's no wonder that in this survey of public opinion, which was just released this morning, it shows that the New Democratic Party fortunes are at the lowest ebb they've been in 20 years in this province, and it's because of the actions and the disrespect that the people have for the New Democratic Party in government.

There's no question that they can't look up to this party in government for any leadership. They can't look

to them with any respect and they can't hope to gain any solution to their problems in Manitoba with this party in government. Mr. Speaker, that's why they're running 20 percentage points behind in public opinion surveys of the Progressive Conservative Party in Manitoba. That's why they're at their lowest ebb that they've been since Ed Schreyer was the leader of their party. That's what it's done to this party in government, Mr. Speaker, the kinds of actions of the Minister of Finance that we have seen throughout this party's term of office and government. We understand why public opinion is so strongly against them. How can anybody respect or have confidence in this party in government, Mr. Speaker?

Mr. Speaker, further to that, it started to come in the course of the Budget Speech on Tuesday evening. When the Minister of Finance stood up and addressed this Chamber, he gave the most blatantly partisan, unstatesmanlike presentation of a Budget that I have ever seen, and indeed observers that I have talked to have ever seen in this House.

Mr. Speaker, it was replete with cheap shots at individuals on this side, written right into the script, taking great delight in gloating over statements or suggestions that were contained in debate by people on this side of the House last year, singling people out for ridicule in the course of the Budget Speech. That sort of action invited the heckling that occurred during the Budget Speech, Mr. Speaker. It probably drew the response that the Minister of Finance was looking for, because I am convinced that that's his style and that the only way he can operate in this House is to give that kind of cheap partisan presentation, even to a Budget Speech, which is supposed to be put forward in an ethical, moral fashion, a presentation of the financial affairs of the province. That, Sir, is what is invited by the kind of presentation we saw in the Budget Speech by this Minister of Finance.

I found it interesting that in his presentation both inside the House and outside the House he had to try to be too clever by half and bring in some gallows humour to the kinds of comments that he was making with respect to his Budget. To the media, for instance, in putting on a happy face on this \$500 million deficit Budget that he's brought in, he talked about what a tough guy the Minister responsible for the Treasury Board was. He's quoted in the paper as saying as to why the spending has been reduced down to a 3.9 percent increase over last year, when the previous year's Budget was almost an 18 percent increase. He said, "Jay Cowan is meaner than I am." Well, we'll see whether or not the public finds as much to laugh about in this Budget as he found to laugh about, Mr. Speaker.

The Budget was replete with self-congratulatory statements and remarks. I've never seen anything like it before where the Minister took the opportunity to single out individual colleagues of his and give them glowing praise in his Budget. He singled out the Minister of Energy and had the desks thumping about the announcement on Northern State Power. It was almost as though it were a presentation of Academy Awards.

Later on in the speech he singled out the Minister of Industry, Trade and Technology and made comments about his wonderful handling of the Jobs Fund and what a wonderful job he's done. It's obvious, Mr. Speaker, that this Minister and this government felt

that the media coverage wasn't adequate to their needs in terms of trying to pump up their image, and that they had to introduce that kind of partisan self-serving statement into the Budget in order to get some extra coverage for what they feel has been a wonderful job that's being done by their Ministers.

Mr. Speaker, as I move to the Budget and take the opportunity to review and comment on the government's financial plans for 1984-85, it's interesting to see the Budget through the various eyes of people who are evaluating it and see what others are saying about this particular Budget. The Minister of Finance referred to it as, "a consolidation and development Budget." Those terms seem to be more than a little contradictory because in this case consolidation means that the government is finally pulling in its horns. It's finally been faced with circumstances that prevent it from continuing to spend indiscriminately, wildly, beyond the means of the people of Manitoba to support their programs and their expenditures. After two years of increases such as 19 percent increase in spending in the first year and 18 percent in the second year - and they were doing this, I might say, contrary to all the prevailing wisdom throughout the country. They were doing it in a manner that was in excess of every other government in this country.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. SPEAKER: Order please, order please.

MR. G. FILMON: Mr. Speaker, if things are so great and if they're doing such a good job, as the Government House Leader says, why do the people not believe it? Why do the people think this government is a hopeless failure and have lost total confidence? Why does this poll show that the New Democratic Government is a hopeless failure in the eyes of Manitobans, if they're doing such a great job? That's all I ask of the Government House Leader.

Mr. Speaker, they were spending in excess of the kinds of levels that were being put forward in budgets throughout this county by every Provincial Government and even the Federal Government. They were making the Federal Government look like pikers with their levels of spending increases in the last two years, so in that respect perhaps one can say that they've finally come to their senses. They're admitting that they were wrong but they were totally off on a tangent that they were out of step with the rest of the country and that their free-spending policies, adding 500 political support staff to the Civil Service in their first two years of government, and then now having done that they do a radical about-face and they're cutting 273 staff positions in the Civil Service.

Well, they took an 18 percent increase last year in their expenditures and overnight they turned it into a 4 percent increase in this Budget. It's an unbelievable flip-flop, an unbelievable change in attitude, Mr. Speaker, a continuation of the kind of deathbed repentance that we saw forecast in the Throne Speech where they told us that after two years of ignoring, or worse still battering the private sector of our economy, they're now going to be stimulating. They're now going to be supporting the private sector through their Jobs

Fund and gloating all the while, you know, that they've stolen our thunder and they've responded to our criticisms of their fiscal operations in this province, and they've taken away all their criticisms according to the media who covered it saying, well, the NDP have stolen all of your policies, how can you criticize them?

Well, Mr. Speaker, I congratulate the government on at least finally coming to its senses after two years off on a tangent, ignoring reality, embarked on mismanagement of the fiscal affairs of our province, and destroying the initiative for economic recovery and expansion in growth. I congratulate them after two years of intruding upon the private sector at every turn, they've now come to their senses and they've drastically reduced the rate of spending growth. They've admitted their mistake even in the payroll tax, Mr. Speaker. They say that they now recognize the importance of the role of the private sector in our economy. Well, I guess we should be happy with that kind of realization of the facts and the truths. I guess we should be happy that they finally have come to their senses, Mr. Speaker.

They said that the Jobs Fund is going to be redirected this year but they still haven't given us any details, not in the Throne Speech, not in the Budget. They haven't told us what this is going to mean to the beleaguered small business person in this province. We'll await their commitment, we'll see what their plans bring about, Mr. Speaker.

I guess this is just like the story that I think I probably alluded to in the Throne Speech Debate about, like a mule, they've been hit between the eyes by a two-by-four, and now we on this side at least have finally got them to attention. We finally got their attention.

I suppose, Mr. Speaker, we should be thankful that it took only two years for us to get their attention. Maybe the Minister is a slow learner in that respect.

HON. A. ANSTETT: We should have used a bigger hammer.

MR. G. FILMON: Well, the Government House Leader says that we should have used a bigger hammer and perhaps that's the answer that we're looking for and I thank him for offering that advice. We'll certainly take that to consideration. — (Interjection) — No, I suggest, Mr. Speaker, that in giving me that advice he should be careful because he's going to be termed an advisor to the Conservatives, and he's going to appear in the Minister of Finance's next letter. That's what he'd be best to look out for because that's the kind of treatment that his Minister of Finance is going to give him for giving me that advice.

Mr. Speaker, it may just well be that this government wasn't brought to its attention by the criticism from the business community, by the criticism from interested groups throughout the province, that wasn't brought to his attention by criticism from us on this side of the House. Maybe they just had no choice, I'm not sure. I'm sure that will evolve eventually and people will know and understand that.

But just to give you an idea of the kind of advice and the kind of commentary that's being given by people throughout the country to this government and this Minister, I'll read from a telex that was sent to the Honourable Vic Schroeder, Minister of Finance,

dated yesterday. It's sent by the Canadian Federation of Independent Business, Jim Bennett, Executive Director of Legislative Affairs. I quote from it. "In referring to the various moves that were made in this Budget, he congratulates the Minister on removing the counter-productive payroll tax from the smallest firms in your province," he says. He says as well, "This is an important start in removing the job creation disincentive resulting from the unfortunate health and education levy." That, Mr. Speaker, means that they believe that at least the Minister has been brought to attention but they don't believe that he's gone nearly far enough. They refer, Mr. Speaker to, as many observers have, the health and education levy as a job creation disincentive. He says, "However, Canadian Federation of Independent Business studies have shown job creation since 1980 has been taking place in medium-sized firms as well as the very smallest to maximize the potential job inducement from the payroll tax adjustment the relief should be on the first 75,000 of payroll for all privately-owned businesses." So he says that they've come to attention, but they haven't gone nearly far enough, Mr. Speaker.

He said, this goes on further, Mr. Speaker, to talk about the new commitment of this government to permanent job creation in the private sector. He says, "The payroll tax relief is one obvious step in that direction. Indeed, since all net new jobs in Canada since 1975 were created by small business you might well be able to cut back the Jobs Fund even further if the proper climate is created for small business expansion." So, Mr. Speaker, what he's saying is that there isn't a climate for small business expansion in Manitoba today, and that is what we have been saying all along to this government. Now that we have their attention, maybe, just maybe, they're going to come to their senses on that aspect as well.

Mr. Speaker, he goes on further to say, "I want to endorse your announced intention to restrain government spendings. We, like other business people, would like to see absolute reductions in your spending rather than reduce growth." But he goes on to say, finally, "I want to thank you for your tacit recognition of our arguments during our past meetings that the payroll tax inhibited job creation." That is indeed the problem they we have, Mr. Speaker, is that they have come to their senses but they haven't gone far enough, that there's a great deal more to be done in this province in the future if we're going to get Manitoba back on track.

So we've seen that the Minister of Finance has paid some attention to various business organizations, various members on this side of the House. Probably, more importantly, he's paid attention finally to the financial institutions and the credit rating agencies in North America, because during the past year this government had for the first time in a decade its credit rating downgraded. It had indications given to it by the various lending institutions and the credit rating agencies that it would have difficulty in future borrowing the amounts of money that it needed for its government expenditures if it didn't quickly get its affairs in hand and start talking about a reduced size of deficit and reduced growth, particularly in the spending of government.

So what we see, Mr. Speaker, is that in fact external forces have had a great deal to do with bringing this

government to some semblance of reality, some semblance of understanding, in facing the problems of our province.

But I think we probably feel that if the Minister and his colleagues really had their way, they wouldn't be practising this new-found wisdom of Conservative spending restraints at all. They wouldn't be stopping the growth in their deficit and paying lip service to the private sector and eliminating the crazy, irritating, disincentive, nuisance taxes on churches and charitable organizations and small individual employers with one or two employees. They probably wouldn't be doing that at all, Mr. Speaker. But they have been brought to attention by external constraints and external pressures on them.

Mr. Speaker, they have a credibility problem, of course. The public doesn't buy their new-found wisdom, their deathbed repentance. They know that the NDP don't have the courage of their convictions with respect to the things that they've done that are termed to be more Conservative in this Budget. They're not really committed to these so-called Conservative economic policies. They've just been dragged into them, kicking and screaming.

The public know that all they really are, all they're really getting with this group is counterfeit Conservatives. They're as phony as a \$3 bill when it comes to really understanding what economics and fiscal management is all about. The public won't be fooled by this new-found wisdom and this deathbed repentance, this third-year conversion and flip-flop that's been done by a desperate government, to try and regain public favour by showing that they really can be good fiscal managers. The public knows that if they want good fiscal management and financial integrity, they might as well vote for a real Conservative, as a counterfeit Conservative that they've got over there.

