



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

**DEBATES  
and  
PROCEEDINGS**

26 Elizabeth II

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Speaker*



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2:30 p.m. Monday, April 17, 1978

# THE LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, April 17, 1978

Time: 2:30 p.m.

**OPENING PRAYER** by Mr. Speaker.

**MR. SPEAKER, Hon. Harry E. Graham (Birtle-Russell):** Presenting Petitions . . . Reading and Receiving Petitions . . . Presenting Reports by Standing and Special Committees.

## MINISTERIAL STATEMENTS AND TABLING OF REPORTS

**MR. SPEAKER:** The Honourable First Minister.

**HON. STERLING R. LYON (Charleswood):** Mr. Speaker, I would like to table five copies of the communiques released at the Western Premiers' Conference in Yorkton, April 13 and April 14, 1978. If there are any explanations or questions, I would be happy to deal with them in the Question Period.

**MR. SPEAKER:** Notices of Motion.

## INTRODUCTION OF BILLS

**HON. DONALD W. CRAIK (Riel)** introduced Bill No. 14, An Act to amend The Income Tax Act (Manitoba), and Bill No. 15, An Act to amend The Homeowners Tax and Insulation Assistance Act. (Recommended by the Lieutenant-Governor.)

## ORAL QUESTIONS

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

**MR. EDWARD SCHREYER (Rossmere):** Mr. Speaker, I will take advantage of this opportunity to ask the First Minister if he could clarify a rather important item and that is, given the statement by the Western Premiers, jointly and severally, expressing displeasure with the Government of Canada's Budget relative to the sales tax treatment; given the Prime Minister's statement that there was a deal — or one could paraphrase at least a prior consensus — can the First Minister clarify just what the actuality of this apparent contradiction is?

**MR. SPEAKER:** The Honourable First Minister.

**MR. LYON:** Well, Mr. Speaker, I can only presume, as the Honourable Leader of the Opposition would understand, to speak for the Province of Manitoba and the question would have to be directed at each provincial Premier, or each provincial Minister of Finance with whom representatives of the Federal Government dealt in connection with this budgetary item. But the consensus of opinion is expressed, I think, very clearly in the communique which is now on his desk, namely that it was felt that this matter could have been discussed when the First Ministers were meeting in Ottawa in February, that there could have been more flexibility in the approach taken by the Federal Government, that there most certainly could have been more time allotted for the discussion between the various Ministers and the Federal Minister, and that operating, as all governments felt they were, under the cloak of budgetary confidentiality there was not that opportunity for interprovincial discussion that one would hope to have in matters of this kind in the ordinary course of events.

I can only say with respect to Manitoba to repeat what was said by my colleague, the Minister of Finance, the night of the Budget and in the budget statement, itself, that we were certainly left with the implication that it was a take-it-or-leave-it proposition. And the only thing I can add to the communique which my honourable friend has in front of him is that I found an unanimous feeling of distaste by all of the provincial Premiers with respect to the manner in which their respective governments had been dealt with on this topic, as is reflected in the communique in front of him.

**MR. SCHREYER:** Well, Mr. Speaker, perhaps my next question borders on the semantic, but I would like to give the First Minister the opportunity to indicate, so I will ask the First Minister if, in his view, the Prime Minister is justified in using the term "deal" in referring to the Federal Government's action to proceed with the sales tax reduction indirectly by way of compensating the provinces? Can the First Minister indicate if the Prime Minister was perhaps less than accurate in using the term "deal" to describe whatever degree of prior consultation there had been?

**MR. LYON:** Well, Mr. Speaker, probably to repeat myself, I will not make comment other than what I have said publicly before about the Prime Minister and his conception of what took place. In actual

fact, of course, it was his Minister of Finance who dealt in large part with the Ministers of Finance of the various provinces.

I had the additional opportunity of meeting with the Minister of Finance, myself, before the federal Budget and the provincial Budget were brought down, and I can only repeat now what we said — my colleague, the Minister of Finance said — in the Budget statement a week ago tonight when we said that we would accept the federal initiative in this field but took, as my honourable friend will recall, strong objection to the methodology which had been used in order to accomplish it. Now the Prime Minister is operating on information that he has, we are operating on the basis of information as we know it to be in Manitoba. The communique reflects the feeling of the four provincial premiers as to what their impression was of the initiative taken by the Federal Government and beyond that, at this stage, I don't think it would be useful to go.

**MR. SCHREYER:** On an entirely unrelated matter, Mr. Speaker, may I ask the First Minister, in the light of the communique issued indicating that there would be some initiatives taken with respect to the possible interconnection of Manitoba, via Saskatchewan and Alberta, of an electric interconnection or grid with the Province of Alberta, can the First Minister indicate if this was an expression of intent or whether it was the announcement of an already agreed upon plan? I ask that in view of the fact that in previous years there has been some review of this and, as the First Minister may well know, there are certain technical incompatibilities with respect to the two electrical systems which would not be inexpensive to overcome. So, can the First Minister indicate if there has been a technological breakthrough or an agreement between the two provinces to take direct steps to overcome these rather technical problems of interconnection.

**MR. LYON:** Well, Mr. Speaker, the Leader of the Opposition will understand when he has the opportunity to read the communique that what was agreed upon at Yorkton was as follows:

(1). That there would be established an ad hoc committee of the four ministers responsible for hydro or energy who would meet and who would immediately convene a feasibility study with respect to a power grid and the feasibility of electric power interchanges among particularly the three Prairie Provinces — Manitoba, Saskatchewan and Alberta — realizing, of course, that B.C. is already interconnected with Alberta and that there is a synchronization problem there.

(2). No, it does not reflect an unawareness of technological difficulties that stand in the way of such a problem but does reflect the desire of the four provinces to look at this conceptually and to see what the feasibility of it is realizing what a tremendous benefit this could be for the western region initially and perhaps even ultimately as part of that long hoped for national grid that has been talked about for so long.

So, in brief, we are not unaware of technological problems that arise but, notwithstanding those technological problems, it was the unanimous agreement of the four western premiers that the feasibility study should proceed and proceed immediately. It is expected to take some six months for the study to be completed and thereafter to meet again. The Ministers of Energy or the Ministers in charge of Hydro will be meeting again to determine what steps should be taken from that point onward.

**MR. SCHREYER:** Perhaps then I could ask the Honourable the House Leader whether he can give to us an estimate as to the date by which he will arrange to convene the Standing Committees on Utilities, on Economic Development and on Public Accounts; it's about that time of the year.

**MR. SPEAKER:** The Honourable Government House Leader.

**HON. WARNER H. JORGENSEN (Morris):** I can't give my honourable friend a precise date but will it suffice if I say, reasonably soon?

**MR. SPEAKER:** The Honourable Member for Fort Rouge.

**MR. LLOYD AXWORTHY:** Thank you, Mr. Speaker. I'd like to ask the First Minister some questions concerning his statements arising out of the Western Premiers' Conference. At that time the quotation was that the government of Manitoba had only been consulted hours before their Budget came down concerning the federal sales tax. This was a statement, I think, made by the First Minister to the national press. I would like to know, Mr. Speaker, comparing that to the statement made by the Minister of Finance which indicated that there had been consultation several weeks preceding, I think the statement was two or three weeks, and meetings between officials, is the First Minister misquoted, is he wrong or is the Minister of Finance wrong, in their statement of the timing and consultation that actually took place?

**MR. SPEAKER:** The Honourable First Minister.

**MR. LYON:** Well, Mr. Speaker, and my honourable friend the Member for Fort Rouge is getting his information as usual from press sources which I haven't seen, but there was no attempt, to the best of my knowledge, to indicate other than what we said in the Budget Speech brought down a week ago by my colleague the Minister of Finance, namely that the period of consultation had been very brief, a period of two to three weeks — it had been very brief indeed — and this was the experience of other

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provinces as well. If I was quoted as saying "hours," then I was misquoted or misspoke myself, because it was not hours, it was as we said in the Budget Speech. But the experience of all western provinces was the same and the reaction of all western provinces was precisely the same to this kind of short term ad hocery on the part of the Federal Government, all done under the veil of Budget secrecy, thereby precluding proper interprovincial consultation as should have taken place on this matter.

**MR. AXWORTHY:** I have a supplementary, Mr. Speaker. On the same issue then, we can take it from the Minister's statement that there had been consultation preceding the Manitoba and the Federal Budget, of two or three weeks. Can we also take it that there had been an agreement, an acceptance, by Manitoba officials, or by the Minister of Finance during that preceding two or three weeks, and an agreement that they would comply or accept this particular arrangement, and that again, that this was something that took place during that two or three week period of consultation? And further, was the matter not also discussed at a Federal-Provincial meeting in the previous October — the concept of sharing of sales tax reductions?

**MR. LYON:** Well, Mr. Speaker, my honourable friend I am sure could obtain the answers to his question by phoning his friend the Minister of Finance in Ottawa, but I can tell him from our experience, and I can only speak from our experience, that there were discussions with the Minister of Finance and the Federal Minister of Finance — I can't put a date on them — some two to three weeks before the Budget was brought down. But there was no final confirmation by the Minister of Finance as to Ottawa's proceeding with this proposal until . . .

**MR. CRAIK:** Eleven a.m. Monday morning.

**MR. LYON:** . . . 11:00 a.m. on the Monday morning of a week ago when we delivered our Budget Address, or when the Minister delivered his Budget Address. That is the time that he gives me, because I was not in receipt of that communication from Ottawa. That is the best information I can offer to my honourable friend.

**MR. AXWORTHY:** As a final supplementary, Mr. Speaker, considering the concern that's been expressed about the First Minister over the way in which consultation should take place between those of government, can we now expect that in the announcements by the Provincial Government concerning cutbacks and restraints of money to municipal governments and other agencies, that they will now be given more than the 24-hours' or 24-minutes' notice that they have been given at this time in the Province of Manitoba?

**MR. LYON:** Mr. Speaker, we, unlike my honourable friend's federal colleagues, do not try to intrude upon the jurisdictional affairs of other levels of government in quite the manner in which this intrusiveness has made itself manifest in the last two or three weeks by the Federal Government. I can assure him that there are very few precedents that the Federal Government offers that we would want to follow on this side.

**MR. SPEAKER:** The Honourable Member for Inkster.

**MR. SIDNEY GREEN:** Mr. Speaker, I would like to direct my question either to the First Minister or the Minister of Finance. Did the government of the Province of Manitoba object and protest to the Federal Government trying to use a crowbar to influence the taxing and programming functions of the Provincial Government when this matter was first raised? Did they object and protest to this futile system whereby the Federal Government seeks not to stimulate the economy but to stimulate some death-bed repentance votes in the next federal election?

**MR. SPEAKER:** The Honourable First Minister.

**MR. LYON:** Mr. Speaker, perhaps I can answer that question by saying: (1) that because of the timing of our Budget Statement which came approximately one hour after the Federal Government's statement, my honourable friend can draw his own conclusions as to what we felt about it *ab initio* because it was stated right in the Budget Statement what we felt about it and I don't think any other government perhaps had that same opportunity as we had.

(2) As I indicated I think some ten days or so ago, I did have communications myself with the Minister of Finance and they were private communications, as I indicated at that time, dealing with budgetary matters but I can assure my honourable friend that a number of the views that were expressed in our Budget Statement were expressed in the course of that meeting.

**MR. GREEN:** Yes, Mr. Speaker. Does the Minister of Finance and does the Government of Manitoba consider a matter to be of budget secrecy qualification when it is communicated by the Federal Minister of Finance to Ministers of Finance throughout the country at a meeting where all of these Ministers are present and their officials are present? Is that a subject which is guarded by budgetary

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secrecy? .-. . LYON: Well, Mr. Speaker, again we're in the position of being able to answer only with respect to the Province of Manitoba and I would seriously suggest to my honourable friend that he read the communique that was laid on the table of the House today in which that subject was dealt with and he will then be able to derive from that communique some of the feeling that was manifest at the meeting of First Ministers wherein it was indicated that they felt they were under that kind of restriction for various reasons which one can't go into at Question Period. But I would suggest that he read that communique because he will see in the communique that that very precise topic is dealt with and is alluded to and where, in effect, it is said — and I don't have it in front of me so I can't read the exact words — that not again would provincial Ministers feel themselves to be under that kind of constraint, faced with such proposals from a Federal Government on another occasion.

**MR. GREEN:** Well, Mr. Speaker, I ask two questions of the Honourable Minister. Can I assume from his previous answers what I understood to be the case, that Manitoba objected and protested, not only in its communication on Budget night but during the course of discussions with the Federal Government; secondly that the Province of Manitoba is not under the guise of budgetary secrecy going to permit the Federal Government to engage in a political program which it is communicating throughout this country, and then saying that as a matter of budgetary secret it must not be revealed prior to its going into the program?

**MR. LYON:** Mr. Speaker, I believe I have gone as far as I can, having regard to the propriety of discussions that take place between federal and provincial levels, to indicate to my honourable friend insofar as I can the nature of discussions that were held by me with the federal Minister of Finance, No. 1. No. 2, the second part of the question deals with the . . .

