

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, 17 May, 1982

Time — 8:00 p.m.

MR. DEPUTY SPEAKER, Jerry T. Storie (Flin Flon): The Honourable Minister of Health had 10 minutes remaining.

HON. LAURENT DESJARDINS (St. Boniface): Thank you, Mr. Speaker. I've always found it very difficult to break your speech during the dinner hour, the half hour that you have before or so like I had earlier; you try to go a little too fast to cover too many things and then it leaves you 10 minutes and it's quite difficult. But I'll try to recap pretty well what I was trying to say mostly to my colleagues, especially the members of our caucus.

Basically, Mr. Speaker, I was telling them that they should be very careful from panicking and be very patient. I think that it was easier to prove that the members of the Opposition are not giving us a sincere opposition, because if they were they would try to tell us what they feel is wrong and what is right and they wouldn't say that they don't agree with our promises, but then try to egg us on to hurry up and do a little more - I think that this is one of the things that they would do. And then I think we saw that they who are great to pull out this document and talk about the promises that we made, I think that they saw that their promises weren't kept. If I had a little more time I could have read the whole article that I referred to and then go back to what they were going to do in Autopac; what they were going to do before they was to reduce the provincial debt, that was one thing. And in 1977 they were going around telling the kids, go and tell your parents how much you owe, even you and your little baby brother and so on and oh, that was quite melodramatic in those days. Then it came in that the provincial debt was increased and that we had the biggest deficit ever. That's done now all through the Conservative world. It's not working. I think that it's obvious that the past government was a complete failure and in their way, they're admitting it because they didn't follow on. They stopped their policy of restraint.

They backed away from it and I'd like to quote some — of course, they're going to say that my remarks are partial - but let's read from the Free Press of June 2: "Flimflammy Defines the Reforms of the Budget White Paper." That was in 1980. "It defines the attempts by Health Minister Bud Sherman to square the circle on hospital funding; defines the initiatives in day care; it defines the integration of handicapped children into the public school system. In fact, it is the hallmark of the government's effort to buy favour with the voters with the appearance but not the reality of sudden social concern and will undoubtedly backfire if it hasn't already. People are not so easily fooled as the government seems to think; they now look for the catch in each new announcement. The government will end up worse off politically than before," and that was written in 1980 and we know what happened.

Then the same year again from the Free Press, "Reading between the lines of the new energy initiatives, the emphasis on health care, the concern about

education funding, workplace safety and health, the Norton Community Development leaves the impressions of a government which is scared. But if the Throne Speech indicates the government is worried it has also shown that it really doesn't know what to do about it. They now realize that private sector alone isn't enough."

Mr. Speaker, it was a government that showed either that it was a mistake but they wouldn't admit it, that they were going in the wrong way because all of a sudden there was a complete change in all the policies; no more freeze, it was throwing money away, it was big deficit, the largest deficit ever, and it was all these social programs they had feared so much. That happened, as I say, roughly around February 4, 1980, the Budget Speech with the then Premier of the Province said that he was one of the only ones that went along with the Crosbie Budget. But what did he say? "Premier Sterling Lyon said Saturday that if he had any criticism of the proposed Federal Progressive Conservative Budget it would be that it is not tough enough. I have the impression the Liberals and the Socialists are banking that Canadians are soft," the Premier said. This election will give Canadians a chance to show what they're made of.

Mr. Speaker, after this government that was supposed to be so tough changed completely and again, as I mentioned earlier, they came in a couple of weeks ago with that big flower, with that big smile - it was the first time they smiled since November 17th and they were so happy to be able to say, we won. And it was a fact, there was a statement of a Conservative Government that out-socialized the socialists and that's why they won. It wasn't a question of balanced budget, it was all going to blow the Heritage Fund in a year or so; it was taking out the taxes, we were told that we needed these taxes in the days, the gas tax, but these people were all so happy. But I did not see the flowers the day that the Conservative Budget came out in Ontario. What do we hear, "We're here in Manitoba let's not talk about Ontario, we don't want to talk about other provinces." It was a different ball game.