As they watch these chameleons change colours in the third year of government, they won't buy this sudden transformation of the NDP. They know that after two years of watching them, there is still a wolf under the sheep's clothing that they've put on today. They know that. Just like "Boy George" and the transvestites, the public won't be sure which way the NDP can go - won't be sure which way the NDP can go in the next election. If they have to choose between somebody who flip-flops from an 18 percent increase in spending one year to a 4 percent increase in spending another year, I think, Sir, that they'll choose a steady hand at the wheel instead - somebody who keeps things calm and even.

Mr. Speaker, I don't think there will be any question in the public's mind that they don't know what they're getting when they vote for this group the next time around. Mr. Speaker, what they'll be saying is, just because the NDP listened to us once with respect to this Budget, doesn't mean that they'll listen again. In fact, the evidence of the past couple of years of them in government is just the contrary, that they don't ever listen unless they're made to come to order by external forces that they can't deal with. They don't ever normally want to really listen to the electorate and they can't really be trusted to follow the public's advice, or certainly the Conservative Party's advice in the future, so the public will choose real Conservatives next time around, not Socialist Tories that these people are trying to show themselves to be. They won't buy that transformation,

Mr. Speaker, any more than they'll buy the Minister's explanation for the sudden reversal of his stand on the payroll tax, and we commend him for removing the payroll tax on those small employers in this province. There's no question about it. We applauded it and I'm sure that the Premier knows that we thumped the desks as loudly and as strongly as the members on his side when that announcement was made on Tuesday night. Mr. Speaker, we commend him for removing that for people in this province who probably have three or four employees or less.

Certainly, however, Mr. Speaker, it won't go far in terms of attracting the large job-creation activity that we need here in manufacturing, distribution and industrial investment. So many of the major real long-term job creation opportunities are not going to be affected one bit by that move in the Budget on Tuesday night. It'll help just those people who are in a very very small employment category, and as the President of the Chamber of Commerce said, it won't attract the kind of middle-sized businesses and small businesses that we need, which can grow into large operations. But at least it'll remove an irritation from over 15,000 small employers - churches, non-profit groups, babysitters, people working out of their homes, farmers. These people will benefit, but these are people who should never have been included in this crazy tax in the first place.

In fact I am sure that Manitobans, even those who are relieved to have this tax removed from their backs, are going to say what kind of fool government would have put the tax there in the first place?

I dare say the amount of paperwork and the kind of bureaucratic time that it took to collect that amount of tax that only amounted to 6 percent of all the payroll taxes collected last year, \$7 million out of a \$112 million revenue was collected from two-thirds of the employers. So two-thirds of the employers on the roles of Manitoba who are paying that tax accounted for only 6 percent of the payroll tax that was being collected.

It seems incredible that they would not have thought about that ahead of time, that they would not have structured the tax in such a way to remove that nuisance element from all of those small employers who should never have been included in the first place, Mr. Speaker.

You have to wonder what they were thinking about when they put on that tax, but of course, I think the point is, were they thinking at all? Did they even have any idea what the ramifications were? Did they have any prior planning that told them how many people would be affected, what kinds of employers, and what the revenues would be from all of these various employers throughout the province? It wasn't until they put the tax on and had a year of experience, they realized that two-thirds of the employers were only bringing in 6 percent of the revenue and it was just an absolute travesty to have that being charged on those people, just because of the paperwork that was caused in the Department of Finance and on all these people's offices throughout the province and \$20 penalties for a payment one day late. All of this nonsense from small individual employers throughout the province.

But rather than admit that they finally came to their senses and realized that they could at least avoid the irritation for 18,000 employers in this province, rather

than admit to that. Mr. Speaker, the Minister, in explaining why the tax is being removed a year after it was put on, and after he and his government had been the subject of ridicule and criticism - not only across the House here - but across the province and across the country, he gave the following explanation and I quote from the newspaper, the Free Press on April 25, 1984, Schroeder told a news conference that the tax was first imposed after federal transfer payments were cut. "We needed the money then; we don't need it as badly now." Or in Frances Russell's column of that same day, "I needed the money."

Now, \$7 million out of the \$112 million, and he's trying to tell us and the people of Manitoba, at a time when they were increasing their expenditures by 18 percent, they couldn't have found a way to save that \$7 million and avoid having to tax those 18,000 employers and put them through the wringer of having to make out payments on a monthly or a quarterly basis, and all the paperwork and nuisance that was involved? Surely that \$7 million could have been avoided when that payroll tax was first brought in. He'll go to any lengths to avoid saying that they made a blunder, that the government goofed, that the government didn't know what they were doing. To avoid admitting their stupidity and fumbling on this payroll tax, he comes up with something that says we needed the money then and we don't need it as badly now. What an explanation. Unbelievable!

Even in the removal of this tax, Mr. Speaker - and I repeat that we applaud the removal of this tax from these 18,000 employers - they appear to be more interested in calming down 18,000 irate voters than they are in getting at the principle of the tax, the way the Canadian Federation of Independent Business has said, that it is a damaging disincentive tax to job creation and that's what the problem is with it. But they avoid looking at the principle of how damaging this tax is, what a great disincentive it is to job creation in this province. At a time when we need job creation, when we're concerned about job creation, they avoid dealing with the principle of the tax, and instead, they look at it in a way of how can they remove the irritant from all of these small employers throughout the province and still get the lion's share of the taxes in their coffers.

Well, Mr. Speaker, it is indeed a crazy tax. It's a tax that stands out like a sore thumb across this country. It says to people, it gives them a signal - if you are anywhere and you are wanting to create jobs in Manitoba, there's a special tax that you're going to have to pay, because you want to take a risk and create jobs in Manitoba. It's unbelievable that you have to pay a special tax in order to create employment, much-needed employment in this province.

It's a tax that isn't in almost any jurisdiction in North America and it sends out a negative attitude to people who look at Manitoba. To everyone who looks at this as a place potentially to invest, they say that has to be an anti-business government that would come up with that tax that goes on the backs of the very people who create jobs in that province. For the good of the people, for the good of the province, they're trying to take risks and make an economic investment and they have to pay a special extra tax for creating jobs. That perception, Mr. Speaker, is going right across this

country and that's where the principal root cause and problem is with this tax, but that's the part that this government has avoided.

That's why our private sector capital investment in this province is down, Mr. Speaker - 10.9 percent reduction in private sector capital investment in the last two years since the NDP have been in government. That's why we've had an epidemic of business closures in this province, Mr. Speaker, over the past two years, and you, I'm sure, remember them as well as I do. The fact that Kimberly-Clark closed down in this government's first year or two of office, laying off, putting out of work 126 employees. Terry Balkan went out of business in the first two years of this government, putting out of work 95 employees, Mr. Speaker. CAE went out of business in Manitoba, putting out of work 78 people, Mr. Speaker. Cook Electric Company went out of business, another half-dozen employees. Dominion Stores closing throughout the province, Mr. Speaker, something in the neighbourhood of 100 full-time employees let go. The San Antonio gold mines at Bissett, Mr. Speaker, a large number of employees laid off, something in the range of 175 employees, Mr. Speaker. Bestpac (phonetic) laid off another 35 employees. GWG, 245 employees out of work, Mr. Speaker, in the first two years of this government. The Shell Oil Refinery, Mr. Speaker, 117 employees. That's the record of this government. Spiroll Kipp Kelly, Mr. Speaker, out of business, 60 jobs lost. Mr. Speaker, Bell Foundries just the other day, 70-odd jobs - I can't recall the exact number. But there have been retail and wholesale firms, Western Industrial Sound, Wolch's, there was five jean stores that went out of business.

All of this, part of this government's anti-business thrust, anti-small-business thrust because, Mr. Speaker, they have put on new and creative taxes like the payroll tax that tells people, if you come to Manitoba, if you employ people in Manitoba, you pay an extra tax that isn't around in almost any other jurisdiction in North America. That, Mr. Speaker, is what the problem is with the payroll tax. That's why this move to remove the payroll tax from the smallest companies in Manitoba, although it's very welcome indeed for those people, as I said, it was very political, an almost Machiavellian manipulation of the payroll tax, so that they could pacify 18,000 irate voters and at the same time leave the harmful, negative signal in place out there, still collecting \$105 million out of that \$112 million in payroll tax annually.

Mr. Speaker, to make the move even more blatantly political, the Minister had the audacity to send this letter out that we've been talking about earlier today. To make it even more blatantly political, he sent this letter out to all the employers of Manitoba, announcing the great removal of the payroll tax, but adding to it the false statement that the Conservatives had proposed a 2 percent sales tax increase. That's what he did, Mr. Speaker, to make it totally and blatantly a political move and that was done at a cost, as I understand it, with printing, with postage, with stationery and everything else, \$12,000 to send out this blatant political lie on the letterhead of the Minister of Finance.

Mr. Speaker, that's the kind of thing that discredits this government. That's the kind of thing that upsets Manitobans. That's the kind of thing that has led to this research that shows that the New Democratic Party

has just fallen right down in public opinion - 20 percentage points behind the Progressive Conservative Party in Manitoba. That's the kind of thing that has resulted in this view, in this opinion in the public of what Manitobans think of this government. This poll, Mr. Speaker — (Interjection) — Mr. Speaker, I'm glad that the Member for Thompson has asked when was the poll taken and by whom was it taken? Well I'll say, Mr. Speaker, that it was taken in April 9th to 12th.

A MEMBER: What happened on the 14th?

MR. G. FILMON: He asked me what happened on the 14th. — (Interjection) — He asked me what happened today. Well, Mr. Speaker, now we know what they're pinning their hopes on, that their announcement of having signed a Letter of Intent or a Memorandum of Understanding with Northern State Power is going to change the universe. It's going to flip-flop all of the thoughts that Manitobans have about this party in government. It's going to entirely change the view that Manitobans have of this dishonest, disrespectful group in government. He thinks that all of this is going to be changed, all of this poll is going to be changed overnight.

I'm glad that the Member for Thompson has asked, because it shows some interesting things here. It shows some interesting information about where the strengths are and where the changes have taken place.

The fact of the matter is, Mr. Speaker, in the North, and I believe that the Member for Thompson falls into that category and so he'll probably be interested in knowing what his support is like in Northern Manitoba, what has happened to it over the past while. Here it is, Mr. Speaker. In the north part of Manitoba and the north part of Winnipeg, two traditional strongholds of the New Democratic Party, this is what their support is like: committed support, percentage of voters, 11.2 percent for the Liberals, 31.4 percent for the Progressive Conservatives and 19.4 percent for the New Democrats. That's in the North, Mr. Speaker.

Now, that's what's happened because of the kind of representation that these people have had and that's because of the various moves, the sins of omission and the sins of commission of this government. That's what it has done to public opinion in Manitoba.

Mr. Speaker, the Member for Thompson says that the announcement of having signed a letter with Northern State Power and a letter with Alcoa that is going to lead to studies is going to turn it around overnight and that the New Democrats are going to ride the crest back into government and the popular wave of support that is brought to them by having signed two letters. Mr. Speaker, I'm glad that he has this confidence in his party and he has the confidence that this is going to change everything.

Mr. Speaker, I want to read just once more into the record what the Minister of Finance said in his Budget Address on Tuesday night and what he said in this letter that he sent out to 27,000 employers in Manitoba.

In his Budget Address the other night he said, "I will be listening with interest during the Budget Debate to hear whether the Conservatives will persist in their view that a 2 percent increase in the sales tax would be preferable." I remind you, Sir, that that is not the Conservatives in some global sense, it's capital "C"

referring to the Conservative Party in Manitoba. He said it again in his letter, "However, we continue to feel that it is preferable to the 2 percent sales tax increase proposed by the Conservatives." Again capital "C," referring to the Conservative Party in Manitoba.