**MR. GREEN:** Mr. Speaker, this is quite important. I have assumed from the First Minister's answers that not only on Budget night, but prior to Budget night, when these things were first communicated, Manitoba objected and protested to what the Federal Government was doing.

**MR. LYON:** Mr. Speaker, I thought I dealt with that in what I just said. The second portion of my honourable friend's question had to deal with . . .

**MR. GREEN:** Mr. Speaker, I'm sorry. I thought that the Honourable First Minister answered my second question and not my first. I still have the same assumption from his answer.

My second question was: Can the Federal Government, under the guise of budgetary secrecy, engage in a blatantly political program on the basis that budgetary secrecy prevents it from being discussed? Because I see no budgetary secrecy when a program is being suggested to ten provincial Ministers as a means of dealing with the economy — I don't see that as budgetary secrecy.

**MR. LYON:** Well, Mr. Speaker, in that regard again I can only refer my honourable friend to the communique and he will be able to judge, I think, very clearly himself from the communique as to what the respective governments — that is the four governments of the four western provinces — felt to be the constraints under which they were operating at the time these proposals were communicated.

**MR. SPEAKER:** The Honourable Member for Logan.

**MR. WILLIAM JENKINS:** Mr. Speaker, I direct my question to the Minister of Labour. Can the Minister of Labour inform the House if her department has received a preliminary report on the fatality that took place on April 13th in the construction trade here in Winnipeg?

**MR. SPEAKER:** The Honourable Minister of Labour.

**HON. NORMA L. PRICE (Assiniboia):** I haven't had an official report as yet, Mr. Speaker.

**MR. JENKINS:** A supplementary, Mr. Speaker. Is the Minister of Labour anticipating instituting an inquiry into this fatality?

**MRS. PRICE:** Mr. Speaker, I will have to wait until I get the report before I make that decision.

**MR. SPEAKER:** The Honourable Member for Logan with a final question.

**MR. JENKINS:** Well, this question is to the Minister of Health; I gave him notice on Friday. I wonder if the Minister of Health can inform the House whether he has made any investigation into the allegations in Thursday's Free Press of sloppy inspection in the meat plants across Canada, especially since it mentioned the City of Winnipeg Abattoirs as one of the places that was affected.

**MR. SPEAKER:** The Honourable Minister of Health.

**HON. L.R. (Bud) SHERMAN (Fort Garry):** Mr. Speaker, I thank the honourable member for giving me notice of the question. I have made inquiries. The information appears to be that there have been

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no complaints received by our Medical Public Health Service. Our departmental people have looked into it. The question of responsibility is a federal one; we rely on federal inspection in that field. I'm advised by our Public Health personnel that the problem does not exist here in Winnipeg, notwithstanding the inclusion of Winnipeg in that newspaper report, but I appreciate the honourable member's concern and I will continue to monitor the situation.

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

**MR. SCHREYER:** Mr. Speaker, to the Minister of Finance, given that the communique issued from the Western First Ministers' Conference on Page 2 refers to the federal sales tax proposal as having given the provinces only days to consider the plan, I would like to ask the Minister of Finance if during the course of those few days did the Province of Manitoba communicate definitively its attitude with respect to this sales tax plan — anytime up to 11 A.M. Monday, which is, I understand, when the last communique was received from Ottawa?

**MR. SPEAKER:** The Honourable Minister of Finance.

**HON. DONALD W. CRAIK (Riel):** Mr. Speaker, as has been stated by the First Minister, the discussions took place over a period of two to three weeks and in the days preceding the final decision on the actual nature of the sales tax arrangement, there were a number of different proposals that were looked at that were advocated by different provinces and different parties with different interests, and there were a number of different possible arrangements that were still up in the air and open to question right up until the last few days of the discussion. It was not until the Monday morning of our own Budget that we had confirmation from the Federal Minister of Finance, both by way of a hand-delivered communication and a telephone call, that the final proposal of the two-for-one was the one that the Federal Government was proposing for everybody west of the Maritimes — Quebec, Ontario, Manitoba, Saskatchewan and Alberta, although both British Columbia and Saskatchewan made arrangements to add their proportion one after the other, end-for-end, rather than going for the shorter period and adding the two-plus-one to three. They have made the agreement with the Federal Government that they would add it on, drop it two and add their portion after the end of the first six months of the operation of the federal program.

So those final things, amongst others, were in the discussion process during these last two or three weeks, but the basic proposal that was made by the Federal Government on the two-plus-one was the ultimate one which was laid on the table as their take-it-or-leave-it proposal.

**MR. SCHREYER:** Mr. Speaker, I will pose my question in two parts. One is to ask the Minister of Finance that if Page 2 of the Western Premiers' communique is correct, and I assume it is correct, that the provinces had only days to consider the plan, whether Manitoba in fact filed a written — be it telex, be it night letter or ordinary letter, did Manitoba register an objection to the sales tax plan in those "only few days"?

The second part would be to ask the Minister of Finance — perhaps it's not fair to ask him — whether he can indicate the reasoning of the Government of Canada in drawing a differentiation or a differential in the sales tax treatment relative to the Maritimes and relative to this part of the country?

**MR. SPEAKER:** The Honourable First Minister.

**MR. LYON:** Mr. Speaker, perhaps I can deal with the first portion of the question because my recollection is, from the drafting of the communique, my honourable friend is referring to page 2 of Communique No. 1, the sentence reading, "They noted that the Federal Government had not used the opportunity afforded by the February Conference of First Ministers to raise its proposal, but instead gave provinces only days to consider the plan." Well, I'll carry on and read the second sentence: "Insistence on Budget confidentiality by the Federal Minister made normal interprovincial consultations difficult if not impossible." That was the consensus of the Ministers who were meeting, and we can only speak with respect to Manitoba as to when it was consulted. In our case the Minister had consultations as he has indicated, two to three weeks; I personally met with the Minister of Finance — I believe it was one week before the federal and the provincial Budget came down. Now, the experience of other provinces I can't testify to in terms of whether they met days before, weeks before, whatever the case may be.

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

**MR. SAUL CHERNIACK:** Mr. Speaker, I'd like to ask the Honourable the Minister of Finance, who planned his Budget Address for last Monday, whether he, on reflection, is not sorry that he didn't delay it a week or two, since there was no pressure to do it earlier, so that he could have known exactly that he had satisfied all his opportunities to negotiate. Secondly, in view of the fact that the information he received from the Federal Minister of Finance was at eleven o'clock on Monday morning, could he inform us when the amounts shown in the Estimates of Revenue were calculated, and the form itself of course printed, and the deficit known to be approximating \$114 million?

**MR. SPEAKER:** The Honourable Minister of Finance.

**MR. CRAIK:** Well, with regard to the second question first, Mr. Speaker, we had a correction ready to go in the event that the proposal did not go ahead. We assumed that this was going to be — (Interjection)— Well, Mr. Speaker, don't let there be any question about it, the two-for-one proposal was the very opening comment or statement or proposal or suggestion by the Federal Government. There were multiple other alternatives and proposals came in between, but it became fairly evident towards the end of the negotiations that the three provinces in particular, Saskatchewan, Quebec and Manitoba, were not going to get a better position out of these arrangements and that it was going to be a case of us having to really take what was decided in the eleventh hour decisions — or not decisions, but the eleventh hour announcement, at least, by the Federal Government. So don't let me suggest, and don't let it be suggested, that there wasn't a pretty good awareness that the two-in-one formula was — that there was very much doubt about it — but it was not confirmed and the reason for stalling the Budget from the Monday afternoon when we intended to give the Budget, was done on the basis that we wanted to be absolutely sure before going.

Now, where it did apply was all the provinces, with the exception of Quebec; it of course applied on that same midnight across Canada and there was some desire that if it was going to occur that it happen simultaneously across the country.

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

**MR. CHERNIACK:** Well, Mr. Speaker, just to make sure that I understand clearly, it would appear then from the Honourable Minister's response that indeed they knew and were satisfied to know that there would be this two-to-one proposal sometime prior to last Monday, that the eleventh hour decision was indeed an eleven o'clock announcement, and that the reason that the Manitoba government decided, or the Minister decided to have his Budget on last Monday, was to conform to the Federal Government's program and not any other urgency involved in presenting the Budget which . . . Well, I would ask the Honourable Minister, was there any reason that that Budget Address could not have been delivered this week or next week, in that the Minister could have had his further negotiations extended or indeed have the consultation which would have been public consultation by the time that the Federal Minister had made his announcement, and then there could have been all the debate in the world with the other Ministers.

Secondly, may I ask the Honourable Minister, does it appear then that his consultation which was made difficult, if not impossible — that in spite of the fact it was difficult that he did indeed consult with at least Quebec and Saskatchewan — then I would ask how many other provinces he consulted with before he agreed to knuckle under the federal proposal.

**MR. CRAIK:** Well, Mr. Speaker, with regard to the first part of the question, the Budget was scheduled to go for the day on which it went. The only shifting that occurred was to shift it from afternoon to evening because of the, well, acknowledgment that it would be much better to go simultaneous with the federal announcement. So that was the reason for it, and the reason that the Budget went at this stage of the game had very little to do with the Federal Budget going at that particular time or that particular week or that particular day. It was more or less dictated by the fact that I had personally made arrangements to have to go out of the country late tomorrow to do some negotiations with regard to bond issues, and I would not be here for the period that we would normally have possibly allowed a week later for the Budget.

So Mr. Speaker, although I know the Member for St. Johns would not have missed my presence in the House that was the reason in part for the Budget coming in when it did. So that's the principle question, Mr. Speaker. As to whether or not we compromised anything that's a matter of opinion. In the final analysis I think what's at issue is really the mechanism and whereby this came about rather than anything else. As to whether or not the two-for-one formula is equitable, that of course is subject to some debate and members may wish to discuss that further.

**MR. CHERNIACK:** Thank you, Mr. Speaker. Then I would ask the Minister of Finance to confirm that it is not the proposal itself which he found unacceptable, but the manner in which it was presented to him.

I think the Honourable Minister was confirming that the proposal was a completely acceptable one to them.

**MR. SPEAKER:** The Honourable First Minister.

**MR. LYON:** Mr. Speaker, so as not to let the Member for St. Johns put any particular interpretation of his own, let us read from the document itself, the communique, which is in front of him now, and I would commend to his reading. Quote, from the bottom of the first page, and this represents the four Premiers of Western Canada: "The Premiers stressed that they were not debating the principle of the sales tax cut as a fiscal measure, but they were sharply critical of the unilateral and intrusive way in which it had been put forward."

**MR. SPEAKER:** The Honourable Member for Elmwood.

**MR. RUSSELL DOERN:** Mr. Speaker, I wanted to direct a question to the Minister of Health. In

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addition to the elimination of free drug8s, can the Minister confirm that the Health Sciences Centre no longer provides to patients who are poor and elderly such small personal items as kleenex, combs, razor blades, shampoo and toothbrushes?

**MR. SPEAKER:** The Honourable Minister of Health.

**MR. SHERMAN:** No, Mr. Speaker, I can't confirm that. As far as the free drug program is concerned, anybody on social allowance will continue to be picked up on that basis. The Pharmacare program, as the honourable member well knows, takes care of 80 percent of the cost after the \$50.00 deductible, and the experiment tried on a pilot project for the past two years in that capacity at St. Boniface General Hospital has worked out satisfactorily.

**MR. DOERN:** Mr. Speaker, I'm trying to relate my comments to matters of personal hygiene and so on, that if this is true, that hospitals in effect are now charging for these small personal items, I would ask the Minister if he wouldn't agree that this is a case of robbing Peter to pay Paul, that these small charges . . .

**MR. SPEAKER:** Order please. I want to point out to the honourable member that questions of agreement are not proper questions for this particular time of the day. Would the honourable member like to rephrase his question?

**MR. DOERN:** I will then ask him if he considers it a matter of fact that by charging for small personal items, that his department will eventually have to pick up these funds anyway, for the patients who are older and poorer and have to have small personal items, that are now being either eliminated or charged for.

**MR. SPEAKER:** The Honourable Minister of Health.

**MR. SHERMAN:** Well, Mr. Speaker, I can only repeat what I said a minute ago, that I can't confirm that that is happening. I certainly have no knowledge of it happening at the Children's Clinic. I have no knowledge of it happening at the Health Sciences general out-patient department. I'll look into it.

The honourable member has raised a question. To my knowledge the professionals who work in those departments are humane and compassionate; they don't draw the line over pieces of kleenex.

**MR. SPEAKER:** The Honourable Member for Elmwood.

**MR. DOERN:** Mr. Speaker, if I could finish off here. I wanted to ask the Minister if he is monitoring the situation in the hospitals to ensure that there are not minimum levels of staffing and patient care that are being violated as a consequence of the stringent measures that he's applied to the hospitals. I would cite as a further example the Manitoba Home at Portage where it was discovered that there was a situation occurring there that was not acceptable and the Minister then acted. Is he monitoring the effect of his Budget on the hospitals throughout the province?