So I say to my colleagues, don't get fooled, don't panic and let's take our time with our programs and make it work. It's going to be very difficult; make no bones about it and you're not going to get any help, not constructive help at all. I think this is the thing, but you might say: "Well, if it's going to be so difficult that we can't do it by ourselves, why should we fight?" There are many reasons. I think that the NDP in Saskatchewan are responsible for some of the good programs that we have now, especially social programs and in the health field. I think that they were the conscience of this country; they were never in power federally. They gave us Medicare; they gave us Pharmacare; they gave us hospital programs and they became universal and we probably are the envy. Although it's not perfect, we'll have to look at it; that's one of the things we should do is to make sure that we safeguard this program; we don't throw it down the shute; we don't let anybody destroy this program for us. Look in the States if you think we're in difficulty and see what's happening in the States where the

people go without. So these are the things we do.

And then, a ray of hope for the people around also and to fight for this thing. That's okay; we have a lot of people fighting communism and we even have some people, as I said, this little Charlie McCarthy in the front, instead of mouthing Bergen's word he's mouthing Joe McCarthy's words these days and I don't think we should have that kind of stuff in this House. I've mentioned that before. I think the important thing that we have to do is fight for the greedy, materialistic, capitalist system and that's the system that we've had to fight for.

There's a lot of people who are fighting communism. Communism, it's proven, has not been working but let's not kid ourself that this system is that good. When we talk about crocodile tears and all that, let's remember that maybe there's not that much difference between the two groups. The only thing we're saying - just like if it was a family - is we don't say we'll abandon the youngest one or the sick or the poor because we'll wait and if the old man is successful, well then, it'll fall down and he can pick up the crumbs. We're saying we must rescue those that can't help themselves; we'll give them at least some security and some minimum care. I think that this is the difference between the parties. It's not a question of crocodile tears at all and if it is, and we have to wait — (Interjection) — blew it, if anyone blew it's you people. You blew it, you've only had four years. You don't know where you're going; you have no idea. On one hand you're talking about free enterprise and then you're asking - when it comes to the farmers you don't call it welfare but that's what you're asking for and it's never enough.

We've talked about the plan to help people with the interest to buy a house. Your leader during the election, during the campaign laughed at our \$23 million but the day before the election lo and behold he was announcing \$20 million and you're saying it's not enough now, and it's \$3 million more than you said and these are the kind of programs.

In fact, when you look at some of the reports, you've promised more in money than we did, you promised because in the last few days you were going wild. You panicked, you were completely panicked and you're still like this. You're on the defensive, you're weak and you're afraid because there are a lot of young people, new members here, and you think that they're going to fall for that, but they're not going to fall for that.

We're not going to panic, we're going to bring in our programs. We don't have to answer to you at all. — (Interjection) — That's right. That's right. We're the government and you are not giving us the kind of opposition that we feel we should have to be the government because you are not sincere. — (Interjection) — Yes, you are not sincere, that's what I said, you heard well. Because if you were sincere you wouldn't bring this thing up and say, this is what you've promised, hurry up, you've had three months to do it. You'd say for God's sake Manitoba's going to be hurt by that, we know you promised it, sure, don't do it but that's not what you're saying. You want more, you want more personal care homes, you want more of everything but then you're talking about the tax now, you're so damned disappointed that we didn't bring the sales tax and you don't know what you're doing, you're

so disappointed.

Like I said earlier, you had all your speeches ready against sales tax so what do you do, you couldn't change your speech, you had no idea so you just crossed out sales tax and you made your same speech. That's exactly what you did. You know it's a good tax. You know that there's no tax that everybody will like it, that anybody will like but it certainly is a fairer tax than sales tax. All these questions that you're talking about to bring it . . . Thank you.

MR. DEPUTY SPEAKER: Order please. The member's time has expired.

The Honourable Member for Portage la Prairie.

MR. LLOYD HYDE (Portage la Prairie): Mr. Deputy Speaker, first of all, Sir, I want to break probably from a little of the tradition and congratulate you on having to take over the important position you're holding here tonight and these last few days. Let us trust that the regular Speaker, the appointed Speaker, will not be too long being back in his position, fit and well. But to you, Sir, I want to say I do believe that you are making a good job of your position on a short notice.

Mr. Speaker, I'm pleased to be able to participate in this Budget Debate tonight. The Honourable Minister of Finance has spent many many hours pondering over this document, trying to come up with a Budget that would be acceptable by his Opposition and more important, Mr. Speaker, the people that he serves, that being of course, the general public of Manitoba and the taxpayer.

Mr. Speaker, his Budget presented Tuesday of last week, did include a couple or so of good points, naming one or two of them, the hydro freeze and the meals' exemption tax. Mr. Speaker, no one will argue that point. The freeze on the hydro rates, had the Minister failed to include that saving to the consumer at a time like we are facing today, would have been a disaster to him and to his government.