Mr. Speaker, when challenged today in the House, he could not show any evidence that the Conservatives in this Legislature, the members of our party, the elected people who make the policy decisions, have ever made that statement - have ever made that statement.

What did he hide behind? He hid behind a column that was written, a letter that was written by an individual professor at the university who happens from time to time to also provide economic advice to our party and he said that that was the policy of our party. He said that in a blatant lie in a letter that he sent out at taxpayers' expense to 27,000 employers in Manitoba.

Mr. Speaker, that's like saying that because they came up with all sorts of recommendations in their . . .

SOME HONOURABLE MEMBERS: Oh, oh!

MR. DEPUTY SPEAKER, P. EYLOR: Order please.

I believe it was advised by the Speaker a little while ago that members of the House should use parliamentary language in debate. I would hope that the Leader of the Opposition would refrain from using the word "lie" in connection to missives from the government.

The Leader of the Opposition.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. G. FILMON: Mr. Speaker, it's not a question of straying from the truth, it is an untruth for the Minister of Highways and Transportation. There is no question, it is an untruth. Mr. Speaker, and it doesn't matter how you characterize it, how you sugar-coat the pill, the fact of the matter is that we have a Minister of Finance who will not tell the truth either here in his Budget Speech in the House or in a letter that he sends out throughout the province. Mr. Speaker, if the shoe fits, I believe that the Minister of Finance is going to have to wear it, and wear it he will throughout this province as he campaigns in the next election. Mr. Speaker, it is an absolute shame, it's disgusting that this is what we have attempting to lead us in this province today.

Mr. Speaker, at their various conventions, members of their party, proposed legislation, proposed resolutions, resolutions that say things like the party should pass anti-scab legislation, the party should nationalize all the mining companies in Manitoba . . .

MR. H. ENNS: Should nationalize all the farms.

MR. G. FILMON: . . . should nationalize all the farms in Manitoba. Now that, Sir, is made by members of the New Democratic Party, by executive members of the New Democratic Party, by active members of the New Democratic Party. They won't acknowledge that as New Democratic Party policy.

Here we have somebody who sometimes advises us, who is writing a column in a newspaper as a professor, who proposed a 2 percent sales tax, and this Minister of Finance says that it was our party's policy.

I have never seen anything as shameful, never seen anything as shameful. Mr. Speaker . . .

SOME HONOURABLE MEMBERS: Oh, oh!

MR. DEPUTY SPEAKER: Order please.

Does the Member for St. James have a question?

HON. A. MACKLING: Yes, Sir, I'd like to ask a question to the honourable member who's speaking.

MR. G. FILMON: Mr. Speaker, I am speaking and I do not understand any of his questions . . .

MR. DEPUTY SPEAKER: Order please.

Does the Member for St. James have a point of order?

MR. G. FILMON: . . . and I have the floor and I would ask you, please, to call him to order.

MR. DEPUTY SPEAKER: Order please.

MR. G. FILMON: You'll have your chance, you'll have your chance.

Mr. Speaker, the Conservatives have never proposed a 2 percent increase in the sales tax. Mr. Speaker, we have said over and over and over again that the root cause of the fiscal problems of this province was this government's inability to control its spending. We have said over and over and over again, Mr. Speaker, that the wild spending increases . . .

SOME HONOURABLE MEMBERS: Oh, oh!

MR. SPEAKER: Order please.

MR. G. FILMON: . . . that these people in government put in, in their first two years, the 19 percent increase the first year, the 18 percent increase the second year, that was their problem brought upon themselves. That's why they had to put a payroll tax on; that's what caused that to be there. It wasn't a question of either/or. There are alternatives that this government will never recognize, will never face the fact that there are two sides to a balance sheet. Two sides to a balance sheet, and you have a responsibility to look at both sides. You have an opportunity to control your expenditures as well as to raise taxes, Mr. Speaker. The problem is that the Minister of Finance had never seen a balance sheet before he became the Minister of Finance, Mr. Speaker, and it took him two years to find out that there was another side to the balance sheet.

Mr. Speaker, we have said that the payroll tax was the most damaging disincentive tax to job creation this province has ever seen. Mr. Speaker, we have always said that if we were looking at the finances of this province we wouldn't prefer to be looking at alternatives, such as they have suggested, to increase the taxation in this province, that we would first address controlling the expenditure increases.

Mr. Speaker, in fact, this is the interesting thing. I recall very well that both the Premier and the Minister of Finance, proposed a two percent increase in sales tax prior to the Budget in which they implemented the payroll tax. As a matter of fact this Premier, I believe,

was speaking in Morden at the Chamber of Commerce, just a week or so before the Budget that brought in the payroll tax and he said openly that they were considering increasing the sales tax. Then he created such a straw man, he floated that trial balloon, and there was an uproar within his own party.

I recall that Russ Paulley, the former Leader of this New Democratic Party, went on Peter Warren's show in the morning, a day or two before the Budget, and said that he would never agree to the New Democratic Party increasing the sales tax. He thought it was a regressive tax, it was unfair, and all of those things, and he criticized this Premier and this Minister of Finance for even considering it. They turned around and they imposed the payroll tax, and then a year later they also increased the sales tax. So we have the worst of all worlds with this government, Mr. Speaker, and that's always the way.

Mr. Speaker, so here we have it that the New Democratic Party proposed a 2 percent increase in a sales tax, and he sends out a letter and says in his Budget Speech that it's our party's policy. Mr. Speaker, I can't believe that anybody would stoop to that but obviously that's why the public has the view that they have of this New Democratic Party and government. And beyond that, not only the abuse of privilege of the Minister of Finance in sending out the letter but they start a series of advertising, two-thirds of a page in today's Winnipeg Sun. More to come I understand in the Winnipeg Free Press, — (Interjection) — it's in the Free Press as well, and what is it seeking to do? It's seeking to promote their Budget to try and get their message across. I think that's an outrageous misuse of public tax dollars. Everybody knows that we have a Budget, that it's a normal responsibility of government, that it's covered broadly on all the media. I'll credit the media. They covered it very very well. I thought they were fair and balanced in their coverage, not only the newspapers, but I listened to the radio reports, the television coverage. This government got fair and balanced coverage of its Budget. It doesn't need to spend thousands of dollars of taxpayers' money patting itself on the back trying to further explain, and trying to make it look more favourable to the public by virtue of their paid advertising, Mr. Speaker.

Mr. Speaker, many commentators seem to be surprised at the fact that the NDP could bring in what they termed a "Conservative" Budget. Well, I wasn't, for one, and I don't think too many members on this side were. Firstly, as I said earlier they had no choice. External forces put economic pressures on them that they had to bend to, that they had to acknowledge: Their credit rating reduction; the public opinion polls; the opposition pressure; interest groups throughout the province putting pressure. They had very little choice but to pull in their horns and bring in this so-called consolidation Budget, Mr. Speaker.

But you know what, if ever they had a chance to actually cut back on their expenditures with a minimum of damage and public repercussion it was this year - why? Well, inflation is down somewhere under 5 percent in Canada. They had built in a great deal of slack in the first two years of government, 19 percent increase the first year, 18 percent increase the second year. So they'd certainly built in the slack. They'd filled the Civil Service with 500 of their party faithful. They had all the

political support staff in place; they had their Executive Assistants; their Special Assistants; their Deputy Ministers; Assistant Deputy Ministers; and Directors; communicators; writers; PR persons. They had put all those people in place in the first two years so they certainly had built in the slack that they needed in the Civil Service and also in their Budget.

Last year they had the 27th pay period. That's a non-recurring expenditure of 4 percent. It's not in this year. Mr. Speaker, it's there, it's a 4 percent increase in expenditures, last year on salaries that's non-recurring. That 4 percent probably amounted to \$20 million extra that they had this year, non-recurring expenditure.

Plus there was all sorts of other things in there. They had assorted reductions like the Hydro foreign exchange charges. The interest costs were down. They had various different pockets of saving of \$20 million here and so on, non-recurring expenditures over last year. This was the year that they could probably keep it down, maybe even less than 4 percent increase, if they really had the ability to understand looking at Budgets and understanding how to make reasonable cuts, understanding how to evaluate the Civil Service and the expenditures, and all of those various things. This was the year of any that they could have done it, Mr. Speaker, but they didn't even work very hard at it. They only had to be slightly ahead of the inflation rate and they would have been on target this year because of their extra about 4 percent of slack that they had in there from last year.

Well, Mr. Speaker, even mean Jay Cowan apparently couldn't achieve that. He couldn't get the deficit down a little more. Because I had predicted to members on this side that they would come in with a deficit of under \$400 million but apparently they weren't able to do it. Despite all of the help, and advice, from people throughout the province, and throughout the country, they couldn't get it down. They took the easy way out and they carried on with a deficit that still is almost \$500 million hoping, pinning their hopes, on economic recovery, pinning their hopes on the fact that the economy was going to rise them up in a tide of relief that would continue to bring the revenues in that would allow them to continue to not have to make difficult decisions and priority choices.

Well, Mr. Speaker, it's two years prior to an election, maybe a little longer depending on how far they can squeeze it but it's pretty risky business.

HON. A. ANSTETT: Maybe just a year.

MR. G. FILMON: Oh well, Mr. Speaker, the Government House Leader says that they're going to go in less than a year. Mr. Speaker, they're going to go in a year.

Mr. Speaker, we'll tell them about the poll later, about how popular they are in public opinion right now. I can tell you this, Mr. Speaker, that if I were in their shoes I wouldn't like to be raising taxes in 1985 and 1986 but that's the very real prospect that they're faced with given the circumstances that are ahead of us.

Mr. Speaker, the Minister of Finance made a big deal about population increases that have happened in Manitoba. I think he's made the statement in his Budget that our population in Manitoba has increased by 21,000 in two years. Mr. Speaker, he says that is a very very

significant thing in Manitoba today. That amounts to, as I look at it, about a-tenth of 1 percent per year growth for two years. Mr. Speaker, they seem to think that it's a reflection on their efforts in this province, that they have changed the entire course of this province, because we have a New Democratic Party Government here.

Mr. Speaker, this isn't a reflection at all of how well things are going in Manitoba or how well they are doing managing our economy, it's a reflection of what the National Energy Program has done to the provinces west of us because the Federal Government programs of the Trudeau-Liberals aided, abetted and supported by the NDP their suggestion of takeover of the oil industry, their Petro-Canada moves, their confiscatory taxation policies on the energy industry in Canada. They are the people, this New Democratic Party supporting the Trudeau-Liberals, killed investment in Alberta and Saskatchewan in the oil industry for the last two years.

That, Mr. Speaker, changed the entire course of events of this province because what was happening before is that our young people in this province, as they grew up, were seeing opportunities for employment in the oil industry to the west of us and they were going to those opportunities. So, Mr. Speaker, today what are the young people of Manitoba faced with? Firstly, they can either be unemployed here in Manitoba, which a great percentage of them are, or they could spend money and travel to Saskatchewan and Alberta to be unemployed there, away from their families with extra living costs, with extra cost of relocation, and all those things. Now what would anybody faced with those circumstances do, Mr. Speaker? Would they spend all that extra money to be unemployed in Alberta or Saskatchewan or would they stay at home to be unemployed here? That's what they're doing, Mr. Speaker, is they're staying home being unemployed in Manitoba.