**MR. SHERMAN:** Well, Mr. Speaker, I'm not personally monitoring every hospital in the province. The Health Services Commission and the Manitoba Health Organizations are monitoring that situation.

I was involved in a number of the workshops or seminars that the Manitoba Health Organizations held last week in the city. I talked to a good number of hospital administrators at the time and I'm maintaining that kind of contact.

The Manitoba Health Organizations has a very colourful and articulate spokesman in their Executive Director. I presume if there's any problem like that I'll hear from him very very quickly.

**MR. SPEAKER:** The Honourable Minister of Finance.

**MR. CRAIK:** Mr. Speaker, on Tuesday, April 11th, the Premier took as notice, on my behalf, a question from the Leader of the Opposition concerning whether or not I could provide the following information: "The somewhat detailed information as to the change in the receipts, or the forecast of receipts, from the Government of Canada by the Province of Manitoba with respect to both tax collection agreement items and also the equalization payments, and indeed all transfer payments from Canada to Manitoba.

The purpose of my question, Sir, is to get clarification with respect to a question-answer that took place in the Chamber two weeks ago, at which time we were advised that there was no significant alteration to the forecast of the flow funds from Canada to Manitoba." Mr. Speaker, I just repeat, that's dated October 11th.

The question referred to of two weeks ago to which I believe the Leader of the Opposition referred appeared on Page 258 of Hansard on March 30th, and the Hansard record reads:

**Question:** Mr. Speaker, I have a couple of questions for the Minister of Finance. The first question is



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to ask the Minister of Finance if he could indicate to the House whether the Estimates of Revenue, which we receive as a province from time to time, from Revenue Canada, whether those Estimates of Revenue have been revised again, once or twice, since last autumn?

**Answer:** Mr. Speaker — and I replied, Mr. Speaker — in reply to the Leader of the Opposition's question, I presume he is referring to the 1977-78 fiscal year and I think the answer to his question would be, "No, not substantially."

Mr. Speaker, I want to say that in response to each of these questions, first of all I want to table a summary of the Federal Government's initial and revised Estimates of payments to Manitoba under the fiscal arrangements for the 1977-78 fiscal year.

This summary includes references to the dates of the letters in which the information was received from Canada.

I should point out, Mr. Speaker, that the March 30th question from the Leader of the Opposition was clearly and correctly answered by myself. He has since interpreted it as being a broad question covering all federal transfer payments while at the time, Mr. Speaker, I interpreted it as being — and properly so — the question related to income tax estimates which had been at issue. — (Interjection)—

Well, Mr. Speaker, the fact is that the Leader of the Opposition . . .

**MR. SPEAKER:** Order please. Order please. May I suggest to the Honourable Minister of Finance that if he has a report to table, there is a place on the Order Paper to table it.

The Honourable Member for Inkster on a point of order.

**MR. GREEN:** Yes, Mr. Speaker, on a point of order. The Minister is clearly debating with the First Minister the way in which certain questions were asked and the way in which certain questions were answered.

He started by saying he has an answer to make with regard to estimated revenues and expenses. If he will give us the estimated revenue and expenses, he can then participate in the debate as to what those mean and we, on this side, will participate. But the Minister is using this opportunity for debating a question which I, indeed, think should be debated, but not in Question Period.

**MR. SPEAKER:** The Honourable First Minister.

**MR. LYON:** Mr. Speaker, on the same point of order. It is my interpretation that the Minister is merely attempting to answer a question of which I took notice on his behalf in response to the Leader of the Official Opposition.

With respect to the second point made by my honourable friend the Member for Inkster, I wish he would advise the House as to what opportunity the Minister would have to debate this particular issue because none seems apparent under the rules.

**MR. SPEAKER:** Order please. Order please. The time for the Question Period has expired. If you want to give leave to the Minister . . . I'm sorry, the Minister does not have leave at this time. Perhaps he can table it as he's suggested.

## ORDERS OF THE DAY — BUDGET DEBATE

**MR. SPEAKER:** Order please. Order please. The Honourable Minister of Mines.

**HON. BRIAN RANSOM (Souris-Killarney):** Mr. Speaker, in the course of the Throne Speech Debate and the Budget Debate to this point, Mr. Speaker, I have attempted to listen rather attentively to the honourable members opposite in an effort to determine what seems to be their political philosophy and their political strategy. On the basis of those observations, Mr. Speaker, I can only conclude that the strategy of the honourable members opposite appears to be to attempt to defend the eight years of their administration and to attempt to earrass the government on actions that we have taken to date.

The political philosophy of the members opposite, Mr. Speaker, as far as I can determine seems to be simply one of spend and consume. The message is that we should be spending more and that we have not learned to consume.

Well, Mr. Speaker, I first of all would like to deal very briefly with the strategy of the members opposite that has to do with the defense of their administration over the past eight years because I find it rather interesting that the honourable members continue to attempt to defend positions in this House that they were unable to defend successfully during the election last September and October. It's very tempting to deal with a number of those points, Mr. Speaker, but I prefer to deal with only two of them and to proceed to what I believe to be things of some more substance.

But if I might, as one example, Mr. Speaker, point out their reaction to our spending Estimates in regard to highway construction. Now admittedly there has been some misunderstanding in terms of the amount of money that has been allocated to highway construction this year but we have in fact given some additional amounts of money in a time of restraint. That is in line with the campaign that we conducted last fall. I believe that over the eight years of administration by the previous

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government, Mr. Speaker, that the spending on highways increased by something slightly in excess of 93 percent whereas the overall spending of the government during that period of time increased by something in the neighbourhood of 235 percent. Now today, Mr. Speaker, the honourable members opposite will try and make the point that this government puts highways ahead of people, that we put blacktop ahead of people. Well, Mr. Speaker, that is a point that to me indicates the lack of understanding that the honourable members have about what maintains the economic base of the province, what kind of an infrastructure we have to have to be able to generate the kinds of economic activity that are required to support the social programs that the honourable members opposite have been giving a higher priority in terms of their spending over the eight years. Now that was a position that I suggest they were unsuccessful in defending during the election and I suggest that they have been just as unsuccessful in defending that position here, Mr. Speaker. I guess it's to our advantage that they continue to attempt to defend it.

There is one other situation that I cannot pass up because I find that it is so revealing of the lack of understanding that the honourable gentlemen opposite have with respect to the rural scene particularly in southwestern Manitoba. I happen to be particularly familiar with this situation because it is one that I have personal experience with in my constituency of Souris-Killarney and that has to do with the Mineral Acreage Tax. Now in the by-election in November of 1976 and again in the general election last fall, we referred to that tax as a nuisance tax, Mr. Speaker. The honourable members opposite simply do not seem to be able to understand that in fact it was a nuisance to people in the rural areas. They point out it does not apply to farmers but what they fail to understand is that the administration of that particular program was so confused, Mr. Speaker, that rural people — farmers included — would get forms with respect to this tax and they would indicate that they were farmers, so they would send them back to the government. Back the form would come again paying no attention to the fact that they had indicated that they were not required to pay the tax. Now that is precisely the type of interference, of harassment by regulation that was referred to at the First Ministers' Conference in Ottawa in February, that type of niggling sort of troublesome thing for people that are attempting to make a living and to help bear the tax burdens of this province and the country.

Now, the honourable members opposite continue to somehow try and make out that that tax was applying to the CPR and to non-resident land barons, that somehow they were going to be carrying out their ideology by imposing that particular tax. Well, Mr. Speaker, let me just point out what the impact of that tax was in my particular constituency. Who was affected by that tax? Mr. Speaker, I do not exaggerate in the least when I say that the people who were affected by it were, without doubt, the little old ladies of that constituency, very many of them are retired from the farm and when they retired and perhaps sold their farms or perhaps continued to own the land, but in any case, they retained the mineral rights on that land, Mr. Speaker, and I suppose that perhaps a rough average would be that they perhaps had a half section on which they had rights. Now at ten cents an acre, Mr. Speaker, that's only \$32.00 a year, admittedly, but for many of those people that was more money than they wished to lay out. So what did they do? They didn't let the rights go to the government, Mr. Speaker. In many cases they said, "I'll give the rights then to the person from whom I bought the land." So many of these retired people gave up the rights, let them go to the person that is now working the land and do you know what has happened since, Mr. Speaker? In southwestern Manitoba there has recently been a great deal of activity in the leasing of oil rights now in the anticipation of deep drilling. They are now leasing those same rights, Mr. Speaker, for a bonus of \$5.00 an acre which on that half section would amount to \$1,600 that these retired people might have had. In addition to that, there is a payment of perhaps \$2.00 a year for up to seven years — another \$640 a year that might well have gone to those retired persons. But instead, Mr. Speaker, because of the ideological persistence of the members opposite, they implemented that program and it has now resulted in that type of hardship or forced sale of rights by those people. Those same people, Mr. Speaker, knew that that program was wrong when it came in; it has been proven wrong and they still know who was responsible for it. —(Interjection)— Not on the basis of that program. Not southwestern Manitoba.

Now, Mr. Speaker, the one additional strategy that I seem to detect in the honourable members opposite is that of attempting to embarrass the government. Now that is a fair game, I would judge, that helps to keep the government, the members on this side on their toes. But I suggest, Mr. Speaker, that that is only fair game to the extent that the public interest is not compromised by those efforts to embarrass the government. One example I would like to bring forth is that of the negotiations and the announcements that have taken place with respect to Co-op Implements. Last December, when the Minister of Finance made a statement to the effect that we were unable to come to agreement respecting the support of Co-op Implements, the Honourable Member for Inkster stood up and made a plea at that time that I would like to refer to, if I may, Mr. Speaker, where he said — and this is on page 297 of Hansard — "Mr. Speaker, I would like to direct a question to the Honourable First Minister with respect to the proposal by CCIL to obtain public moneys. Would the Minister consider referring for recommendation on a straight commercial basis, the most recent proposal of CCIL to the Manitoba Development Corporation Board of Directors?" Then he made some comments respecting the alleged profit of MDC during that period of time, and he ended his question again, "Will the Minister consider referring the question to them for recommendation on a straight commercial basis?"

Now, at the time, Mr. Speaker, I gave the honourable member opposite credit for being genuinely concerned about the welfare of Co-op Implements, but more recently, when it was announced in this

House that we in fact had arrived at agreement for the support of Co-op Implements, then the Honourable Member for Inkster rose gleefully, I think it's fair to say, to his feet to receive that announcement. But Mr. Speaker, he was not gleeful about the fact that the government would be providing support for this industry in Manitoba, he was gleeful about what he considered to be a retreat by the Conservative government, a retreat which he likened to Napoleon's retreat from Moscow, I believe. Well, again, Mr. Speaker, I thought, that's fair enough. The honourable member is making a point, fair enough.

Then later that day or perhaps a day or so later, the Honourable Member for Minnedosa was speaking. Again there was effort made by the Honourable Member for Inkster to cause some embarrassment for the Member for Minnedosa. When the Honourable Member for Minnedosa was finished speaking, the Honourable Member for Inkster rose again and he said, "Mr. Speaker, I'd like to thank the Honourable Member for Minnedosa for his remarks. I want to clear up several points for him immediately. The Manitoba Development Corporation was approached by CCIL for funds and they refused, they outright refused." Well, at that point, Mr. Speaker, I began to think that perhaps the admonitions of my honourable colleague, the Minister of Highways, started to make a little sense when he rose that afternoon and said that he was a little concerned that some of the members on this side, particularly the new members, might be being taken in by the apparent logic of the Honourable Member for Inkster. But now I understand that, Mr. Speaker, because it seems quite apparent to me that the Honourable Member for Inkster was not primarily concerned with the welfare of Co-op Implements, he was primarily interested in getting the government to take a position which he considered to be embarrassing to us. So be it, Mr. Speaker.

**MR. GREEN:** Mr. Speaker, would the honourable member permit a question?

**MR. RANSOM:** Just one.

**MR. GREEN:** Okay, just one, Mr. Speaker, just one — fine. Does the honourable member consider a straight application to the Manitoba Development Corporation for \$20 million to be the same as a proposition that three provinces, plus the Federal Government, would also contribute money, and that a new proposition could be considered on a straight commercial basis by the Manitoba Development Corporation, or does the honourable member say that those propositions are exactly the same and should be considered in the same light?

**MR. RANSOM:** Mr. Speaker, obviously it is not the exact same proposal but it is also evident to me, Mr. Speaker, that the honourable member knew full well that the MDC was going to reject that type of proposal and he was interested in putting us in the position of asking them to assess it. Now, Mr. Speaker, obviously the honourable gentleman can object to that interpretation of it, but I must say that in my view the remarks that my honourable colleague the Minister of Highways made, carries just a little more weight after that type of comment.