The meals' exemption tax, we know the Minister picked that up from a resolution presented during this Session by a member in Opposition who proposed an increase from \$4.00 to \$5.00. True, the Minister chose to increase that exemption from \$4.00 to \$6.00 which is fine, Mr. Speaker, but however the proposal came — let us not forget this — the proposal came from the Opposition of this House. It came from the resolution proposed by the Honourable Member for Sturgeon Creek. However, that's all right as long as it becomes a saving to those who have to buy their meals in restaurants.

What I am saying is, Mr. Speaker, that this was nothing original coming from the Finance Minister. It was not original.

The taxation freeze on gasoline, nothing but good can be said about this move on the part of the government unless he could cut back on the tax that is levied across the board on the price of gasoline. Maybe he will take that suggestion from the Conservative Government of Saskatchewan. Time will tell.

However, Mr. Speaker, there is still no argument when it comes to the liquor and the tobacco tax unless it's from someone who has not been able to kick that habit of smoking and I guess the same should apply, Mr. Speaker, to the liquor tax. If one can afford to buy

it, I say one should not complain about paying the tax; 8 percent tax increase on the price of a case of beer, 7 percent on the spirits and 15 percent on wines.

I suppose, Mr. Speaker, the Minister didn't take into consideration possibly the results of all this. He's going to affect the tourist trade which is one of our big pluses in the Province of Manitoba. It's bound to affect the tourist trade in the Province of Manitoba. Possibly he never thought of that.

Mr. Speaker, I suppose one could go on and mention the Critical Home Repair Program but I want to refer back to that at a later time.

Mr. Speaker, everyone in this House wants the right decisions to be made for the future of Manitoba. The decisions made do not always turn out to be the best for the good of the people; history has proven that both on the federal matters and on provincial issues.

The Government of Manitoba today has chosen to increase the minimum wage. I suggest that an increase in minimum wage cannot and will not stimulate the job creation that is needed at the same time, especially in today's economical strife, especially when job creation with the business of the private sector being punished by the payroll tax. The only jobs that will be created may be government administration jobs; jobs to administer programs drawn up to contradict each of the other's purpose.

Mr. Speaker, the Budget of the Minister of Finance continually refers to programs of our sister provinces and that of the United States of America. Tell me, Sir, why must you follow, make responsible decisions and design programs to reduce the taxation on the people of Manitoba and help to decrease the provincial deficit? Mr. Speaker, this Budget is almost a clever political move. Everything is hidden, hidden taxation to cover up for the need of dollars. If the average Manitoban was to stop and take a long look at this Budget, Mr. Speaker, at the way it is going to affect him or her, they would probably be better off with an additional 2 percent tax on the increase on the sales tax, something that may not initially sound good but may be better in the long run, that is if the government is set on increasing our taxation base.

Employers pay payroll 1.5 percent tax on all wages. Think what that is going to do and what effect it is going to have on all of us. I mentioned earlier about the hidden taxes, taxes that the average person will be faced with that up till now has not really had to think about. I'm thinking about the food and the children's clothing, Mr. Speaker. This payroll will raise the price on all of these goods and the services of Manitobans regardless of what the Government of Manitoba are saying today.

The price of food and clothing will increase — the increased cost of production - it'll all have to be paid for. It will be passed on the consumer without a doubt. Food up to date, Mr. Speaker, has not been taxed but it will be now regardless, I say yes, under the socialist Government of Manitoba by this hidden tax levied on the employers, the owners and the operators of these large food processing plants that we own in Manitoba. Children's clothing up to now have not been taxed but the payroll tax will be collected by the government so I'm sure the wages of the all employees will be included in the cost of production.

Mr. Speaker, the farmer is about the only one who

will not be in the position to be able to cover up or pass on that additional cost of the 1.5 percent on wages. How can he? He is not in that position to say what he needs to cover the costs of a bushel of wheat he produces, that bushel of potatoes he produces or that pound of beef or pork that he produces. The government through government-control boards and the consumer has control, not the farmer, Mr. Speaker.