So, Mr. Speaker, that is what has caused our increase in population over the past two years, and even there this government is letting them down. Because when they can't find employment here, they look to the colleges and universities and they say, well, maybe I can take some additional training, maybe I can further my education so that I can prepare for future employment opportunities when the Conservatives are elected. Well, what is this government doing? It's restricting access to universities now; it's restricting access to community colleges. People can't even get in to take the education and training. Mr. Speaker, this is what we're having happen to us in Manitoba.

Mr. Speaker, if the recovery is so strong here in Manitoba, if things are going so well, why are we still \$167 million in deficit on a current account basis? If that's how good the economic recovery is for our province, why do we still have a current account deficit of \$167 million? If things are going so great, Mr. Speaker, why was our credit rating downgraded during the past year? If things are so great, Mr. Speaker, why don't they call an election? Because things aren't so great.

We have the third highest per capita deficit of any province in the country. We still got the highest deficit in our history this year in the province. We still have the highest cumulative deficit that we've ever had in our history, Mr. Speaker, but what a job they've done of conditioning people throughout the province to the bad news.

I was interested to watch the coverage of this and most of the people in the media expressed some relief that there weren't any major tax increases in this Budget. Must we have to expect ever increasing taxes in this province? Is that what we become conditioned to by an NDP Government? Mr. Speaker, we don't have much room for flexibility with taxation. We already have the highest levels of taxation of almost any jurisdiction in this country right now. We have new and unusual taxes like the payroll tax that others don't have.

I was reading that the Alberta Government raised personal income taxes 23 percent in their budget a few weeks ago and they're still well below the levels being paid in Manitoba. So I don't think that people should express surprise and relief that taxes weren't increased here. The fact of the matter is we don't have any room to raise taxes and still be competitive with other jurisdictions. But, you know, it's the old psychology, that if you stop beating your head against the wall, it suddenly feels much better. That's what we've been into with this government in power is that they've been beating our heads against the wall collectively for the first two years and suddenly they stop and we feel much better, Mr. Speaker.

MR. SPEAKER: Order please.

The Honourable Minister of Finance on a point of order.

HON. V. SCHROEDER: Mr. Speaker, I believe this kind of a point must be raised at the first opportunity.

The opposition questioned, in question period, the matter of the 2 percent increase in sales tax as opposed to the health and education levy, and although I couldn't recall the specific quote at the time, I knew there was one. I now was handed a quote from Thursday, March 3, 1983 - the Member for Fort Garry who stated, "The biggest, most productive, most positive step they could take, Mr. Speaker, would be to eliminate the payroll tax. The guttiest, most courageous thing they could have done would have been to have bitten the bullet a year ago, to have increased the sales tax by at least two points."

SOME HONOURABLE MEMBERS: Oh, oh!

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

That was not a point of privilege and was not concluded with a substantive motion at the end. I'm not sure that it was a point of order which the Honourable Minister did not claim. If the member does have a claimed point of privilege, he should bring it up at the end of the current speaker's remarks.

The Honourable Leader of the Opposition.

MR. G. FILMON: As I said, Mr. Speaker, this government had no room to go to increase taxes in this province. In fact, Mr. Speaker, they have placed so much in the way of impositions on the employers of this province that they had nowhere to go with increases in taxes.

About a month ago, Mr. Speaker, I was up in Thompson. My colleague from Lakeside and I were touring various mining companies and talking to them

about the problems — (Interjection) — talking to them about some of the difficulties they have in continuing to operate in Manitoba with the imposition of so many — (Interjection) — talking to them about the difficulties that they have operating in Manitoba. These are tough times because we have to remember that we're not just competing with somebody down the street here in Manitoba. Most of our major employers are competing with people outside our borders. If you're in the mining industry you're competing with people throughout the world to sell your metal products. If you're in agriculture you're selling your products on a world-wide basis. If you're in manufacturing we're a net exporter of goods in manufacturing. We're exporting all throughout Canada, the United States, and elsewhere in the world. So anything that we impose in the way of taxation, in the way of impositions on the payroll, impacts upon our competitiveness outside our borders. We're just not — (Interjection) — Mr. Speaker, and they told us a very interesting fact about just how government impositions on their payroll have negatively affected them over the past four years.

In 1980, Mr. Speaker, four items UIC, CPP, and I'll admit that those two are federal impositions, Workers Compensation, and the payroll tax. Those four items in 1980 were \$800 per staff person per year. In 1984 those four items now amount to over \$2,200 per staff person per year in Inco in Thompson, and that is an increase of 180 percent in a four-year period mainly because of impositions that have been added by this government to their payroll. That's the kind of difficulty they have in continuing to be competitive on a world-wide basis when costs are constantly increased, impositions constantly increased, in Manitoba because of this government.

Mr. Speaker, when I look at the Budget Speech, and the proposal for a tax credit plan, that is supposed to stimulate manufacturing investment in Manitoba,

(1) We support any initiative that would seek to give some measures of relief, and incentives for people to invest here in manufacturing, creating the kinds of job opportunities that we want to have in Manitoba.

(2) There's a number of interesting things about it. Firstly, this type of investment tax credit is what the ND Party in the past have said created corporate welfare bums. That's what they said about this kind of tax credit incentive program. They said, in fact, as many observers have said this is a page directly out of Conservative theory. But the other thing is even when they're trying to do something they can't do it in a direct, open, easy manner. They can't do it in such a way that it minimizes the amount of paper work, the kind of bureaucratic system. They have to come up with some sort of convoluted system. The system is that people are expected to invest today, and they'll get a credit towards their provincial tax payable down the road. Well, here's the problems with that, Mr. Speaker, all the risks are in the beginning . . .

Mr. Speaker, the Member for Inkster continues to interrupt me. He's sitting there, he obviously has found his right seat. He didn't know where he was sitting in the past while. Now he doesn't know what he's saying but he continues to interrupt.

MR. SPEAKER: Order please, order please.

There is a difference between the normal parliamentary heckling of a member who has the floor, and obstruction of a member wishing to make his point to this House, and all members are expected to know the difference and to appreciate it.

The Honourable Leader of the Opposition.

MR. G. FILMON: Mr. Speaker, speaking about the tax credit plan to try and attract new investment in manufacturing and production here in Manitoba, firstly, this kind of business has heavy up-front costs. They often don't make profits for many years in the future when starting a new venture. They're taking a major risk and there's often a long time to wait until they bring themselves up to a level where they can indeed make a profit. It would be far better to have removed the sales tax on production equipment machinery so that they could get their benefit right up front where they didn't have to pay the provincial sales tax, and make their investment in manufacturing equipment, and get going now instead of having to make the investment, having to pay the sales tax and hoping that somewhere down the road, four, five, six years after they get started they would make a profit that would cause them to pay provincial tax that they could get a relief from. But this government never seems to be able to look at an easy way. Always looking for some convoluted way that can allow them to somehow take some extra credit in the explanation, and pointing out to people that this is what they're doing. They always have to set up a complex bureaucratic structure in order to make the system work. They can't do it on a simple basis of waiving the sales tax on production equipment so that that would be the biggest incentive the people would have to go immediately into purchase of production equipment and set up new manufacturing enterprises.

They made their changes on the payroll tax, and again I've made my comments on that. They reduced the taxation on low income earners in Manitoba an average of \$55 for 60,000 Manitobans. Well, we welcome any relief to low-income earners in Manitoba. We applaud that, Mr. Speaker. It's a symbolic gesture, and of course the funny part about it is that for this average person who's going to get \$55 back from the government, if they happen to be a smoker they're going to be paying just about that much if they smoke a package of cigarettes a day, just about that much in additional taxes next year back to the government. That's what it amounts to. So aside from the fact that it's a symbolic gesture, Mr. Speaker, it isn't really that substantive by comparison to them giving on the one hand and taking away on the other hand with their additional tax on smoking.

What about agriculture? What does the Budget Speech do for agriculture? Well, it devotes a good deal of time to try to make the case that the government's been a great supporter of agriculture in Manitoba. They're up 7.2 percent in their financial spending in the agriculture area. The point is that the farmer continues to be in a tight squeeze.

Farm bankruptcies are at unacceptably high levels and many farmers are on the verge of packing it in because of the high debt loads which they acquired over the period of the high interest rates in the late '70s and the early '80s. They had two poor crop years

in the last five, and their operational costs have continued to rise at a faster pace than the price for their commodities and products has risen. So they tell the farmers how well they're treating them as a government. It's just as empty and as useless as the Throne Speech was in offering to report on the rainfall in response to their concerns, in response to their concerns for soil and moisture levels in the province. Rather than doing anything significant, they offered to report on the rainfall in the House, Mr. Speaker. That's what they thought about, in terms of a response to the real needs of farmers out there, and their empty platitudes about what a wonderful job they're doing for farmers in the Budget Speech is going to equally fall on deaf ears, I can assure you, Mr. Speaker.

The new initiative in the Budget of exemption of farmers on capital gains tax when they sell the farm from the first \$100,000 to \$150,000 again, although welcome, Mr. Speaker, misses the mark or the point. It's not the farmers that are selling their farms that are retiring, that are getting out of farming that need the extra consideration now, it's those people who are on the verge of going out of farming who can't survive, who need the attention and the concern and the budgetary initiatives by this government. But again they miss the point completely and they turn their attention onto the retiring farmers who are getting out of the business and they leave the beleaguered ones, who are having difficulty making ends meet and who are the greatest cause for concern in the farming community today, they leave them to fend for themselves in the Budget, Mr. Speaker.

I have never seen a Budget that put up so many straw men. The Budget made comparisons with all sorts of jurisdictions on all sorts of different figures and facts and numbers. Comparing our health care costs with those in hospitals in North Dakota, Mr. Speaker. Referring to private health plans and user fees and all sorts of other extraneous comparisons designed to try and make the government here look better. It's just as relevant as telling people that in the United States in some jurisdictions they pay one-third of the gasoline tax that we pay here, or that their income tax rates are half of ours in certain states. What's the relevance, Mr. Speaker, I ask you?

The Budget Speech was also noticeably absent in any reference to any relief for the beleaguered municipal taxpayer. We have the kind of evidence of what this government meant when it said and I quote that famous document that was tabled in the House earlier, "A Clear Choice for Manitobans." Howard Pawley signed it. I guess that was Howard A. Pawley but he signed it and he said that they would, "Ease the burden on the property taxpayer," in Manitoba. That's what he said when he was running for office in 1981. What's the evidence of what he's done, Mr. Speaker? Here is the evidence of what he's done in this document that we put out, this document that we sent to people throughout the province and told them what has really happened in terms of municipal taxes in this province in the last three years of the NDP, Mr. Speaker.

Mr. Speaker, in the years 1977 to 1981, four years of Conservative administration, the property taxes on the average home in the City of Winnipeg increased \$78.03 over a four-year period. In the first three years of the NDP, on that same average home in Winnipeg,

those property taxes have gone up \$298.02, almost four times as great in three years of NDP as in four years of Conservative Government. That's what they've done to ease the property tax burden on Manitobans. That's how they keep their promises, Mr. Speaker.

What's the government doing, I ask, to ensure that the senior citizens, that the people, the low-income earners, the low-income homeowners can continue to live in his or her home? What are they doing to help with the municipal taxes that they've off-loaded onto the backs of the homeowner in Winnipeg? What are they doing in this Budget? Not a thing, not a thing, Mr. Speaker, and they continue to put an ever-increasing portion of the cost of education onto property taxes, contrary to their stated policies, despite their promises in the 1981 election campaign. Shame, Mr. Speaker, shame.