**MR. GREEN:** I'm surprised that you agree with him and not with me.

**MR. RANSOM:** Well, if I might move to what I have been able to discern as the political philosophy of the honourable members opposite, that of spending and consuming. Their greatest criticism seems to be that we are cutting back on spending. I have heard reference to the Second World War a number of times — for instance, the sort of consumption that took place then, and that we simply haven't learned to consume now, and that's really the basis of our problem. Now, the honourable members opposite have given a number of reasons for spending, Mr. Speaker, and no doubt many of those reasons for spending are valid under some circumstances and the objectives that they have in mind are valid objectives, but it has to do in my view with the capability of government to achieve those objectives. They have given, along with these explanations, some indications — or what seems to me to be indications — of their attitude that for example, when the Minister of Finance was presenting his Budget, he made some passing reference to the desirability of a balanced budget, and he also made some reference to interest load that would remain until the debt was retired.

Well, Mr. Speaker, he was greeted with jeers by the members opposite at any indication of retiring debt. I believe the Honourable Member for Inkster has remarked that the amount of interest that was to be paid on a debt of \$100 million was really not all that much money and it wouldn't be that difficult to carry. The Member for Ste. Rose has engaged in what I consider to be rather nonsensical comparisons, where he attempts to say that the current deficit that a government has, the deficit on its operating expenses, is somehow comparable to debt for capital investment that farmers make in terms of investing in equipment in order to generate some return from it.

Well, it happens, Mr. Speaker, that just a few days ago I was referring to a section in the Free Press which contains the black and white comics, and I find that it seems to me to be a little more understanding of economic realities in the black and white comics than I find among the honourable members opposite.

In this particular case the column was B.C. and B.C. was behind his loan counter when Thor came along and he said, "I need a loan of \$3.52." B.C. says, "Why in the world would you come to me for a loan that small?" Thor says, "I can't afford the interest on four bucks."

Well, Mr. Speaker, it would seem to me that Thor probably understood that it didn't matter whether he was going to spend his money on luxuries or whether he was going to spend it on operating

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expenses or whether he was going to tie it up in some sort of capital investment. He realized that an important consideration was whether or not he would be able to carry the interest load on it. Now, based on that sort of logic, Mr. Speaker, I think it's fair to assume, because of his fiscal responsibility, that Thor was obviously not a socialist so he probably also understood that he could have made at least two different kinds of capital investments with the money that he wished to borrow. He might have, for instance, gone out and bought a new wheel and started a taxi service and on the fees that he charged he might have been able to cover his operating expenses and his depreciation and his interest load and retire the debt that he had. But he might also have invested or tied up his capital in a cave and parked his excess wheels in that cave in which case he would have to cover his interest expense from some other source.

Now, I suggest, Mr. Speaker, that the honourable gentlemen opposite don't seem to understand the significance of having to carry debt, albeit debt that involves investment in buildings, for instance. They don't seem to understand that when those investments are not generating return that it is quite a different set of circumstances from those investments that do such as the investments that the farmers make in their equipment and land which the Honourable Member for Ste. Rose doesn't seem to appreciate.

I have listened rather carefully, I believe, Mr. Speaker, in waiting for members opposite to give a plausible explanation of why they think that the government is able to continue the pattern of spending that has been built up over the past few years. I really wanted to hear an explanation to know that we hadn't in fact been on some type of spending binge but in fact that we were following some type of grand plan and that they really had it figured out and they knew what they were doing. Well, Mr. Speaker, one morning the Honourable Member for Brandon East accused the Minister of Finance of being ignorant of the principles of deficit financing and I thought, "At last; we are now going to find out from the honourable member how this pattern of spending can be sustained." But that was not so; that was the only reference he made; he didn't care to enlighten the House on the principles of deficit financing. Mr. Speaker, I believe that the single greatest failing of the members opposite is that they have not, they have not told the people of the province how those levels of spending are to be sustained. I submit, Mr. Speaker, that some of the honourable members opposite are starting to get maybe just a little worried about defending that position with respect to spending. I think that the Honourable Leader of the Opposition being the intelligent person that he is and having the interest that he has in energy and energy matters, the facts that he must have because of his interest in energy concerns, he cannot be but concerned about the ability of a government to sustain those levels of spending.

Mr. Speaker, the Honourable Member for Inkster also made the statement that he agrees with the concept of a balanced budget but over a period of time. He said he would stretch out the period of time but it hasn't been indicated to us what that time period would be. But those two things together, in particular, give me some indications to believe that just maybe the honourable members opposite get a little concerned about it.

I suggest, Mr. Speaker, that given the desire of the members opposite to spend and given their reaction to any suggestion of retiring debt and given the knowledge of the Honourable Member for Brandon East, the knowledge that he has of the principles of deficit financing, and given the belief of the Honourable Member for Inkster that balanced budgets are a desirable thing over a period of time, now combine that with the acknowledged intelligence of the Leader of the Opposition, Mr. Speaker, and I say that it's time that the people of Manitoba, particularly the young people of Manitoba, be told what reasons the honourable members have opposite to believe that the young people, the youth of today, will somehow be in a better position to pay our bills tomorrow than we are today, because that is what the members opposite are telling the people of the province; particularly the young people of the province, Mr. Speaker, are being told that they are the ones that will have to bear the cost of our standards of living that we have today.

Well, Mr. Speaker, there were perhaps circumstances, there were perhaps circumstances, in an expanding economy where that sort of policy was appropriate. I suggest, Mr. Speaker, that that policy today is totally inappropriate and I would like to read one quotation from a book that was written by a gentleman who had taught at a number of different universities but who was — we might call him an environmental engineer, by the name of Howard Odom. The book is "Environment, Power and Society." The important thing to note here, Mr. Speaker, I believe, is that this book was written in 1971 and the quotation that I'm going to read has to be taken in the context of 1971, pre the energy problems that we're encountering today. And I quote:

"Perhaps the fossil fuel based energy explosion is not long for this world. The curves of exponentially rising energy use may be crossing the curve of increasing costs of finding cheap, new energy sources. As the ratio of potential energy found to work expended starts to decline, the activities involving energy excesses may disappear. Then the amount of structure and useful function that can be supported will stop increasing. There may be a long period of levelling energy budgets of a fairly high plane but the expanding economy may be gone. The citizens will sense this process as inflation."

Now, Mr. Speaker, that is precisely the type of thing that we are experiencing today. The increasing costs of gathering useful energy for discretionary uses, those costs have gone up and that, in this day, is what makes the position of the honourable members opposite totally inappropriate. Now, I suggest, Mr. Speaker, that either the honourable members opposite don't understand that or they don't have the courage, they don't have the courage to tell the people of this province what the facts are, that the spending binge — if we can call it that — is over. The government cannot be all things to

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all people, they cannot be the employers of the unemployed. People's expectations have been raised on the basis of cheap energy. We do not have that cheap energy anymore. The honourable members either don't understand that or they don't wish to admit it. The Honourable Minister of Finance has had the courage not only to admit it but to suggest that we have to work towards conforming to those type of realities.

I only have two questions for the honourable members opposite. I would like to know the answers; I know this House would like to know; the people of Manitoba would like to know and, particularly, the youth of today would like to know the answers to these questions. First of all, why should they have to pay for the debts that we incur today? Why should they tomorrow be expected to pay the debts that we incur today? And, secondly, how can they be expected to pay the debts tomorrow that we are unable to pay today?

Thank you, Mr. Speaker.

**MR. SPEAKER:** The Honourable Member for Transcona.

**MR. WILSON PARASIUUK:** Thank you, Mr. Speaker. The Minister of Mines has just indicated in his speech the time period within which the present government operates and thinks and he used the term "B.C." and I thought it was quite appropriate. He also told the members here the source of his economic thought and I was a bit surprised. I had always thought that the members opposite got their intellectual stimulation from classic comic books. I now find that they get their intellectual stimulation from just plain black and white comic books in the daily paper. I think that that source of intellectual thought was indicative in the final question that he posed. You can turn it around and ask, "Why should a generation today pay in cash for a hydro site or a road or a house which will be used by future generations?" That's why in fact it's a normal procedure to have something like mortgages, that's why in fact it's a normal procedure in capital financing and I think it was Premier Roblin who indicated that that's why they went into capital account, precisely for that reason. We find that that was a lesson in the past that the Honourable Minister of Mines isn't aware of because you see he doesn't even read the things that were printed in 1958, or about 1958. His economic thought is firmly routed in the period B.C.

But, Mr. Speaker, I'd rather turn some of my attention now to the point of privilege that I raised the other day. I feel this is an opportunity to provide the back-up to some of the points that I raised about that matter regarding the Rent Stabilization Board Report. I am not particularly pleased with the budgetary policy of this government when they use funds to try and tamper with reports. And I used the term "tamper" then and if you can recall, the Premier tried to threaten me on my point of privilege. He said, "He'd better be sure of his facts or he will find out what privilege really means in this House. I can assure him of that." So we tried to find out precisely. We moved that the matter be referred to the Committee on Privileges which is the proper place for me to provide my back-up but before we had a chance to vote on that particular motion, the Minister who is sitting beside him, got up and confessed his sins. He confessed his sins for about 15 minutes. He did so either wittingly or unwittingly but he certainly proved my case. The First Minister, realizing that I could in fact back up my charges, called question immediately, had the Conservative Party vote in block to prevent further debate on this matter in the Legislature. They used the power of the majority — which they command in this House — to prevent me and the people on this side from providing the back-up to the valid claims we had made about a government tampering a report, about a government doing the worst job of censorship that I have ever seen in ten years of experience in a bureaucracy here at the provincial level and at the federal level.

Now, we know that the Minister of Consumer Affairs got up and confessed all the sins but I don't think we know the complete story regarding that report. I would like to take a few minutes to provide it. The Minister asked the people who were involved in the report — and you must note that the report was being conducted under the direction of an economist from the University of Manitoba who conceivably would be providing objective direction, objective leadership, objective analysis. He was asked by the Minister during this study, if the group would provide some decontrol options. The group wasn't going to provide decontrol options in the first instance but the Minister asked that the study group look at decontrol options. They did that but in the foreword of the report, they concluded that although the decontrol options had been asked for, there is no real urgency in taking off controls.

That must have been very very objectionable to the Minister because it undercut the position that the Conservative Party had taken in the campaign, it undercut the type of support that the Landlords' Association was providing the Conservatives, when in the campaign and after the campaign they said, "Our only hope is the Conservative Party".

So it's my thesis that the government then tried to change the report by asking for decontrol options, received a conclusion from the report that the government didn't like and then suppressed 50 to 100 copies that weren't printed in a draft form that were printed. They were printed and provided to the Minister of Consumer Affairs. A copy was leaked to the press, but it was a printed report received by the Minister, the way Ministers in past governments received reports like the Kieran's Commission, like the Bellan Report — had not always agreed with the findings but had never once tried to tamper with the analyses or the findings of any report that they had received.

But this report was seized. It was then edited. Civil servants were forced into a very difficult position by the Minister. The person under whose direction the study was being conducted was not present, and then the report was reprinted and released in the name of that person who wasn't

present when the report was being edited by the Minister.

And, Mr. Speaker, they tried to have the members of this House and the public believe that that reprinted piece of propaganda came to us in some state of virginal innocence, when we know what happens when Conservatives get a virginal innocence; they completely change it around.

And I said that this was complete deception, Mr. Speaker, and it certainly was. It was the grossest form of deception that we witnessed so far. We weren't the only ones fooled, Mr. Speaker. The press received that report as it came out from the Minister, and we saw headlines in the press saying the report supports the Conservative position on rent controls.

So that deception served its purpose. But you see you can fool some of the people some of the time, but you can't fool all of the people all the time, and, Mr. Speaker, the truth came out, as the truth always will in those instances. And we found that that report had been edited. We found that the Conservative position with respect to that document was a manipulated one' and we find that that document has the same worth as the government task farce report.

In fact I think that the Minister of Public Works, if he is still short of toilet paper, should add to the task farce report the report of the Rent Stabilization Board, and they can use it for other purposes. Because it certainly has no purpose as an objective piece of analysis.

**A MEMBER:** How about the Budget?

**MR. PARASIUK:** And the Budget; we are going to come to the Budget, as well. Because, Mr. Speaker, what this manipulation has done is unfortunately destroyed the credibility of all of these reports. And there are some serious questions that have to be asked regarding all of these reports that come out. We never thought to ask them before because we never thought that this government would stoop to the level of changing technical information, of changing technical analysis. But, Mr. Speaker, from now on a valid question to ask when any Minister tables a report, which he purports to be a technical report, is did you edit that report for political purposes? Is it your report, or is it a technical report? And we have been told, and we have received other so-called reports.

I'd like to turn to one. Actually there are two. It is called "The Report Showing the Interim Audited Financial Data for the Six Months Ended September 30th, 1977, and Projections for the Year Ending March 31st, 1978". The Conservative government said, "We will remove all doubt regarding the financial position of the Province of Manitoba by having the auditor release a report." And we all know that the auditor must be very accurate in his report, and therefore this will tell the public what the position of the province is.

The auditor looked at the cash position, and that's all he could audit. And that was a bit unfortunate, Mr. Speaker, because the cash flow is not a straight-line cash flow. So that although you might be running a deficit at a certain point in time, you get adjustments through the rest of the year that will change dramatically that deficit. And we had had a situation the year before, Mr. Speaker, where our expenditures were running at a certain level whereby we could have run into a serious deficit but the government conducted a mid-term re-evaluation of the estimates and expenditure procedure and we reduced the level of expenditure by \$22 million in a very painless manner.