The Premier spent half an hour on Monday evening on this particular document that has been circulated throughout this province, talking about the misleading statements, as he called them, and the selective use of figures, Mr. Speaker. — (Interjection) — Well he said it was stronger than that, Mr. Speaker. It wasn't quite as strong as what we have had to say about the comments of the Minister of Finance. Mr. Speaker, I asked this First Minister, who was bleating away about what he considered to be selective use of statistics, where he's been for the past five years? Where was he here when the wizard of Brandon East came forward with his economic document in 1980? You know the one that looked at Manitoba's economy and selectively chose statistics to try and make it as bleak as possible, who made statements in it like the fact that in a list of business closures, that the Glenella Creamery had closed down - it was still operating; who said that Greb Shoes had closed down - still operating. These are the kinds of things. These are the factual presentations that were made by the New Democratic Party when they were in opposition.

Where was this Premier in the last five years when these things were happening? Where was his outrage about the false information that was being published by his party when they were in opposition? Where has he been in the last two years when we've been telling him about the false and misleading statements that were in the document, "A Clear Choice for Manitobans?" Where was he when all of those pieces of information were being put forward in the Legislature, about how all the things that he had said during the 1981 election campaign were never carried through?

We don't need any lessons in truth from the Premier or from his Minister of Finance. We don't need any pious utterings about selective use of statistics, Mr. Speaker. We don't need hand wringing or mock outrage from this First Minister about the unfair publicity on the failures of this government, the litany of mismanagement, the fiscal ineptitude that is put forth in our document, the total incompetence that his government has shown in managing the affairs of this province over the past two-and-one-half years. We don't need to be lectured by him about misleading statements, Mr. Speaker.

This government is so bankrupt of ideas and lacking in direction that it's been forced to turn to our party for some advice, for some help with their budgetary thrusts. In fact the media have been asking, as we went

into this new Session, whether or not the opposition was going to run things and manage the affairs of the House like they did the first two years of this government? Of course, given the absence of direction and leadership from that Premier and that party, there's no choice. That's why these things happen. That's why the opposition has to run things in this House because the government obviously is incapable.

Mr. Speaker, the media is advertising this Budget as a Tory Budget. Mr. Speaker, even there the government can't do it right because, while attempting to control the growth of the expenditures in this province, while taking the Conservative approach to finance, I can assure you that this is a NDP deficit that they've put on this. This \$488 million deficit is a NDP deficit. I can assure you of that, Mr. Speaker. There's no doubt that

MR. SPEAKER: Order please, order please.
The Honourable Leader of the Opposition.

MR. G. FILMON: Mr. Speaker, this was an NDP deficit, make no mistake about it. When the media are advertising it as a Tory Budget, I tell you this, it can't be a Tory Budget, not with this NDP deficit of \$488 million.

Mr. Speaker, taking the first three years of this government in office, we have cumulative deficits of almost \$1.4 billion, in three years. Three years. That's \$1,400 per man, woman and child. Mr. Speaker, that's almost \$6,000 per family in the course of three years that they've added, per family of four, that they've added to the debt load of this province.

It will be costing us \$200 million a year in interest. Almost \$200 million a year in interest alone on those three years of deficits of this Finance Minister and this government.

They've got a ticking time bomb on their hands with these deficits that keep going on, that aren't being addressed, that are being put away on the backs and the shoulders of the people of Manitoba for their future generations. It's incredible that anybody could consider that a Budget that brings forth a deficit of almost \$500 million this year could be considered to be a Conservative Budget, but that's what they've produced, Mr. Speaker.

In an effort to be all things to all people, they've become nothing to anyone, Mr. Speaker. Their own supporters are criticizing them because they've adopted Tory restraint. That's what we're hearing; that's what we're seeing in the newspapers and in the media. Their own supporters are saying that they've lost the courage of their convictions. Their convictions to Social Democratic principles have been totally abandoned. That's what their supporters are telling.

Their own supporters are saying that we've got the worst of all worlds. Here we have Tory restraint and an NDP deficit. That's what their own supporters are saying about this Budget.

Mr. Speaker, in his speech on Monday evening, the Premier referred to the fact that he felt like Rodney Dangerfield, that he wasn't getting any respect, Mr. Speaker; and that's true. I understand why he's getting no respect, Mr. Speaker.

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

HON. H. PAWLEY: Mr. Speaker, I don't want our friend Rodney Dangerfield to feel insulted. If the honourable member would check Hansard, he'll see that I referred to a quote by the Honourable Leader of the Opposition two years ago in which he indicated that he felt like Rodney Dangerfield.

MR. SPEAKER: I thank the Honourable Member for that clarification.

The Honourable Leader of the Opposition,

MR. G. FILMON: Mr. Speaker, I will apologize to Rodney Dangerfield for associating him with Howard Pawley, indeed I will. I guess nobody would want to be associated with Premier Howard Pawley, Mr. Speaker, including Rodney Dangerfield.

Mr. Speaker, this government lost touch with the people of Manitoba a long, long time ago. They've demonstrated continuously for two-and-a-half years just how out of touch they've been.

Even Cy Gonic, one of their own left-wing economics advisors was critical of them on the CBC yesterday — (Interjection) — Mr. Speaker, I want to put on the record, that . . .

MR. SPEAKER: Order please, order please.

The Honourable Leader of the Opposition.

MR. G. FILMON: . . . Mr. Speaker, I want to put on the record that when I said that Cy Gonic was critical of their Budget, the Minister of Finance said "liar" to me.

I will read what Mr. Gonic said. He said, yesterday on the CBC, "Last year's Budget and Jobs Fund were courageous. This is a reversal. The only way it was good was to compare it with the Budget in British Columbia." That's what his criticism was of this government's Budget.

Mr. Speaker, it's no wonder that they're spending tens of thousands of dollars of taxpayers' money to try and advertise and pump up this Budget, to try and make it look better than it really is, because even their own friends don't support what they did in the Budget.

Mr. Speaker, one of the most interesting parts of the Budget Speech was that the Minister of Finance would spend 20 minutes going through an economics lesson trying to convince the public that the deficit was really not as bad as it is, that really a major portion of the expenditures in this Budget was like paying the mortgage on a house rather than paying the rent. That's what he said.

Mr. Speaker, what he should have been telling them is that we're still going into debt to the extent of \$167 million on what is equivalent to the groceries that you buy at home, that is, the ongoing operating costs of your family. That's the kind of money that's being spent, not on physical assets, not on capitol works, but beyond that, over and above our expenditures on things like the groceries. That's what we're going into debt for, Mr. Speaker, non-capital costs, still to the extent of \$167 million over and above our revenues in this province.

But as well as that, in his crude analogy he didn't tell people that a house normally maintains or increases its value over a period of time, and that you can probably

always sell your house and get your asset value out of it, and that businesses often invest in assets to produce revenues that will help to repay the debt over a period of years, and that very few of the capital investments, or the capital assets that this government is acquiring on behalf of its citizens are self-sustaining, or will be producing any revenues on an ongoing basis to repay the debt. He doesn't say that not all the investments in this Budget are like buying your house. Some are like buying a car because they're depreciating assets and their value decreases with time.

Mr. Speaker, the Minister also fails to tell people that the government's valuation of public assets is not the same as what a business would do in valuating its assets, because businesses regard something as an asset only if it can be sold for the value that you've placed upon it. Who's going to buy the floodway from us? I don't know, but that's one of the assets that the Minister lists as having tremendous value to offset this indebtedness that we're taking upon ourselves.

Mr. Speaker, it's just like the argument that the Member for Brandon East put forward in the Economic Development Committee, on McKenzie Seeds two years ago - or three years ago it was - when the auditors suggested that we write off the good will on the books of A.E. McKenzie Limited, the good will that was there in the purchase of the Steele Briggs Company. When the Steele Briggs Company was purchased, there was an amount that was paid in excess of the book value of its assets, and that was listed as good will. What happened beyond that was all of a sudden it joined the rest of A.E. McKenzie and continued to be a liability, because as A.E. McKenzie was continuing to be a loss situation on an annual basis, obviously the good will had no value in terms of any asset.

So the auditors, rightfully so, said write it off because it doesn't have a value as an asset on the books, write it off. You can't sell it for anything. You couldn't get the value back from it. It's worth zero. This Minister tried to argue that there was still value in that good will, that somehow it meant something on the books and it was a tangible asset of this company.

Mr. Speaker, he didn't understand it then, and his whole government doesn't understand what assets are today, when they try and tell the people of Manitoba that somehow all of these assets that we're purchasing have an ongoing or increasing value, or that they can somehow help us to write off our debts by producing revenues for this province. Mr. Speaker, his analogy is a very crude one, a very misleading one, and it's not a very good way of trying to understand the economics of the debt of this province. However, Mr. Speaker, it was a very nice way of trying to cover up for a \$488 million deficit, no question about it.

The other part of it is, Mr. Speaker, of course, is that if you are going to list those various things in Manitoba as assets that have a value to the people of Manitoba, in some cases you have an obligation to ensure that you're maintaining those assets. I'm talking in terms of the fact that we have highways in this province that the Minister listed as being very very valuable assets, and indeed they are to the people who must use them. But what are they doing to the highways of this province when you take a look at their budget? Well, for the third straight year, we've got a reduction in our Highways budget in this province. Mr. Speaker, we aren't even

protecting and maintaining the value of those assets of highways in Manitoba. They're deteriorating and yet here we are — (Interjection) — Mr. Speaker, they aren't even maintaining the assets. They're not even committed to keeping those assets valuable for the people of Manitoba. They keep reducing the Highways budget year after year after year, but at the same time paying lip service to their concern for the farmers in Manitoba. They don't even realize that with the new Western Grain Transportation Act, there's likely going to be an ever-increasing burden on the highways of this province and the roads of rural Manitoba, because the farmers are going to have to rely more heavily on road transportation. What do the farmers get in support of their needs? They get cuts in their Highways budget, year after year after year.

As I travelled through the rural and northern part of this province last fall, talking to people throughout Manitoba, Mr. Speaker, the numbers of complaints and criticisms about our highways in Manitoba were absolutely amazing. I can understand why people in Northern Manitoba have lost support for this party and why this research information shows the tremendous loss of support for this party in Northern Manitoba. Because, Mr. Speaker, they don't seem to have any understanding of what highways mean to people, especially in rural Manitoba.

I heard unbelievable stories. For instance, we had this window for early retirement in the Civil Service last year that invited people to take early retirement and gave them extra pension benefits, if they would take early retirement from the province. What they do? This government, in choosing their priority positions to refill after people had taken early retirement, well, they did a few things - interesting. They made sure that they filled all the political support positions, all the senior ADM's and directors and all of those positions that they wanted to get their political people into, and they didn't fill a lot of service level positions. For instance, Dauphin, the Highways Department, they didn't fill two grader operator positions in the Dauphin Highways Department, left them empty with graders sitting there, hundreds of thousands of dollars worth of equipment and roads in need of repair, potholes. They didn't fill those positions. Interesting choice of priorities, Mr. Speaker.

When I was up North in Cross Lake, there's a road between Cross Lake and Norway House, a gravel road. It was in terrible condition. They were talking about loosing the bottom end of their automobiles, Mr. Speaker. They were complaining to the Highways Department to ask them to maintain that road for them. They had two graders operating out of Norway House at the south end, but none out of Cross Lake, so they asked a very simple request of the Highways Department. Why don't you put one in Cross Lake, one in Norway House, and have the two work out of those two different communities and work towards the middle, so that maybe the road will be maintained? All summer long, because they had only two of them operating out of Norway House, only once did they ever get as far as Cross Lake with a grader in the whole summer.

So, Mr. Speaker, when I asked the Highways Department, they even went to the point of writing the Minister and what was the answer? It couldn't be done.

They couldn't arrange it so that they had one at each end and they'd get the whole road done. Instead, they both operated out of this end and they only graded the road closest to the Norway House end. Mr. Speaker, that's the kind of concern and attention they pay to Northern Manitoba and to the highways in the North or throughout the province.

Mr. Speaker, in Cross Lake as well they talked to me about the concern they had in being able to travel to Thompson, because Thompson is the centre of their needs for medical purposes, for going to the dentist, shopping of course and other things, but they had to go from Cross Lake to Thompson in order to reach that large service centre for the people of Cross Lake and they have to go by way of ferry. They have to cross the water by way of ferry, both directions, and the ferry operates only 12 hours a day. For them to make the round trip and to have at their disposal about four hours at that end in Thompson, they needed to have the ferry operating a little longer, because sometimes when they went for medical appointments they had to wait for hours. The doctors were backed up and their appointments were backed up and they didn't even have time to go shopping or do all the other things. They had to just turn around and come back to Cross Lake in order to get there in time to catch the ferry back.

So they talked to the Department of Highways about extending the hours of operation by four hours a day. They even had one of the former operators of the ferry who had been laid off, living in their community, who could have operated that ferry on a half-time basis, four hours a week and help them out of their problem and their need and they were willing to pay the cost of that extra staff person to keep that ferry operating an extra four hours a day. They would split the cost between the Native band and the community council and they wouldn't even ask the government for the extra money. The government said, no, they weren't interested in helping. They had a problem and the problem was in terms of transportation.

Mr. Speaker, when I spent a couple of summers up North back in the early '60s, living in a tent camp on the Nelson River, living at Cross Lake one particular summer, the major problem that the North had in those days was communication. We were in a tent camp. We had a dry summer that was something like this is possibly going to be, and there were forest fires all throughout the North. We were being serviced by the Manitoba Government Air Service and they would come in and bring us fresh supplies and they would help us if we were in difficulty.

Mr. Speaker, the winds changed and our campsite got burned over and we were lucky to get out of the way, but one of the great difficulties we had was in communication. All we had was a two-way radio and we had trouble even getting out to talk to somebody. Well, today you go into the North and they have radio stations in most of the small communities. They have satellite receiver dishes, so they're getting 64 channels, or whatever, on television, better communications than we get in Winnipeg, right here. But what their problem is, is in transportation.

They need highways, roads, they need links to the other communities and they don't have them because they have a government that doesn't care, that isn't

interested, that doesn't understand what highways mean to the people in the North. That's one of the things that we're dealing with, Mr. Speaker.

Highways are the life blood of rural and Northern Manitoba. They are the links of the primary producers to their markets. They are the things that open up for resource development throughout our province. They are an investment that has to continue to be maintained and upgraded. But this government doesn't seem to have any care or understanding about the roads and highways.

Mr. Speaker, I think the government should be ashamed at its attempt to take credit for the highways of Manitoba in its Budget to say that this is one of our principal assets when they aren't doing it. It's no thanks to them whatsoever, Mr. Speaker.

There's another curious indication of the government's spending priorities as you look through the Budget, Mr. Speaker. It's the reduction in the Department of Industry, Trade and Technology. Now, in the Throne Speech and in the Budget, we hear all about what is going to be done in the way of new technology and development in that sector of our economy. Yet if you look at the Budget you find that the Department of Industry, Trade and Technology has had a reduction - one of only eight departments who have had a reduction. So where is the priority? What does the Throne Speech mean when it talks about the priority that is going to be given to the development of new high tech areas of our economy in Manitoba? I'll go to that area and just read what it says because I couldn't believe seeing what was said in the Throne Speech.

It says "In the coming year, with the help of financing from the Manitoba Jobs Fund, the new Department of Industry, Trade and Technology will undertake several major initiatives in support of economic renewal in Manitoba; a new Manitoba investment program to assist major companies already established in our province to expand their activities here; two new trade promotion programs to concentrate, first on improving exports from selected sectors, secondly on specific firms with high export potential; a newly developed technology policy to meet the economic and social needs of Manitobans a decade ahead; a new information technology program to stimulate markets for new technological advances."

All these things they're going to do with that department they've cut the Budget. All these wonderful new initiatives. Mr. Speaker, how does that square with the Throne Speech? How do we believe a government that says this sort of thing and doesn't come through with any commitment? Mr. Speaker, what they do speaks so loudly I can't hear what they say they're going to do. That's the problem with this government.

Mr. Speaker, Co-Op Development, for the past two years they've talked about how they're going to do so much more in Co-Op Development than was ever done in the past. They've cut the Budget on Co-Op Development.

Mr. Speaker, Energy and Mines, that department again gets rave notice in the Throne Speech. Two paragraphs about what wonderful things are going to be done by the Department of Energy and Mines. One of the eight departments whose Budget's been cut.

Well, Mr. Speaker, that's the kind of thing that we're dealing with in terms of trying to understand what

priorities this government had; try and understand what this government really believes in; trying to understand what they really stand for. The fact of the matter is they don't stand for anything but a lot of talk, Mr. Speaker.

Mr. Speaker, Natural Resources, here's another department that's been cut. For the second year in a row they've had cuts in their Budgets, Mr. Speaker. I guess, Mr. Speaker, we're going to have more parks being closed again this year; more barbecues being smashed in Manitoba this year. I guess we're going to have our recreational assets again downgraded. Those recreational assets that were developed by the Department of Natural Resources; those roadside picnic stands. All of those weigh stations that were developed as a recreational facility for Manitobans travelling in Manitoba are again going to find that they're short-changed. We're not going to open as many, we're not going to maintain as many as we did in the past. What a sham, Mr. Speaker. As the Minister and his people are trying to talk about all the recreational opportunities for Manitobans and here they are ignoring them and they're downgrading the Budget, Mr. Speaker. That's what's happening as a result of this government's initiatives and priorities.

Government continues to try and make it appear that somehow magically we are going to have jobs created in this province that wouldn't be there otherwise by virtue of that so-called mythical thing called a Jobs Fund. Somehow, Mr. Speaker, they're going to try and tell us again that all of these things would not have been done by normal departmental spending. That, in fact, it's this mythical Jobs Fund that is really creating all the employment in Manitoba. That's what they're going to try to tell us. They keep trying to take some extra political credit for the responsibility of job creation in Manitoba today. It's incredible to what extent they'll go to cook the books and twist the figures, Mr. Speaker.

For example the Minister of Industry, Trade and Technology in an announcement a few weeks ago said that the Jobs Fund created 21,000 jobs in Manitoba last year, 21,000 jobs. Yet Stats Canada figures say that there was only 9,000 additional jobs in Manitoba last year. Their own figures in this fourth quarter report which, thankfully, the Member for Brandon East produced for us through the Manitoba Bureau of Statistics, their own report says that only 7,000 additional jobs are in Manitoba today over last year. How does it square? What happened to the 21,000 jobs that were created by the Jobs Fund, Mr. Speaker? I'll tell you what happened.

The average length of employment in those jobs was only 13 weeks so they're not really full-time long-term jobs. Some of those jobs were as short as one day in length. That's the kind of jobs that they're taking credit for, Mr. Speaker. The analysis shows - the analysis that the Member for Turtle Mountain did - showed that there was only \$18 million of new funds in that Jobs Fund last year despite the advertising of \$200 million in the Jobs Fund. And the rest of the money that was spent by the Jobs Fund was either already previously committed, already announced, or already in the budgets of departments for normal spending. Those programs that had been established previously, like the Homes in Manitoba Program, the Careerstart, were folded into the Jobs Fund so they could somehow take

some extra credit through the Jobs Fund for job creation. It's unbelievable the length that they'll go to, Mr. Speaker.

Now this year they're telling us that they're going to put an extra \$10 million in the Jobs Fund. Well, Mr. Speaker, I think the people who will be happiest about their continuation of the Jobs Fund will be the advertising agencies; the radio and television stations; the newspapers; the billboard companies, because they are the only people who are getting some real long-term benefit out of the Jobs Fund as they are getting all the jobs in this province for the millions of dollars of advertising, that this government is spending a lot of it on the Jobs Fund.

The statistics by the Minister of Finance that he's been quoting aren't any better than the statistics that are quoted by the Minister of Industry, Trade and Technology, Mr. Speaker. He said in his Budget Speech the other evening that this government has created three times as many jobs in its first two years of government as were created by our government in its last two years of government, that's 1979 to 1981. So, Mr. Speaker, again I'll refer to this document that was put out by the Manitoba Bureau of Statistics, part of this government, to see just exactly what credibility there is for that statement by the Minister of Finance.

Here we have, on Page 9, the employed labor force by province. What does it show, Mr. Speaker, that in Manitoba, in 1979, there were 450,000 people employed. In 1981, there were 461,000 people employed, an increase of 11,000 in two years.

Now, it shows, Mr. Speaker, that in 1983 there were 460,000 people employed in Manitoba; 1,000 less than there were in 1981. So, in fact in the first two years of this government there has been a decrease in employment of 1,000 jobs in Manitoba, compared to an increase in the last two years of our government of 11,000.

That's according to their statistics, their publication, The Manitoba Bureau of Statistics. What other falsehoods were in the speech of the Minister of Finance when he talked to the budget, Mr. Speaker? What other falsehoods?

Mr. Speaker, it's time that they told the truth, but the problem is with the Minister of Finance, that he can't tell the truth anymore, he's been so used to the other side. He's been so used to the other side, and his credibility with the public is zero, zero for all of these falsehoods that he's been perpetrating on the public of Manitoba; and that's, Mr. Speaker, why the polls show them where they are. They have no credibility whatsoever with the Speaker.

The final area that I'd like to discuss very briefly, Mr. Speaker, and it's part and parcel of this government's overall budgetary policies and it's priorities, it's the manner in which it treats its civil servants; the manner in which it treats its staff.

Mr. Speaker, according to civil servants that I've been speaking to this government has been the most mean-minded, petty group that has ever occupied those government benches in this province, on that side of the House.

People I've talked to say, you know, this group talks about care and compassion in dealing with people; fairness and justice. And, at the same time, they're trampling on every principle of decency in employee

relations that you can think of. In arriving at the 273 positions that are being chopped in the Civil Service, as a result of the decisions that were made by the Minister responsible for the Treasury Board, Mr. Speaker, well, they now are doing this on a very very selective basis. I believe the President of the MGEA referred to it as cherry picking. That's the way they're arriving at their decisions to chop people from the Civil Service.

I watched that Minister responsible for the Treasury Board and the President of MGEA with Kevin Evans in an interview on CBC about a month ago, it was the day that he announced that they'd be chopping 273 jobs from the Civil Service, Mr. Speaker. At that time the Minister responsible for the Treasury Board was doing a backpedalling job like you wouldn't believe. When it was said that he had done this with consultation with the Manitoba Government Employees he said, well we might have been wrong in that and we'll sit down with you and we'll talk about it. When it was suggested that there were no guidelines, that he didn't seem to have any logic or reason or understanding as to how these positions would be selected, what the priorities would be or anything, he said, well that's right, we don't have a plan yet, we don't have a plan yet.

In this case, you know, if the Minister responsible for the Treasury Board, the Chairman of the Treasury Board doesn't know how they're going to make their priority selections, how they're going to choose the positions, who does know? All he did was backpedal. He said, well let's talk about it, well we'll get together with the MGEA and we'll talk about it. Well, now we find out just exactly what the game plan is, and the game plan is that they selectively pick the people they're going to chop.