This government made a lot of publicity about the fact that they had a huge deficit, and then they butchered a whole set of programs. And the reason why they butchered the programs, Mr. Speaker, is that they weren't doing their homework when they were reviewing the Estimates. Most of them were away at that period. They commanded the departments to cut, and then they all took off to Hawaii and Florida, and other places. I can recall Ministers and staff spending week upon week, upon week, of evaluating and reviewing specific programs, and they did a good job. That was the New Democratic Party government that did that. And they did bring about a reduction in the Estimates level.

This new government came in. They threw out some orders to some terrified civil servants, and then they took off to points south. And we are left now with the results of a very badly maligned set of programs which the government assumes is some type of coherent package. And frankly, they are quite a mess.

**MR. SPEAKER:** Order please. Has the Honourable Minister a point of order?

**MR. RANSOM:** Yes, Mr. Speaker. The indication was that I, personally, as a member of the Cabinet of this government, took off to points south, in words of the honourable member. That is not true and I can also point out for the record that there always was a quorum of Cabinet present during the period to which the honourable member refers.

**MR. SPEAKER:** The Honourable Member for Transcona.

**MR. PARASIUK:** Mr. Speaker, I don't know if that's a point of order. I don't know if the Cabinet met or not, but I think they are trying to defend themselves. I can recall coming in some days and seeing no cars in the front parking areas where the Ministers' cars were supposed to be — none at all.

But I was talking about this Interim Report put out by the auditor, which supposedly had the sanctity or the legitimation of the auditor's stamp. I have some questions about that report because it assumed a straight-line cash flow. I will have a chance to deal with those questions when Public Accounts Committee meets.

However, we got another report December 30th. This is a nine-month report. And the interesting

thing — and I don't think most people in Manitoba realized it at the time — is that the auditor didn't audit those statements. We never got an explanation as to why the auditor didn't audit those statements. Did the Minister want to manipulate the statements? We have never received an explanation.

But having witnessed what the Minister of Consumer Affairs did with the Rent Stabilization Board Report, I can see that maybe the Minister of Finance had some motivation for not wanting the auditor to audit the December 30th report. Because if you look at that December 30th report, it says that the situation is unchanged. It has one entry with respect to revenue, and it doesn't change it at all. It has the same amount as it had in the September 30th document — \$1.08 billion of revenue. It doesn't say that this is income tax revenue or shared-cost revenue. It just has one line — Revenue \$1.08 billion. And therefore it says we have this huge deficit. And this report was not released on December 30th, although it is effective for December 30th; it was released on January 27th by the Minister of Finance. And the Minister of Finance, in that press report, says, "Projections to the end of the present fiscal year," that is to March 31st, 1978, "remain unchanged from those reported last November. These figures, based on committed programs, still show an estimated combined deficit for the fiscal year of \$225 million — \$129 million in current account and \$96 million in capital account."

To go on, "The projections have remained unchanged," he said, "because of the significant continuing uncertainty of the extent of those provincial revenues that come from federal transfer payments." That's the end of the quote, but that press report doesn't say income tax only; it talks about all the provincial revenues coming from federal transfer payments.

And I'd like to know why the auditor didn't audit the December 30th report. I'd like to know when the Minister of Finance or his officials received any information from the Federal Government which indicated that perhaps their estimate, which was utilized for the December 30th report, was wrong. When was this government told it was going to get an additional \$40 million from the Federal Government?

The Minister of Finance can try and split all the hairs he wants when he says, "Well, no, I was only asked about income tax," when in fact in his own press release when he talks about this matter he talks about all federal transfer payments. So he has to come clean. He should present the documents. He should show us when exactly did the Federal Government tell him that he would get extra money.

I want to know why the auditor didn't look at the second report. I also want to know whether, in fact, the Minister of Finance will bring before the Committee on Public Accounts those finance officials who presented the Estimates to the auditor, which the auditor included in his report. I want to know whether, in fact, those finance officials who presented the second set of Estimates that were put out in the Minister's report of December 30th will be brought before the Public Accounts Committee so that we can ask them when they received this information from the Federal Government. Because, Mr. Speaker, regrettably, I have a great deal of difficulty believing that the Minister of Finance — based on his performance to date — will provide the correct answers to us. Therefore I want to know whether in fact we will get access to the officials. This is not a matter of policy. This is a matter of fact. When were the facts provided to those civil servants? Did they provide them to the Minister?

**A MEMBER:** Do you want them to be fired?

**MR. PARASIUK:** Unfortunately, that's the other aspect of what this government is doing when they tamper with reports. Because they might think that they are fooling us or that they are fooling the public. The Conservative government, Mr. Speaker, when they tamper with technical reports, is fooling themselves.

You know, there is a story about the emperor walking around without any clothes and all those people around him who didn't have any integrity said, "You look very good." They didn't have the guts to tell him that he wasn't dressed. I don't believe that any of those people on the other side have the guts to tell the present emperor when he is not dressed. But I do have faith in the Civil Service if they are not bullied, if they are not threatened and if they are not intimidated, to tell their Ministers and to tell this government the objective facts and to tell the emperor when he is nude.

But it appears as if they are trying to bully the Civil Service through indiscriminate firings without criteria being applied or utilized, or cited for the firing. So they put a reign of terror into the Civil Service. Imagine those poor staff people who are involved in this Rent Stabilization Board Study. The Minister said, "You all agreed to these changes, didn't you?" Some people, who have since left that group, said, "No, we didn't all agree to those changes." What are those people who are still there supposed to say? They must be terrified, and I really feel sorry for them, that this government has terrified them that way. They have asked them to be liars and they will not, I hope, be liars. It is important that this government receives objective technical analysis, objective technical data, from its civil servants and from its consultants. And we, as a province, will be much poorer for it and much worse off if the technical data has to be doctored to suit some type of propaganda purpose of the members opposite.

So I ask them not to censor technical material that comes out. Take it, look at it objectively, accept or reject that material. Make that decision yourselves, but don't try and tamper with the technical document because you in fact, as I said, are fooling yourselves. —(Interjection)— That's right.

He is quite easily fooled, Mr. Speaker, so I think he wants to fool himself. He has tried to fool the public on many instances in the past and I think he's trying to fool himself right now. —

(Interjection)— you know, Mr. Speaker, if he wants to mumble about it, he has an opportunity to get up and speak and prove whether in fact . . . —(Interjection)— Sure, and Cass-Beggs was in fact a person of integrity. It wasn't the same thing as going to Rubin Simkin, by-passing him, not even having him present and then tampering with the report. And when all is said and done, Mr. Speaker, despite the mumblings of the Minister of Public Works, who has better things to do probably or should have because he's not running his department particularly well so far as some poor civil servants have found out, he has better things to do, Mr. Speaker. But he's trying to diffuse the issue of their politically manipulating a technical report.

I would like to now turn to the Budget itself. It's a rather strange type of Budget. It doesn't talk about the traditional problems facing a country of unemployment, of job insecurity, of people leaving the province, it doesn't deal with any of those things. —(Interjection)— It's an honest non-political report that makes some wild charges about government spending and then it says it's going to set up a management auditing system and bring in better accountability. Well we've seen what accountability is. We've seen that they have misled this House time and time again and if that's their notion of accountability, then I think what they're going to do is train their civil servants into misleading them as well because they are quite prepared to take information and mislead us.

This document doesn't deal with any of the pressing problems facing this province. It avoids them. It's like a document that has come out in the Thirties — it's like a Budget document of that period of time. It doesn't deal with the present-day problems. It's like Calvin Coolidge, Herbert Hoover or R.B. Bennett, it talks about little management items.

But there are some very large technical problems that it doesn't, I think, accurately deal with. One of these was the whole problem that was outlined in their Task Force Report on Government Organization and Economy, this farce report, but you know they should at least listen to their own advisers. And their advisers said with respect to the economic position, that we have a deficit because of three reasons: Growth in government expenditures — they didn't say whether in fact this was a good thing or a bad thing; they said there's been growth in government expenditures because you have services provided by this growth. There is a sluggish economy, in part due to international circumstances. And they said that revenues are down because of federal indexing of income taxes and we get a portion of that. They said that those are the three big causes of the deficit.

Well, this Budget says that it's going to do something with respect to controlling government spending. It really never. The bottom line is still a deficit of \$114 million with a completely chopped-up set of programs so that no one can tell what the priorities of this government are, because they don't know either. The only areas supposedly where they've increased their expenditure is highways — and I can see the Minister of Highways smiling contentedly with his 33 percent increase, or the 7.3 percent increase — and I'll be interested to know whether in fact the Minister of Highways will have sufficient integrity to send out press releases to every community newspaper and every radio station in this province saying, "Disregard the press release that said we have increased highways expenditures by 33 percent; it's only 7.3 percent." I hope he undertakes to do that because he raised that as a point of privilege in this House.

**MR. ENNS:** I didn't send them out.

**MR. PARASIUK:** Good, I'll see if it comes out in my paper.

**MR. ENNS:** I said I didn't send them out.

**MR. PARASIUK:** But I think one of the reasons why they put in the money for highways, Mr. Speaker, and I think the First Minister tipped their hand — this came out in the press statements on this — they said we have to put the extra money into highways because, of course, we've got railway line abandonment. The position of the New Democratic Party Government was to fight railway line abandonment. The position of this government seems to be to try and accentuate it and aid it. Just as they did with the TED report when they said, "There's rural depopulation, why fight it. Let's go along with it and make the adjustment easier."

Well, what they're going to try and do is put extra money into highways. They'll aid and abet railway line abandonment, but that will hurt Manitoba and that will hurt a lot of the communities which are on those railway lines that are abandoned because I don't think this government is going to stand up and fight railway line abandonment.

Now, the other point about the Budget is that it didn't — getting back to the indexation — it didn't point out that we've lost \$70 million so far from the Federal Government because of indexation of income tax. We probably will be losing in revenues this year something in the order of \$40 million because of indexation of income tax. That's a total of \$110 million. That's enough, if we've got that extra revenue, to wipe out this deficit which this government seems so terrified of; we could wipe it out if we, in fact, did away with indexation of income tax which is a very unfair form of tax rebate.

It's a type of reduction in tax which is of gross benefit to the higher income people and of a very marginal benefit to those at the bottom end of the income scale. But this government has not said anything to the Federal Government about having them stop indexation of income tax and I find it rather hypocritical and ironic that the Federal Government and this government don't do anything about indexation of income tax but start now trying to make some changes with the sales tax. I wish they would clean up their tax system and I think it's important that a province state its position with respect to the tax system that the Federal Government has. This government hasn't done that. And



I've asked the Minister of Finance if in fact he's tried to have indexation terminated. He said, "No, no, that's not a high priority. I don't know if we've dealt with it." It's dealt with on Page 15 of his own Task Force Report. But I would assume, Mr. Speaker, that that particular section was written by Finance Department officials who do have integrity and who are honest enough to state what that problem was.

I don't think the Minister of Finance had a chance to do a political hatchet job on that particular sentence because I'm pretty sure that if he did he would have taken it out. That's the type of accountability we're getting from this new type of government. It's not based on objective data, not based on fact but based on a pre-conceived position, a pre-conceived position which says, we would never ever tolerate some system which provides fairer taxation through the income tax system, because indexation is a regressive step. In fact, this isn't a Progressive-Conservative Government we're talking about; it certainly is a Regressive-Conservative Government. And every action to date has reinforced that — every action to date — there hasn't been one, I've not seen one. I thought for a minute that maybe the Minister of Highways would have at least put up for a free vote or for discussion the whole question of seat-belt legislation; that's not been done, it's been removed.

I thought for a minute that since occasionally he acts pretty chipper that he would be chipper enough to introduce that in the House. I hope he still does but he hasn't to date.

One of the other points that this document, I think, might mislead us on — and I hope the Minister of Finance will provide more accurate technical information on this — is the so-called 61 . . .

**MR. ENNS:** I wonder if the honourable member would permit a question at this time.

**MR. PARASIUK:** I will at the end. The Minister of Finance indicated in his Budget that the sales tax reduction of 3 percent over six months would reduce revenues by \$61 million, and conceivably would put \$61 million into the hands of Manitobans who would spend this money more-so in the province.

We never got an explanation from the Minister as to why they chose the 3 percent option over six months rather than the option chosen by Saskatchewan and British Columbia — the other two western provinces which had a choice in this matter — they chose 2 percent over 9 months and I'd like to get comparable figures from the Minister of Finance on these two options because the biggest sales period in the year is not the summer, it's October, November, December and January. That's the period of time leading up to Christmas and the post-Christmas sales and retail concerns have said that that will make up the 50 percent of their volume of business.

**MR. DESJARDINS:** They can do their Christmas shopping early.

**MR. PARASIUK:** That will provide up to 50 percent of their volume. Furthermore, that's the period of time — the fall period, the late fall period — where farm cash income starts going up. You have farm cash receipts at that period of time. So our sales tax intake in that period of time is very high, and I'm wondering whether in fact this \$61 million figure is accurate. Will we in fact only be providing a reduction in revenue and supposedly then an increase in purchasing power of Manitobans, of \$45 million as opposed to \$61 million? And I hope the Minister of Finance will provide the statistical backup to point out why he chose the 3 percent option as opposed to the 2 percent option over 9 months, because Saskatchewan did, so did British Columbia, the two other western provinces, the two other provinces whose economy is more similar to ours.

We've got no explanation for that and yet we may find ourselves in a situation where their own particular programs for stimulating the economy — meagre as they are — aren't sufficiently based on fact to operate correctly.

I hope, and I ask the Minister, to provide that type of information. He's provided very little information in this document. It has far less objective material in it than I've seen in the past eight Budget statements. There's a lot of rhetoric in this supposed non-political document. All it has in fact is rhetoric, very little statistical information, very little statistical backup, and I think it may in fact be the advent of a new form of budget, to the rhetorical budget, the meaningless budget. It's the old trick used by Trudeau. You make a statement; you've exaggerated and then you run off to another topic, and when people say, well, prove your statement, prove your \$5 million statement for the flight of capital. Prove your \$6 billion statement that the First Minister has recently made. He says it's costing the economy something in the order of \$6 billion because of the duplication of government regulations.

I'd like him to provide the statistical proof and the analysis for making that type of statement. It's just an opinion. And you know, I think it's incumbent on the government, since they are the government, to provide that type of backup to the type of statements they make. And I would hope that it will be clear, objective, analytical data.

I find that my colleague, the Minister for Brandon East, has pointed out that already the Minister of Finance differs in his projections from Statistics Canada.

**MR. SPEAKER:** Order please. The honourable member has five minutes.

**MR. PARASIUK:** Thank you. Has differed in his projections from Statistics Canada. Now who are we to believe? Statistics Canada or the Minister of Finance. Now the Minister of Finance just throws out one number. I'd like the background material for that.

It's very important that we, as people on this side of the House and the public generally, have a

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chance to look at and analyze some of the fairly wild statements that are made by members opposite about capital flights, about costs to the economy of duplication, because whenever we've provided information on employment, whenever we provided information regarding capital formation, we did so using objectively based data. They're now trying to wind down the Statistics Bureau and I would think that what we're going to get are a set of Ministerial statements. I would hope that they're Ministerial statements, and I hope they're clearly identified as Ministerial statements, and that we don't use the old technique of trying to bully civil servants into changing things which they know not to be so.

Mr. Speaker, I will now entertain the question from the Minister of Highways.

**MR. SPEAKER:** The Honourable Minister of Highways.

**MR. ENNS:** Mr. Speaker, various members on the other side have given us some indication of their regard for recommendations contained in the Task Force, including the speaker just finished, the Honourable Member for Transcona, and I wonder if he would persist in his recommendation for the introduction of compulsory seat belt legislation, having in mind that that is one of the recommendations of the Task Force.

**MR. PARASIUK:** Mr. Speaker, what we have said about the Task Force Report is that it doesn't provide any background for its recommendations and so we say that that puts all of them in doubt. I'm quite prepared to ask the Task Force for their backup information which led them to make that recommendation, and if the Minister of Highways will undertake to enable me to receive the background material which led this particular Task Force to make that recommendation, then I will consider it.

**MR. ENNS:** Just one more question. Mr. Speaker, my difficulty is, I've received excellent advice from members opposite as to what to do with the Task Force and its papers and . . .

**MR. PARASIUK:** No, that's not the point. I'm asking him if he will provide the backup data because I think that the Task Force itself is a farce, but I think that maybe some of the background documents may have something to them, and I'm quite interested in finding out what they are, and I'm quite interested in finding out the background documentation for the seat belt matter. And if the member undertakes to provide that bit of information, I will give him a very clear concise answer on that recommendation.

**MR. SPEAKER:** On the proposed motion of the Honourable Minister of Finance. The Honourable Minister of Education.

**HON. KEITH A. COSENS (Gimli):** Thank you, Mr. Speaker. There are two reasons why I rise to speak on this Budget Speech. First of all, of course, I was impressed with the Budget document, I felt it's a very optimistic, encouraging document, and secondly, there are several aspects of it that bear directly on my own department. But before I get into that, Mr. Speaker, I would like to hearken back to a few remarks that the previous speaker, the Member for Transcona has just made. He has attempted again to explain away the deficit and I've been sitting here for some months listening to people on the other side of the House attempt to explain away that deficit, and I think they have not been doing it with any amount of success. One time they talk about the deficit, another time they talk about the restraint they have practised, but in fact, Mr. Speaker, that figure is still there and it's not going to go away regardless of how much explaining they do.

I also, Mr. Speaker, take some exception, as my colleague the Minister of Mines has done, to the statement that there were no Ministers here during the Estimate review. I can assure the Honourable Member for Transcona that there were many hours, many days, many nights, many weekends and many weeks of work went into the Estimate Review by the Ministers on this side, and that I'm sure they received as thorough and as minute a going over as they have ever done; perhaps the best that they have received in a number of years. I also, Mr. Speaker, as one of the Ministers who was not away on holiday this winter, resent the implication that we all spent our holidays in the sunny south. I think that is a pattern that has been followed by members on both sides of the House in years past, that there are some who are fortunate enough after many hours of work, many days of work, to get away for a week or so into warmer climates. However, I, as I say, was not one of those.

There are a couple of statements that I would like to read from the Budget document, Mr. Speaker, because I think they reaffirm the policies of this government, both before we were elected and since we have been elected, and the first is on page 8 where it says "At their conference in February, all 11 First Ministers stated that they regarded an expanding private sector as the major impetus for growth in the Canadian economy." I would like to underline, Mr. Speaker, that's all 11 First Ministers who said that, and of course, private sector is not something we hear much about from the gentlemen on the other side. I think they feel if they ignore it, it might go away, but I can certainly tell them that it is the backbone of our society and it's with us and will be with us, and it's our hope for the future.

I'd also like to touch on a quotation on page 11, Mr. Speaker, from the publication Department of

Finance, Government of Canada, February 1978, page 93, where it says, "The strategy which returns the Canadian economy to more normal levels of output and employment, would be the single most effective way of lessening the economic problems of any of the regions." Mr. Speaker, I would suggest that this Budget document, and the policies of this government, have been moving in that direction since we were elected. I feel that this Budget reaffirms that direction, and that is one of the reasons that I am proud to be associated with it as a person on this side of the House.

There were two main areas that I said I was particularly associated with, and the first one, Mr. Speaker, that I wanted to touch on of course, was the school tax relief for senior citizen home owners. I think we all know that a man or a woman's home is their castle, and over the years we have often been a little bit upset in the fact that we see certain senior citizens having to leave those homes because of the tax burden that they were bearing. We had promised, Mr. Speaker, this government had made that promise that it would do something about that, and it has followed through on its promise. And of course the figures show us that following this plan, some 75 percent of all senior citizen home owners will not have to bear that burden of school tax. I believe the figure before was some 50-some percent, Mr. Speaker, and so in this whole process of moving something like — I believe it's \$2 million into this plan — how many senior citizens? A considerable number will be able to not have to bear that burden, will be able to remain in their homes, homes that are near and dear to them. I think again, this is one of the positive things and it shows again the concern of this government for the people of this province, and in particular for the senior citizens. It was a promise, we kept the promise, and Mr. Speaker . . .

**MR. DESJARDINS:** Would my honourable friend permit a question?

**MR. COSENS:** I'd rather deal with it at the end, Mr. Speaker. Well, Mr. Speaker, the second area, of course, that I'm very closely associated with in this particular Budget is the private sector Youth Employment Program. And just before I move into that particular area, Mr. Speaker, I would like to just make a few general remarks about the youth employment picture in this province. I am informed that we have some 18,000 university and college students who seek summer employment, about the same number of high school students who seek summer employment, and then about the same number again — and it's rather odd that these numbers are all so closely aligned — of young people who are non-students but fall in that 16 to 24 age group, and there's about 18,000 in each group. I'm told that last summer, one-third of those young people did not find employment. We would hope that through our programs this summer, and we have every indication that they will, we would hope that we can do better than that and that more young people will find employment within the province. This particular program, introduced by the Minister of Finance, and my department has the good fortune and the pleasure of administrating it through the province, this program will go a long way to overcoming some of that problem.

There are some other interesting statistics, Mr. Speaker, in connection with youth unemployment. Some 80 percent of university and college students do find jobs on their own, which I think says something for the opportunities and initiative of those young people. Another interesting fact, Mr. Speaker, is that in our high schools, 65 percent of our young people have part-time jobs, and once again, I think that says something for the industry and the initiative of those young people, 65 percent, Mr. Speaker. We do have a group of non-student youth in the province, Mr. Speaker, that I mentioned before, and in this particular area there are more problems of unemployment, and it's an area that we are looking at closely, and it's an area that we feel will be helped materially by this particular private sector youth employment program.

So in light of those statistics I would like to take a minute, Mr. Speaker, and go over some of the details of the private sector youth employment program. These will be available in the next day or two, application forms will be available to the general public as of tomorrow, but I would like to put on the record some of the details of this plan because I know it's important not only to members on this side of the House but to all members of this House, because I know we all share a concern that the young people of this province will have the opportunity to work this particular summer.

The objectives of the private sector youth employment program are as follows: It's designed to benefit both business and farm employers and the province's youth by creating greater employment potential for youth through provincial assistance in the payment of a portion of their wages.

It has also the objective of creating new job opportunities for youth thereby reducing their summer unemployment rate. It has the objective of providing youth with good work experience, skills, contacts, references to better equip them for eventual full-time participation in the labour force. It has the objective of assisting the farm and business sectors in recruiting youth for future employment. I think these objectives, Mr. Speaker, are common objectives that would be shared by the gentlemen on the other side of the House as well as on this, certainly I don't think they're open to too much criticism.

The regulations that govern this program — first of all, under the grant conditions, the duration of the program of course is from May 1st and it will continue until October 27th of this year — that's some 25 weeks. The rate of the grant will be \$1.25 — this is the provincial subsidy — \$1.25 per hour for employees under 18, and \$1.50 per hour for those 18 and over, for each hour of work performed, and this of course performed by an eligible employee to a maximum of \$1,000 per employee.

In the category of the number of jobs allowable, an eligible employer may qualify for a grant in respect of a maximum of 10 eligible positions for each business location, provided that a separate application is submitted in respect of each location. The number of weeks, I have mentioned, of

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course, maximum of 25, a minimum of at least six weeks must be observed in the program by each employer. The number of hours worked — any job created under this program must provide at least 25 hours of employment per week, and the maximum number of hours for which an employer may be reimbursed is limited to . 40 hours per week for each employee. And of course, we were quite concerned, and one of the clauses in this particular program, that there is no hiring of employees under the program that should be carried on until notification of provincial approval of the positions has been received. And we were also concerned, and we spell it out quite clearly in the program, Mr. Speaker, that where an eligible employee vacates a position before completion of the approved term, an eligible replacement may be hired to complete that term.

Well, an employer wishing to participate under the program, Mr. Speaker, must be eligible within the program's terms and the following are the conditions of eligibility: He must have a minimum period in business of at least six months prior to May 1st and, of course, we're talking here about farming and business people in Manitoba, six months in business before May 1st. And we are quite concerned, Mr. Speaker, that the employment of one of these youths must not result in the dismissal, layoff or reduction in regular hours or period of work of any existing employees. Of course, along with that, the employment created must be in addition to any regular and seasonal employment normally provided by the employer during the period to which the program applies. Jobs must be created by virtue of the funding under the program.

There are ineligible employers under the program, and they fall into the following categories: Government bodies — the federal, provincial or municipal governments or any of their agencies, boards or commissions may not participate as employers in the program.

Publicly funded employment — an employer is not eligible if an employee's wages are already funded by some other government program or grant. However, the employer is eligible for any employee whose wages are not so funded.

Public and private educational establishments are not eligible employers under the program and an employer is not eligible if he is engaged in the business of supplying temporary help services or similar services in respect of any employee who is required to work at the place of business of another person who pays a fee to the employer and not to the employee for the employee's work or services. However, there is a category here, Mr. Speaker, if a temporary help agency hires an employee for employment in the agency's internal administration, it may be eligible where the conditions for eligibility are otherwise satisfied.

Members of the professions are not eligible for a grant for the salaries of students fulfilling their articling or other training requirements for admission to the respective professions; however they are eligible if they hire youths other than as students in training for the professions.