Ministers are hand picking the people that they're going to let go from their departments, and many of them are long time civil servants, long time civil servants and, you know what, the only crime that they've committed is that they've been associated with people on our side of the House, in some way or another. Some of them have been former direct political staff of ours; some of them have been noted supporters of our party; some of them are related to people on our side of the House, and that's how they get their layoff notices. We're getting people who have 20 years and more of service in this government being selectively chopped by this caring compassionate government, Mr. Speaker.

The hypocrisy of these members who, when they were changing the legislation to allow Civil Servants to participate in the political process, said that everybody had the right to political involvement even though they were a civil servant and after the last election they went after particular people. We had a person who ran for us who happened to be the advisor to the Minister of Labor and the Status of Women, and that person ran for the Conservative Party and was an immediate target, an immediate target. It took them a year-and-a-half, but after a year-and-a-half of harassment they finally got rid of that person. There were several people who were writers and public relations people working for our government who were considered to be political people and they were chopped, Mr. Speaker. Fortunately, in some cases, the MGEA was able to come to their rescue and make sure that they weren't fired.

But, Mr. Speaker, what happened on the other side, was that the defeated NDP candidate in River Heights became a Deputy Minister and then later on, after leaving that Deputy Minister position, signed a sweetheart deal for \$66,000 or \$67,000 a year on a consulting contract, a no-cut consulting contract with the right to do business outside of his consultation, all those things. That's what they do for their people, but what do they do for anybody who, God help them, has the unfortunate circumstance of being in some way associated with some member of our party, or with our party? They get a cut, that's what happens. They get a notice of layoff, that's what happens. And even the Government House Leader, who when he was a staff person in this Assembly, and he left this Assembly, he said that he was leaving because the moral in the Civil Service was terrible, that there was a mean-minded government in place, the former Conservative Government.

HON. A. ANSTETT: I never made any statement until a year after I resigned, get your facts right.

MR. G. FILMON: A year after he resigned, he said that's why he had left the Civil Service, Mr. Speaker, all those things.

HON. A. ANSTETT: One of the reasons, one out of a dozen, find the statement.

MR. G. FILMON: Mr. Speaker, now they are making these reductions in staff of 273 positions in the most capricious manner that's ever been seen in the Civil Service, and that Minister, that person who complained about the moral, is one of the people who, in selecting people in his department to be given the pink slip, has selected somebody with more than 20 years of service. More than 20 years of service, Mr. Speaker, but what does it matter to these people, and I remember all the handwringing on that side about Bill Bennett, and his hard-nosed policies, and all the tough things that he did in B.C. in reducing the Civil Service; and about all the mean-minded people in the Sacred Party. I want to tell you, Mr. Speaker, I want to tell you, Mr. Speaker, that after all was said and done . . .

MR. SPEAKER: Order please. Order please.

MR. G. FILMON: . . . in British Columbia, Mr. Speaker, there were only 28 people with more than three years' seniority who were not given an alternative placement in the Civil Service in British Columbia. You compare that to this group, who are making cuts of at least that many people with more than ten years of service.

Mr. Speaker, what kind of government have we got here? What's all this talk about fairness, equity, justice, compassion? What's all this, Mr. Speaker? I am just appalled at what we are dealing with on that side of the House.

So, Mr. Speaker, in conclusion, this Budget is a do-nothing Budget basically. It attempts no real corrective action for the economic growth of our province. It continues to mortgage the future of our children and our children's children with yet another year of a half-billion dollar deficit. It talks about social justice and

we all know that there cannot be any social justice without economic security, and it doesn't provide the means of achieving economic security in Manitoba. There is no evidence that we will have any economic security in the future as a result of this Budget, Mr. Speaker. We see waste, we see continuing mismanagement, flim-flam advertising with taxpayers' dollars by a government whose only objective is to save its own skin, save its own skin, Mr. Speaker. They are willing to spend any amount of taxpayers' dollars to do so. It is morally bankrupt, it's bankrupt of ideas, lacking in the courage of its convictions, and lacking any competence to do anything worthwhile for the people of Manitoba, Mr. Speaker.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. SPEAKER: Order please.

MR. G. FILMON: So, I move, seconded by the Honourable Member for Sturgeon Creek, that the motion be amended by deleting everything after the word "House," and substituting therefor the following: "regrets that in presenting its Budget, the government has

"(1) failed to take concrete steps to reduce the unacceptably high deficit level in this province;

"(2) ignored the needs and concerns of the farmers of Manitoba;

"(3) given no indication of a plan of action to restore confidence in the private sector of Manitoba; and

"(4) utilized tax dollars to advertise and promote, in a blatantly partisan manner, its woefully inept budgetary policies."

MOTION presented.

MR. SPEAKER: Order please. Are there copies for the government side? Are there copies for other members? Are you ready for the question?

HON. A. ANSTETT: Mr. Speaker, I rise on a Matter of Privilege.

MATTER OF PRIVILEGE

MR. SPEAKER: The Honourable Government House Leader.

HON. A. ANSTETT: Mr. Speaker, with some regret, combined with some chagrin at what has happened this afternoon in the House, I rise on a Matter of House Privilege respecting the Minister of Finance. Mr. Speaker, I will conclude this Matter of Privilege with a substantive motion.

Mr. Speaker, the Honourable Leader of the Opposition earlier today referred to a letter mailed by the Minister of Finance, I believe yesterday . . .

MR. H. ENNS: Mr. Speaker, . . . this matter that the Honourable House Leader is now raising . . .

MR. SPEAKER: Order please. Is the honourable member rising on a point of order?

MR. H. ENNS: On a point of order, asking simply whether or not this is a similar matter that is now being raised that was dealt with a short while ago in this Chamber?

MR. B. RANSOM: . . . raised by the Minister of Finance.

MR. SPEAKER: I have not yet heard what the matter of privilege is that is being raised.
The Honourable Government House Leader.

HON. A. ANSTETT: Mr. Speaker, in response to the point of order raised by the honourable member, I wish to confirm that I am raising, as you directed at the conclusion of the remarks of the Leader of the Official Opposition, the matter of privilege originally raised by the Honourable Minister of Finance, and I am raising that matter of privilege with respect to remarks made by the Leader of the Opposition during question period today and subsequent to that during his speech this afternoon to the House.

Mr. Speaker, in that letter . . .

MR. H. ENNS: Mr. Speaker, I rise again on a point of order.

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

MR. H. ENNS: The issue that the Honourable Government House Leader is now raising was raised in this Chamber and was dealt with.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. SPEAKER: Order please. Order please.

MR. H. ENNS: Mr. Speaker, our rules are clear. I refer you to Rule 31 of our Rule Book, which states that a matter once dealt with in a Session cannot be raised again.

The Honourable Minister of Finance rose up, introduced this subject matter, failed to include a motion, which constituted a point of privilege; you so advised that Honourable Minister and now the Government House Leader is breaking our rules by raising the issue again.

It's fairly clear. It's straightforward. Even I know that rule.

SOME HONOURABLE MEMBERS: Oh, oh!

SPEAKER'S RULING

MR. SPEAKER: Order please. Order please. Order please.

It is a true that a matter once decided by the House should not be raised again in that Session. When a matter is dealt with by the House, it is dealt with following a motion, properly moved and seconded, on which the House decides on the particular matter.

The issue which was raised was not put before the House, and the so-called Matter of Privilege was not

concluded with a substantive motion, which could be decided by the House.

I take it from the Honourable Government House Leader's remarks that he intends to do just that.

Would the Honourable Government House Leader continue with his Matter of Privilege?

MR. B. RANSOM: Mr. Speaker, on a point of order.

MR. SPEAKER: The Honourable Member for Turtle Mountain on a point of order.

MR. B. RANSOM: Mr. Speaker, on a matter that has been raised and dealt with . . .

SOME HONOURABLE MEMBERS: Oh, oh!

MR. SPEAKER: Order please. Order please.

MR. B. RANSOM: Perhaps the Honourable Minister could contain himself to understand the implications of what will happen if someone is allowed to rise in his place and raise a point of order, and perhaps speak for five minutes on that point of privilege, as the Speaker waits to hear whether there is a motion at the end, the member fails to include a motion at the end of his point of privilege, has been allowed to interrupt a member and speak for five minutes, sits down, he can subsequently rise again on the point of privilege, and the Speaker would be required again to listen, to see whether he was going to follow that argument with a point of privilege.

That can go on forever, Sir, unless it is ruled that the matter of privilege, the subject matter having been spoken to by one member on one occasion is then concluded when that member has dealt with it, and in this case failed to conclude his remarks, his point of privilege, with a substantive motion.

Therefore, Sir, that constitutes the issue having been dealt with and disposed of. This could go on forever.

MR. SPEAKER: Order please. Order please.

The honourable member raises a matter which may be a subject of a rule change and perhaps should be brought up in Rules Committee.

What I have done is to follow the procedure which is in our Rule Book, and has been the procedure of this particular House.

The matter has been ruled on. If the member wishes to appeal it, he may do so; otherwise it stands.

Would the Honourable Government House Leader please continue with his matter of privilege?

HON. A. ANSTETT: Mr. Speaker, I thank you for recognizing me.

To avoid any consternation on the part of members opposite, who may not have heard my opening remarks, I wish to reassure the House that I have a motion. The motion has been prepared in the proper form and I will be moving that motion at the end of my remarks.

Mr. Speaker, my matter of privilege is a more extensive matter and relates to a more detailed question than the matter raised by the Minister of Finance, which was limited only to the clarification of some remarks made by himself and the Leader of the Opposition during question period.

Mr. Speaker, on that basis, I believe I should proceed.

Mr. Speaker, to establish that there is a matter of privilege before the House, I submit first that I should document to the House that there is a prima facie case of privilege. To do that, Mr. Speaker, I think it's appropriate that I read into the record the letter of the Minister of Finance, provided to those individuals in the province who are currently making payments under the health and post-secondary education level.

That letter reads as follows:

"Dear Employer: I am pleased to inform you that in my 1984 Manitoba Budget Address, I announced that those employers with payrolls under \$50,000 yearly will be exempt from the levy for health and post-secondary education, effective January 1st, 1984.

"Employers with payrolls between \$50,000 and \$75,000 will experience reduced levy payments. As you recall, the levy was introduced in July 1982 to secure needed replacement revenues in response to major cutbacks in federal support for health and post-secondary education programming, which commenced with the 1982-83 fiscal year.

"This year, in light of improvements in the province's overall budgetary situation, we are now able to exempt some 18,000 smaller employers from the levy and provide some reductions in levy payments for an additional 2,000 employers without raising the rate for the remaining 7,000 larger employers.

"I might add that our government would obviously prefer to see the federal cutbacks rescinded so that the level would no longer be necessary, however, we continue to feel that it is preferable to the 2 percent sales tax proposed by the Conservatives.

"If you qualify for the new exemption, any levy payments made for the first quarter of 1984 will be refunded to you. I have asked the staff of my department to provide you with complete technical details of the exemption and reductions very shortly.

"I sincerely hope these initiatives will be helpful in supporting and stimulating Manitoba's smaller enterprises.

"I wish you every success. Yours truly, Vic Schroeder, Minister of Finance."

Mr. Speaker, establishing a prima facie case of a matter of privilege relating to the contempt of this Legislature, I would like to table this letter and draw on the attention of the House that the allegation made by the Leader of the Opposition that the Minister said that, ". . . it is preferable to the 2 percent sales tax increase proposed by the Conservatives," was an accurate quote, Sir.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. SPEAKER: Order please.

HON. A. ANSTETT: I am only saying that the Leader of the Opposition correctly quoted the letter. The Leader of the Opposition said that the letter said that. I have now read the letter into the record, tabled it, and confirmed that what the Leader of the Opposition said was accurate, that that's what the letter said.