Of course, that was covering the eligible employers, Mr. Speaker. A word on the eligible employees. In order to qualify for the grant under the program, the employer must ensure that the employees hired are eligible under the terms and the conditions as follows: The young person must be presently unemployed; they must reside and be eligible to work in Manitoba and be at least 16 years of age but have not attained 25 years of age at the time of hiring. The employee must not be related to the employer within the terms of the program and a related person is defined as follows: where the employer is an individual, and an employee is a related person — if he or she is a spouse, parent, child, brother or sister of, or is any other relative who resides with the employer. Where the employer is a corporation, an employee is considered to be a related person if more than 50 percent of the corporation's shares are owned by the employee or by a spouse, parent, child, brother or sister of the employee. Where the employer is a partnership, an employee is considered to be a related person if he or she has an interest in the partnership or if he or she is a spouse, parent, child, brother or sister of, or is any other relative who resides with a person who has an interest of 50 percent or more in the partnership.

I mentioned, Mr. Speaker, that the application forms would be available tomorrow. Anyone interested can procure these from Canada Employment Centres, the Hire-A-Student centres that we hope to have operating by the 1st of May or, of course, from the Youth Services Directorate at 693 Taylor Avenue. I mention these will be available tomorrow and these people assure me, the people in the Youth Services Directorate, that application forms sent in will have a one-day turn-around time, that they will be able to process them and have them out in the mail in one day. I think that's rather commendable and I certainly compliment them on their efficiency in that particular matter.

Of course, there are certain guidelines for employers in completing the application form. They have to state their business address. If the employment is being offered in a branch office, they have to stipulate the address of that branch office where the applicant will be working. Employers must have an employer registration number and for those who do not have these, I'm told they can be picked up by getting in touch with Revenue Canada. Of course, there are the usual laws and so on governing declarations that apply to the employer applications. I won't go into those at this time. I've mentioned the one-day turn-around time. As soon as the province receives the application, the employer may then proceed to hire eligible employees and that is left, of course, to the initiative of the employer or to young people who are seeking work. We only ask that employers consider very carefully the eligibility of the employee in light of some of the stipulations I've set out.

I might report, Mr. Speaker, that to this point and without really any advertising of the program, the Youth Services Directorate has received phone calls indicating at this time a demand for some 1,000 young people under this program. We had initially hoped that this program would cater to the needs of some 2,000 young people in this province. The indications are that it will go much beyond that and I believe the Minister of Finance in his speech stipulated that we would be quite pleased if it went

beyond that 2,000 job figure. I find that exceedingly encouraging as I know the young people of this province do.

I can also mention at this time, Mr. Speaker, that along with those 2,000 jobs plus, the jobs that the Youth Services Directorate have planned for this coming summer, the different employment programs, should give us a total well over 6,000 jobs for young people in this province, probably closer to 7,000 would be our estimate at this time which I understand surpasses the number of jobs that were available last summer in this province. So that is only one more of the very bright items in the Budget that I was pleased to see, Mr. Speaker, and I know that there are many other young people from the age of 24 down to 16 in this province who were pleased to hear about it.

I would like to touch now on a few of the other highlights of the Budget and the economic policies of this government because I think the Budget certainly, as I mentioned before, reaffirms those directions that this government decided it would take for the welfare of the people of this province. I am very pleased that we have been attempting to live up to our promises that we made before we were elected, living up to them as far as is possible under the deficit situation that we found when we came into power. Of course, we have cut the personal income tax down to 54 percent; the small business income tax to 11 percent; we have eliminated that succession tax, the gift tax, the mineral acreage tax, and for those people who say that we haven't been doing things to help out people, I would suggest that that shows our good faith in moving in that particular direction. We've been concerned, as I mentioned at the beginning, Mr. Speaker, with the climate for the private sector in this province and I would suggest that tax moves of that calibre and of that type indicate to the private sector and to others that this will be a province where they are welcome and where they will be able to prosper and where they have a government that is considerate of their needs as well.

Well, of course, in the Budget it was interesting that a very positive move was made, Mr. Speaker, in the area of the corporation capital tax that affects the small business community. An exemption had existed here up to \$100,000 and I'm told that this created a great deal of inconvenience and a great deal of bookkeeping for small businesses throughout this province. By raising this exemption to \$500,000, I'm told that we cut out a considerable number of small businesses, some 70 percent from this particular tax. We have always maintained that small business is one of the biggest employers in this province and again one of the backbones of the economy of this province. I think that shows support by this government in that particular area.

I'm sorry that the Member for St. George isn't here today, my neighbour in the Interlake, because the other day he was doing a lot of talk about our corporate friends. I make no apology for having corporate friends, Mr. Speaker. I'm rather proud of the fact. I would be concerned if I was in a government where the people who were good businessmen and successful businessmen in a province had no confidence in the government. I would much rather have them as friends than as enemies under that particular type of thinking.

I would say, if you take a look at what we did in the area of the large corporations, instead of a tax cut there, we extended the 15 percent tax rate on corporation income. That's not subject to the small business deduction. That would have terminated January 1st, 1979 and come down to 13 percent and we have kept it on. I find it hard to accept the Member for St. George's great accusation that we are, I believe his term was "in the hip pocket of our corporate friends" or something. I don't think that shows any particular favouritism, Mr. Speaker, in that regard. There may come a day when our economic circumstances will permit removal of that two percent but it certainly wasn't done in this Budget. I think it again reaffirms that we are considering all people in this province.

The selective fuel tax reductions I think are a reflection of our concern for different segments of our population; certainly the rural population, the farm population appreciated this move. The municipalities appreciated the move and, of course, the people involved in the tree farming industry and so on, the interprovincial trucking firms; this not only removed something that was a financial irritation, it was an administration irritation for some people.

The sales tax reduction on mobile and modular homes, Mr. Speaker — another positive move in this Budget and one that is welcomed by many young people who find it rather difficult today to go out and buy a home under the current prices of land and property in this province. So we are catering to a considerable population with this move on the mobile and modular homes.

The exemption on the insulation material, not only just to private citizens but also to commercial interests, I think is only a logical move and one that I can't understand why it wasn't made long ago unless for some reason a government didn't want to encourage the business sector. I don't know the rationale why that particular move was not made, Mr. Speaker.

I won't go into all of the other very positive moves in the Budget. I think it's significant, Mr. Speaker, that we have put some \$88 million back in the pockets of Manitobans and, of course, some of them will take some of that out to buy nicotine products; if they do that I suppose they will lose a little bit of that \$88 million, if you're so addicted. I imagine that's the price you have to pay. I think the significant point is that we have that amount of money that has gone back to Manitobans in a year where our economic position certainly was not the best. I think a Budget increase of what? — approximately three percent — 2.9 — is one of the most outstanding examples of a government showing its responsibility and good management in this whole country and it's one that I think will serve as a forelight, a leader, for other governments in this country who are talking about restraint, Mr. Speaker, but who aren't doing very much about it. This province, this government, had the intestinal fortitude to do something about it and I'm sure that the people of this province will recognize it and applaud them for it.

I think that the combined deficit of \$114.2 million in a year when we face the difficulties that we've

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facéd economically after inheriting the type of deficit that we inherited, is a significant accomplishment. I certainly congratulate the Minister of Finance. I think that he has come forth with an excellent Budget and it is one that I have received many favourable comments on from the people of this province.

Thank you, Mr. Speaker.

**MR. SPEAKER:** The Honourable Member for Selkirk.

**MR. HOWARD PAWLEY:** Mr. Speaker, I would like to just add a few words to those that have already been spoken in connection with the Budget Address. First I would like to just comment directly to my colleague, the Minister of Education, the Member for Gimli, that I do wish that he would make arrangements as early as possible to correct what is, unfortunately, misleading information, which has occurred within the columns of weekly newspapers within his riding. I refer specifically to the Stonewall Argus of Wednesday, April 12th — two days after the publication of the Budget — in which, and I would like to quote, Mr. Speaker, the Minister of Education informs his constituents with certain bravado that the Conservative government is making certain accomplishments. But during the process of his articulations, he apologizes for the fact that the Conservative Party is unable to realize upon its election commitment to reach 80 percent of education costs in the Province of Manitoba. And he uses as an excuse, Mr. Speaker, the fact that there is a deficit in Manitoba.

I would like to read from the Argus of the 12th of April. "Many people have expressed to me their concern about the rising costs of education. In the election campaign, the P.C. Party stated its goal was for the province to assume 80 percent of basic education costs, thereby reducing the educational property tax. Because of the huge deficit that the government inherited (a combined deficit estimated at \$225 million), the government could not assume 80 percent this year, but the objective of the government remains to reach the 80 percent goal as soon as fiscal conditions permit."

So here we have, unfortunately, another instance two days after the introduction of the Budget in this House where, again, an excuse is used for non-fulfillment of an election promise, that there is a deficit in the Province of Manitoba which, in fact, Mr. Speaker, is not so. And I know the Minister of Education knew that information certainly as of April 10th and he certainly received a copy of the Budget Address on April 10th, and I would assume that he was aware of that information in advance of April 10th. And yet we have an article in which, again, he hangs on to the crutches of a deficit of \$225 million in Manitoba as his excuse for not doing anything insofar as education financing is concerned in the Province of Manitoba. Again, grabbing for the crutches, grabbing for the crutches.

Mr. Speaker, not only did the Minister of Education profess that in the Stonewall Argus of April 12th, but I know that in the Gimli newspaper, which by the way is also a newspaper which is located within the heart of the honourable member's constituency — it's called the Interlake News — an identical statement was made on April 11th.

So that I do fear, Mr. Speaker, that the good people of the Gimli constituency at this point have unfortunately been misled — grossly misled — by their own member insofar as what the true facts are insofar as fiscal information in the Province of Manitoba.

Mr. Speaker, the most disappointing item about this Budget . . . And I was again interested in the Minister of Education's comments about this being an outstanding Budget; he referred proudly to it being an outstanding Budget. Mr. Speaker, what really is outstanding about this Budget is its total and absolute inability to come to grips with the unemployment situation in the Province of Manitoba today. That is what is outstanding about this Budget. It is outstanding to the effect that we now have in Manitoba the highest unemployment rate since the depression years — 6.5 percent — and yet this Budget is the weakest type of excuse I have ever seen for any attempt to come to grips with this major economic problem causing all forms of social problems within the Province of Manitoba.

It is no wonder, Mr. Speaker, that some of the few items in the Estimate review — besides Highways — that show an increase are the courts, the corrections and the police. It is no wonder, because with their lack of social initiative, with their demonstrated weakness in fields of economic development, with their abdication of responsibility insofar as our disadvantaged are concerned in the Province of Manitoba, we will — and they recognize it — need many more dollars in our corrections systems and more assistance to our police services in order to come to grips with the problems that they will create by the fact that they are unable to provide a program that will bring about initiative in these most important areas.

Mr. Speaker, their excuse over and over again as a government is that they are faced with a tremendous debt. But we know, and we should only need to repeat it once more, Mr. Speaker, that this is but the weakest form of excuse possible. \$25 million could have been saved and could have been credited towards the deficit if they had not seen fit to eliminate taxes not insofar as those of low and modest incomes are concerned in Manitoba, but insofar as those that were the richest and most able to pay taxes in Manitoba.

They could have, Mr. Speaker, for this year, deferred from at least \$40 million of the additional expenditure on highways in this province. But they saw fit to make highways a priority during this period of restraint. But they could have easily avoided a commitment of \$40 million towards highways in the Province of Manitoba for this year. If every other item of importance is going to be restrained, then certainly highways could have joined ranks. —(Interjection)— Mr. Speaker, Selkirk

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would be pleased to do so if it joined with all the other constituencies in the Province of Manitoba, and received the same fair treatment in restraint as every other constituency in the Province of Manitoba, including Lakeside, Mr. Speaker.

Also, all this crocodile tears about being forced, like little weaklings, into the sales tax reduction. Oh, but loud and thunderous is their protest. We hear it day after day about the fact that they were pushed by the Federal Government into a concession in respect to sales tax that they didn't really want anything of.

Well, Mr. Speaker, if they wanted to exercise the courage of their convictions — and again I believe that those of us on our side would have appreciated and respected them much more if the government had exercised its convictions — they could have refused to participate. They could have protested and refused to participate. They could have saved themselves \$20.5 million there. But they saw fit to accept and then claim afterwards, "Oh, but we protested. We protested; we don't like this." And we read three pages of Budget Address in which they list all the reasons why this is a bad move.

I agree that the sales tax proposal was a bad move. It's a move which is aimed, by the Federal Government, to basically building up industrial giants in Ontario and, particularly during a period of dollar devaluation, certainly the cars and the appliances that will be manufactured in southern Ontario will be cheaper insofar as export of those items on the world market. And at the same time, by the sales tax reduction in other parts of Canada, there will be a considerable, I suspect, generation of demand insofar as the industrial giants are concerned in southern Ontario. The multinationals will benefit. Certainly there will be, probably, some creation of job activity in southern Ontario. It will be key. It will be important to the federal Liberal Party in the coming election. Southern Ontario is very key. The strategy is clear, and our friends across the way have played into the hands of the strategy of the federal Liberals — the federal Liberals that they detest so vigorously. Well, they have played right into the hands of the federal Liberals in assisting them to develop their position politically in marginal southern Ontario for the next federal election.

Mr. Speaker, I notice comments by my colleague, the Member for St. George, in connection with the opposition being in the hip pockets of the insurance industry, and I know that the Member for St. George was compelled several years ago to withdraw all those remarks in the Legislature. They were considered not to be of good taste.

I think in view of the remarks by the Member for St. George during this debate, that it would be important that I read into the record a letter which I do believe demonstrates the validity of the accusation by the Member for St. George when it was made a few years ago, as well as that accusation which he repeated last week.

On May 8th, 1970 — this was during the heat of the insurance controversy in the Province of Manitoba — Gene O'Keefe, who served as a public and industrial relations consultant to a Mr. Harley Vannan who was then the Head of the Insurance Bureau of Canada, provided to Mr. Vannan a memorandum. And I would like to read this memorandum, not that it's of tremendous importance insofar as the immediate issues before us, but I do believe it's important that that memorandum be on the record of the Legislature so that when we review what the government of the day does insofar as the insurance industry and Autopac in the future, we can keep in mind the ties, the co-operation, the mutual assistance that has taken place in the past.

I would like to quote from the memorandum. "The Progressive Conservative push . . ." This is Mr. O'Keefe speaking, the public relations man for the Insurance Bureau of Canada. "The Progressive Conservative push will be on the basis of free enterprise. How hard they push will be dependent upon the public reaction to their stand. If the Conservatives fight hard, some form of central insurance office must be set up to assist them at a moment's notice. It would appear that this can best be done under the guise of an information office which has the appearance" — the appearance, an important word, Mr. Speaker — "of supplying information only to the press but in effect is supplying information to the opposition parties as well as to the press."

The agents obviously prefer straight fighting to political fighting. They would prefer to talk details of car insurance than political principles such as free enterprise versus car insurance. They must be kept under control." They must be kept under control.

"If it comes to an election, the industry must pull into the woodwork but offer support and manpower in a behind the scenes action. If an election fails to form, the industry must take steps to keep it as hot as possible." I don't know what for sure. "It would suggest that a small group of insurance and public relations people be formed to keep abreast of what is happening and to plan for any alternative approaches to the problem."

Now, I should mention to the Minister of Transportation that if he feels that this was just idle writing during that period, that it was in that same year, 1970, that Mr. Vannan and a Mr. Bob Warkentine of the Insurance Bureau of Canada worked closely with their then leader, Mr. Walter Wier, to develop an alternative insurance scheme. And that alternative insurance scheme — and Hansard will bear this out, Mr. Speaker — was called the Wier Plan. Most members that are across the way weren't present during that debate, but I remember so well, and my colleague, the Member for Inkster, so properly termed it the weird plan.

But I remember the fanfare when the Conservative opposition introduced it to the Legislature. They said, "This is such a fine thing. Why don't you fellows scrap your plan and accept this?" Well, they didn't tell us of course who were the architects behind this, although we knew.

"To develop the alternative insurance scheme that formed the basis of the plan introduced by Walter Weir on June 16th, 1970. Background material on this plan was prepared and distributed to company and agency personnel." Mr. Speaker, there's the background; there's the background. My

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colleague the Member for St. George was forced a few short years ago, to withdraw all statements that the Conservative Party was in the hip pocket of the insurance industry. I think the record now is very clear as to whether or not the Member for St. George was speaking validly on that occasion and last week.

Mr. Speaker, when we talk of restraint, in the area that is of major concern to us, is the imposition of a 20-percent tax increase insofar as the residents of Personal Care Homes are concerned and those that are using Extended Care Homes and beds in our hospitals. I would like to suggest to the members across if they would remove the blinkers which prevent them from seeing the Health Services' problem in Manitoba from an overall pragmatic direction, then they would want to work out alternatives for this tax. Yes, they removed certain taxes, but they're imposing taxes upon those who are least able to pay taxes. There's alternatives for them.

Mr. Speaker, they have frozen the Home Care Program, and it's my understanding the Home Care Program has been frozen since last October. They've frozen the Personal Care Home Program also, since last October. Neither have been allowed to proceed in the Province of Manitoba.

Mr. Speaker, I acknowledge that the costs of every patient using an acute bed in a hospital is costing \$140 a day, and that cost will continue because the patients have nowhere to go. But certainly what the government of today is proposing isn't going to assist those patients in leaving the acute care beds in our hospitals. Why don't you unfreeze the Home Care Program in Manitoba so that patients who are using acute care beds in our hospitals are able to return to their homes and receive Home Care at the cost of less than \$10.00 a day? Why don't you do that?

Why don't you unfreeze Personal Care Home construction in the Province of Manitoba? Mr. Speaker, I thought we had a government in this province that was economy-minded and was business-minded. You know, they have said, and I can understand their vigor in saying, "Well, the NDP isn't the only group that has a monopoly on human compassion." I wish, Mr. Speaker, they would demonstrate it. Here is a way that they could demonstrate it and also demonstrate some economic sense at the same time.

But instead, what do we do? We impose a tax, a tax on those who are the oldest and among the ill in our society, who are unable to leave hospitals, unable to leave acute beds, due to no fault of their own, because there is nowhere for them to go, because we have a passive inactive government that has no social program to deal with this human concern.

Mr. Speaker, another area that I would like to comment on insofar as health care is concerned — I wish the Minister of Labour was here because sooner or later she is going to have to take the minimum wage recommendations to Cabinet; sooner or later she is going to have to speak on behalf of those who are barely existing on minimum wage in this province and indicate that there must be an adjustment in view of rising costs of living; the sooner the better. But what we are doing unfortunately, by the present program of 2.7 percent increase in our hospitals and 4 percent and under insofar as our Personal Care Homes are concerned, is placing the hospital boards in a position that they must decide whether to reduce staff and thus throw people out into the ranks of the already growing unemployed in this province, and often those of unskilled background; or (2), force those employees to take a reduction in pay as we witness what is occurring insofar as Victoria Hospital is concerned, attempts there to force already so many that are living close to the minimum wage level. Or thirdly, I think what will really happen, and that is a cut in services within our Personal Care Homes and in our hospitals.

Mr. Speaker, surely those of us now in this fine province of ours that are enjoying so much of the abundance of this province can afford to not permit the patients of our hospitals and our Personal Care Homes and our aged in this province to have to pick up the costs for a situation which, I suggest, has been manufactured by the government across; a panic that has been manufactured by the government across; a deficit that didn't exist in the manner that they said it existed, and yet we're making those who are least able and least fortunate in our society to pay that price.

Mr. Speaker, we also have the municipal taxpayer who is facing an oncoming tax increase because the philosophy of the government across is to release themselves of more and more responsibility insofar as ability-to-pay taxes are concerned, impose those taxes on the local level, user-pay real property taxes. So that throughout the province we will be seeing more and more increases in real property taxes this year, along with the increases in transit fares and all other types of increases in various user-fees. One could list many such instances of the introduction of increased user-fees in the Province of Manitoba.

I would like to also point out what is happening to Legal Aid in this province. The Legal Aid Program was commented upon by the Osler Commission, which was established by the Conservative Government in Ontario, to be the most efficiently administered program in the whole of Canada. It wasn't Ed Schreyer that said that. It wasn't Sid Green. It wasn't any member from this side. It was Justice Osler of the Supreme Court of the Province of Ontario, commissioned to do a study of Legal Aid throughout the whole length and breadth of Canada. That was his comment, and his recommendation to the Ontario Government, that all the programs across Canada, they'd better take a good close look at Manitoba's plan.

What are they doing? Unfortunately, the present government is deforming this program in such a way that the program will be but a shadow of its original self; and unfortunately, Mr. Speaker, it may be very little better than that Legal Aid system that existed in Manitoba prior to 1969. They are freezing eligibility limits, even though those eligibility limits were established four years ago and have only been added to by consumer price-indexing since, eligibility limits that were established by Senator Crowe, based upon the poverty line. So we're going to end up with a scheme in Manitoba that



will only be available to those on welfare. It certainly will not be available to the working poor of this province, and unfortunately that is a retreat.

I would also like to say to the members across that one of the most inexcusable acts that they have done, is to accept \$250,000 more from the Federal Government, to have pocketed that money — pocketed it; I don't know where it's gone to. They certainly didn't add it to Legal Aid of Manitoba because they reduced Legal Aid in Manitoba by \$400,000 from last year's Budget. But they pocketed \$250,000 more than what we had received in Legal Aid in the previous fiscal year.

Mr. Speaker, there are many other areas that one could deal with this afternoon, but I would like to simply indicate that the opposition is concerned about the fact that this is a government that seems to be without any imagination; that appears to provide no tools in which to work with the unemployment situation in this province, which is from whence we had started at the beginning; a party and a government which relies solely upon the private sector to rescue it. The president of the Manitoba Chamber of Commerce, over the weekend, indicated that it was a mistake to rely solely upon the private sector to rescue the economic situation in the Province of Manitoba. I think, Mr. Speaker, that he was trying desperately to give a message to the government of the day. He was hoping that the government of the day would cease following their own doctrinal path towards what will certainly result in economic disaster insofar as the Province of Manitoba is concerned if they continue to travel along that path.

We have seen in the last few months, the movement of Greb Shoes from the province. We have seen the movement of the head office of Willson Stationery from the province. We have seen the loss of jobs in INCO. We see now rumblings of the movement of the head office of Versatile from the Province of Manitoba, all by a party and by a government that said its very philosophy — in fact their leader commented a day or two after the election that he had been told — he didn't say from where he had been told, but that it had been commented to him that people were walking along Portage and Main now with a new briskness, with a new speed, with a new pride; those were some comments by the Leader of the Opposition shortly after his election success in October. I want to say this, that a lot of people are doing rethinking. If they walked with a briskness then, they're certainly beginning to wonder and some of them are beginning to hold their heads down as they see those that they had trusted let them down so badly in the Province of Manitoba.

I don't even have to go to those who voted. I have in front of me, articles in the Brandon Sun, in which two backbenchers of this government have expressed their disappointment — their grave disappointment — about the direction in which this government is proceeding. I want to commend those backbenchers, and I only wish there were more backbenchers that had the intestinal fortitude over there to speak out and to demonstrate what they really think and what's on their minds.

**MR. STEEN:** Wait until I get Wilson.

**MR. PARASIUK:** I would like to congratulate the Member for Wolseley and the Member for Virden for speaking out so clearly as to what they think.

**MR. STEEN:** Wait till I get Wilson. He knew that article appeared.

**MR. PARASIUK:** The Member for Virden indicated that the First Minister — in the Brandon Sun article — and of course we knew this all along would appoint — to boards who were Lyon supporter only people and that he had suggested names and that those names had not been acceptable.

He also made references to connections and referred to Great-West Life. I want to commend the Member for Virden. I thought that his comments were well-voiced and I only wish the Member for Virden would recognize the inconsistency of his continuing to sit on those benches with the progressive views that he expressed in the Brandon Sun.

Now, the Member for Wolseley, I certainly have never thought of him as being progressive. I thought he was among the most loyal supporters of the government of the day, and I certainly didn't expect that he would be speaking out. But it just demonstrates how the disgruntlement must be really setting in when the Member for Wolseley also expresses his disenchantment. He complains that the Cabinet isn't going to caucus and discussing policy developments with the caucus, but instead is running to the media. He mentions that caucus have to find out what's going on by reading the newspapers. He expressed being very much disturbed about the lack of information available to backbenchers.

He also went on to say — and he certainly was quite correct, the Member for Wolseley here was quite correct — he looked into his crystal ball and he said the opposition will be having a field day carving us up and he'd have to sit there confident, smiling and conspicuously mute. That's what the Member for Wolseley said — and I wish he was here right now — "That he would have to appear to be confident and smiling and inconspicuously mute." He didn't sit through all this.

So, Mr. Speaker, it is clear that there is a disillusionment in the Province of Manitoba. We don't need Gallup polls. All we need to do is find out that already there are two MLAs that feel so frustrated that they are speaking out, and I commend them for it. I hope that some of the others, who feel the same way, will have the guts and the conviction to also express their views.

Mr. Speaker, we only have a few days remaining in the Budget Address and I would urge members, you'll feel good about it, to get up and express what you think. The only criticism I would have for the Member for Virden and the Member for Wolseley is that they should stand up in the Legislature and elaborate further on this and give us some of the details as to the reasons for their

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disillusionment. I would urge them to do so, because I believe it would be most enlightening to all members of the Legislature.

But I call upon the Member for Pembina because I can tell that he is rather disappointed. The Member for St. Matthews and the Member for Emerson — I urge them to stand up. Mr. Speaker, we will be watching; we will be waiting; we are full of anticipation, Mr. Speaker, to hear what the honourable members have to say as they join the rising chorus of disillusionment in the Province of Manitoba — a rising chorus, Mr. Speaker, that may very well spill over into the forthcoming Federal election, regrettably it may help the present Prime Minister in Ottawa. I hope not, but the way that they are conducting themselves they may very well assist in the re-election of the Prime Minister in Ottawa.

**MR. SPEAKER:** The Honourable Member for Emerson.

Before I go any further may I indicate that I will recognize the member at 8:00 o'clock.  
The hour being 5:30, I am leaving the Chair to return at 8:00 o'clock.