He said that the letter said what I just quoted and I am submitting that he is correct in that assertion, and the letter is the evidence.

Mr. Speaker, as a result, though, of reading into the record that statement, I wish to draw to your attention the fact that members opposite, immediately after that, some in chorus, some recognized by you, Sir, used words, and I quote, such as "untrue, distort, treachery, pervert, trickery," and consistently the words "lies."

All of those words, Sir, are on the record, because all of them were used in the very minimum by the Leader of the Opposition, during question period and during his speech, in description of the letter used by the Minister of Finance and tabled by myself.

Mr. Speaker, and as has been confirmed by the Member of Turtle Mountain, he concurs that those words are appropriate, Sir, which further confirms the matter of privilege I raise.

I draw to your attention, Sir, Citation 320 in *Beauchesne* in which most, if not all, of those words are referred to as unparliamentary expressions.

In defence, Sir, I suggest to you that the Leader of the Opposition offered a defence - and I make no comment on its credibility, that's something for the House to decide - but he claims that no member of the House, who is a Progressive Conservative, ever advocated a tax sales increase, let alone a 2 percent sales tax increase.

Now, Sir, that defence might be credible and I refer you to Citation 322, which provides, and I quote, "It has been formally ruled by Speakers that a statement by a Member respecting himself and particularly within his own knowledge must be accepted, but it is not unparliamentary temperately to criticize statements made by a member as being contrary to the facts; but no imputation of intentional falsehood is permissible. On rare occasions this may result in the House having to accept two contradictory accounts of the same incident."

Mr. Speaker, I raise that Citation because it is a possible defence for the Leader of the Opposition, and I wish to address that in claiming a matter of privilege.

Mr. Speaker, that would be true if, as the Citation provides, that the information of a member respecting himself - in this case, the Leader of the Opposition - was particularly within his own knowledge, but, Mr. Speaker, the Minister of Finance has provided me with information that the Leader of the Opposition, although he may have been referring to himself accurately, has not referred accurately to statements of other members of his caucus as they are recorded in our official *Hansard*.

Mr. Speaker, the Deputy Leader of the Progressive Conservative Caucus in this Legislature, on Thursday, March 3rd, 1983, made the following statement:

I am quoting, Sir, from Page 489 of *Hansard* of the Third Session of this Legislation:

"What is the point of offering positive constructive suggestions when they are so blinded by their own commitment to their course of ideology and action that they won't listen. The biggest, most productive, most positive step they could take, Mr. Speaker, would be to eliminate the payroll tax. The guttiest, most courageous thing they could have done would have been to have bitten the bullet a year ago to have increased the sales tax by at least two points . . ."

Mr. Speaker, I won't table this document, because it is part of the official . . .

SOME HONOURABLE MEMBERS: Oh, oh!

MR. SPEAKER: Order please. Order please.

HON. A. ANSTETT: Mr. Speaker, I do not propose to table this document, because it is an official document in the records of the House, however, I do have three copies for members opposite who may wish to consult it.

HON. L. DESJARDINS: Apologize! Apologize! Withdraw.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. SPEAKER: Order please.

HON. A. ANSTETT: Further to Citation 319, Subsection 3 on Page 104 of the Fifth Edition of Beauchesne, "In the House of Commons a Member will not be permitted by the Speaker to indulge in . . .

SOME HONOURABLE MEMBERS: Oh, oh!

MR. SPEAKER: Order please, order please.

HON. A. ANSTETT: ". . . any reflections on the House itself as a political institution; or to impute to any Member or Members unworthy motives for their actions in a particular case . . . "the Citation goes on, Sir, but I think that's the relevant provision.

Sir, Citation 84 in Beauchesne provides, to establish a question of privilege related to the contempt of Parliament and of this Assembly, and in this case, Sir, we used over one-half of question period today in pursuit of the allegations that have been made, using a series of unparliamentary expressions, allegations that a statement was never made. I believe, Sir, I have demonstrated, by the reading from Hansard, a prima facie case, that the statement denied was made in this Legislature by a member of the caucus opposite, in fact, Sir, by their Deputy Leader.

I believe, Sir, that having raised the matter as you directed at the conclusion of the remarks of the honourable member, I have also concurred with and conformed with Citation 84's requirement that that be done at the earliest opportunity.

Sir, under Citation 80.(3), on Page 25 of Beauchesne, the requirement is that a member raising such a matter of privilege establish a case that that matter of privilege should have precedence over the Orders of the Day.

Sir, I suggest to you that the words used, in the most extreme pejorative fashion and directed at the Minister of Finance, are words which demonstrate a requirement for precedence on this matter, because they impugn and impute allegations against the integrity, personal ethics, and moral authority of the Minister of Finance.

The order of the day, Sir, and the only order of the day before the House, because of the precedence ascribed to it by our Rules, is the Budget Debate. I submit, Sir, that the Budget Debate is assuredly a matter of confidence in the government, and I do not believe that that debate can proceed without a resolution of a matter of privilege alleging impropriety on the part of the Minister of Finance, if the matter of confidence in this government deals with the personal integrity of the Minister and places him under a cloud, even, Sir,

I would submit, if that cloud is one manufactured with smoke and mirrors.

I submit, therefore, Sir, to quote Beauchesne, Citation 80.(3) ". . . whether the matter is of such a character as to entitle the motion, which the Member who has raised the question desires, to move to priority over the Orders of the Day," that it would be impossible for this Legislature to address this matter of confidence with the integrity of the Minister of Finance impugned, but more importantly, Sir, with the use of unparliamentary language not permitted under Beauchesne, Citation 320, and also not permitted under Citation 319.

So, I submit, Sir, that it is an obligation on the House and on your office to deny members the right to use that kind of language at any time, but more importantly, on a matter of confidence in the government as an additional reason to allow this matter of privilege to be addressed by the House and a withdrawal of those allegations requested from the Leader of the Opposition.

So, Sir, on three grounds: the grounds of Citation 84 relating to the integrity of the Minister; the grounds of Citation 319 and 320, I submit that the motion I am about to move should take priority over the Budget Debate and that a request by this House that the Leader of the Opposition withdraw the allegations, which have clearly been demonstrated to be unfounded, be made.

Therefore, Sir, I move, seconded by the Minister of Finance, that this Legislative Assembly request the Leader of the Official Opposition to withdraw the allegation that statements made, by the Minister of Finance in a public letter, are untrue.

MR. SPEAKER: In order to review the remarks made by the Honourable Government House Leader and the letter which was referred to, and of the remarks alleged to have been made, I will read Hansard and take the matter under advisement.

Are you ready for the question?

The Honourable Minister of Culture.

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

It's certainly a privilege to have the opportunity to speak on the Budget, Mr. Speaker, and I only have a few moments left prior to adjournment time and I'd like to, before getting into the specifics of the Budget, deal with some of the comments made by the Leader of the Opposition in his remarks.

You know we've heard lots about lies, allegations of lies and other things today, Mr. Speaker, by members opposite.

MR. SPEAKER: Order please, order please.

Inasmuch as subject matter of the honourable member's remarks are the subject of a proposed matter of privilege before the House, I think it would be wiser if they were not referred to by the Honourable Minister.

HON. E. KOSTYRA: Thank you, Mr. Speaker. I apologize for my improper remarks. I'll direct myself to the resolution put forward by the Leader of the Opposition in his remarks.

I would just challenge him, Mr. Speaker. He made comments in his reply to the Budget with respect to, Ministers' hand-picking employees for layoff. He made

reference to some employees who were hand-picked that were related to members of the Legislative Assembly. I would challenge him to name the Minister involved. I would challenge him to name the employee involved. If he's going to make accusations like that, I challenge him to put that on the record. I challenge him to put that on the record, Mr. Speaker.

In addition, during the Throne Speech Debate, Mr. Speaker, the same member made reference to a mayor of a southern Manitoba town who was, in his words, forced to sign a declaration that he would publicly support the Jobs Fund before he would receive any grants. I would challenge the Leader of the Opposition to name that person, to put that name on the record in regard to his allegations with respect to the Jobs Fund. I challenge him to name it, to put it on the record in this House.

If he wants to talk about truth and talk about credibility I challenge him to put those names on the record. If he's got any credibility, Mr. Speaker, he will do that, rather than making those kind of accusations, those kinds of unfounded accusations. So I ask him to, if he has any credibility as a member of this House, to put those names on the record so we can deal with the specifics of that, Mr. Speaker.

I'm really disillusioned when I listen to the comments of the Leader of the Opposition with respect to the debate on the Budget. You know there's a saying that when you are in trouble, when you have nothing to say, when you can't deal with an issue, you try to divert attention. We saw that through question period today, Mr. Speaker.

We have a positive, very important announcement with respect to the economic life of this province. They can't deal with that, Mr. Speaker, they cannot deal with that kind of positive announcement, they throw a diversion up. That's what followed, Mr. Speaker, in the remarks of the Leader of the Opposition with respect to the Budget and with respect to the various economic activities of this government. I will respond to many of those points during the debate, hopefully, later this evening.

Mr. Speaker, I'd like to say and to put it on record, to say to members of this Assembly and to Manitobans that I am proud of the Budget that was introduced earlier this week by the Minister of Finance. I think that this Budget, more than any other Budget by this government, and certainly better than any other Budget of any other Government in Canada, indicates and shows very clearly the difference, the very clear difference between the philosophy and the approach of a New Democratic Government and that of other governments - Conservative Governments or Liberal Governments. This Budget very clearly shows that there is a different way, Mr. Speaker, in how we structure ourselves as a government and as a society.

I think that time, Mr. Speaker, will show, will prove that that kind of approach, that this kind of Budget, will be the kind of Budget that will provide economic growth in the Province of Manitoba and, at the same time, will ensure that the fruits, that the benefits of that increased economic activity will go to all Manitobans, because that is the single, that is the most clear message that comes out of that Budget. There's a lot of detail in that, Mr. Speaker, that I and others will talk about in terms of economic activity, in terms of maintaining essential public services in this province, maintaining the health care system; not at increased costs that happen in Tory governments and in Tory provinces, where they decide that they're going to put additional taxes on people, on the poor, or on the sick through increased premiums.

Just today, we saw in the newspaper, the Premier of Alberta saying that he is opposing the Federal Government's attempt to bring in the new health care because he is committed, Mr. Speaker, to extra billing by doctors and to user fees charged by hospitals. That is a Progressive Conservative approach to health care. That is the kind of approach that people of this province reject. That is the kind of approach that this Budget that has been brought down by the Minister of Finance rejects. This has been rejected by this government and it is something, Mr. Speaker, that is rejected by the people of this province.

So I think, Mr. Speaker, that when you reflect and when others reflect on this Budget and look at it in comparison to what is going on in other provinces in Canada, people will see very clearly the difference between a New Democratic Party Government and that of Conservatives or Liberals, because we are attempting to ensure that we continue on the course of economic development - and I'll talk about our record in that regard later - but we will continue to go on that course, but at the same time we will not do it at the expense or on the back of the sick, or the poor in this province.

In fact, it is our intention, Mr. Speaker, to ensure that the benefits that will come with renewed economic activity will be of benefit to all Manitobans. I think that was made very clear today and there's a good indication of that today with respect to the announcement of the agreement with Alcoa that our approach is different. Our approach is not to give away the resources of this province but to use them for the benefit of the people of this province.

MR. SPEAKER: Order please, order please.

When this matter is next before the House, the honourable member will have 32 minutes remaining.

It being 5:30 p.m., I'm leaving the Chair to return this evening at 8:00 p.m.