I was talking to a farmer from the Portage area over the weekend who told me why he quit operating his small feedlot and why he sold his cow/calf operation. He was losing money, Mr. Speaker. He went on to tell me how he had 90 top quality Charolais-cross steers on feed. With the increasing costs of putting a pound of meat on those steers he ended up, Sir, by losing \$100 per head on each of those steers. His cost of production kept on increasing right up to the time he had to hire a transfer to truck those animals to the market. At that time, Mr. Speaker, it was 90 cents per hundred weight freight and that cost will be going up with the added tax imposed on diesel fuel.

No way, Mr. Speaker, is that farmer in a position to add or cover up his costs of the additional 1.5 percent on the payroll tax and stay in business and, Mr. Speaker, the NDP Government saying that they are the friends of the farmer? —(Interjection)— The NDP party when campaigning last fall promised the people of Manitoba many things. One was, that no small business or farmer would lose their business on account of the high interest rates. Mr. Speaker, this has proven to be one of the many lies, the untruths of that government that they have not been able to live up to.

One only has to read the daily papers to hear of the new bankruptcies declared each day. Tell me, where is the help that N.D. Party promised the people of the province?

Well, Mr. Speaker, the Government of Manitoba's \$17.5-million Beef Stabilization Program is turning out to be a flop. Beef producers from my area are strongly opposed to this program. No way are they going to let themselves get tied to a government program for six years duration, that tells them that they have to finish each animal to market weight to qualify. That's just plain ridiculous, Mr. Speaker. Why doesn't this government go ahead and pay the cattle producer the \$50 per cow that they first said they would do with no strings attached and help the cattle producer over this critical period in the time of production?

Mr. Speaker, I want to read into the record a report from the Daily Graphic, our local paper in Portage. Now this report came from a meeting that was held April 30th, Mr. Speaker: "Beef Producers Oppose Stabilization Program. The Provincial Government's newly proposed Beef Stabilization Program is not receiving much praise or approval from local beef producers. "The plan is something that someone has worked long and hard to get the most publicity for the least amount of money," says Ken Rempel, a beef producer 27 miles southeast of Portage la Prairie. "The government says the \$40-million plan is designed to put Manitoba cattle producers on a more equitable footing with those in other provinces. Under the plan, a producer will receive up to \$50 for each cow when they enrol in the plan later this spring. However, once enrolled," Mr. Speaker, it goes on to say, "the producers will be required to remain in the plan for six years

to maximize the program's income stability features. The plan also includes low interest advances to producers and is designed to encourage and assist cow-calf producers to feed to slaughter weight."

Mr. Remple has 250 head of cattle, does not qualify for the program because he raises purebred cattle. "I wouldn't join it anyway," he says. "I've done a survey of a lot of people in the east part of the province and no one is going to join," said Remple. "Nineteen percent of the farmers sell their cattle in the fall and if they do that, they don't qualify for the program. Most farmers don't have the facility to finish the calves and they're just not going to do it," he goes on to say. "I'll wait until the details are finalized, but it seems right now that bad points really outweigh the good ones."

Ingurd Sigurdson, another well-known beef producer from the Lakeland area summed up the feelings of many producers. "I'd be very surprised if they get much response to that plan. I wouldn't touch it with a stick," Mr. Speaker. Another producer who is well-known, Bob Smith, a beef producer from the MacGregor area. He says, "There are three basic problems with that plan. First, the plan includes a central desk marketing agency. We would have to put all our cattle through it. We're afraid it could mean a market board sneaking through the back door. Secondly, the plan calls for the finishing of cattle and most farmers are not set up for that." That is something, Mr. Speaker, that the Minister did not take into consideration.

Farmers are also worried because the same government is running this program that ran the 1976 program. The 1976 program proved to be badly disorganized. Smith says he attended a local meeting of the Central Cattle Producers' Association and most producers there were not planning to join. Mr. Speaker, that is the feeling of the people, the cattle producers in the Portage area. I believe, Sir, that speaks for most of them in the Province of Manitoba.

Mr. Speaker, this government just have not been able to give the farmers the answers to questions they need to know, answers to questions they are asking and must know in order to make up their own decisions.

Mr. Speaker, the announcement that the provincial share of capital gains tax on family farms will be removed is good news. Any rebate on taxes collected will be appreciated. However, on a large sale of farm land exceeding the \$200,000 mark at the rate of 15 percent to 16 percent rebate on the first \$100,000 is fine, but as I understand not too many will likely benefit from this.

Mr. Speaker, the 15-percent hike on diesel fuel might easily be what could put some of the transfers out of business. It will be highly unlikely, Sir, that any new big trucking firms would look to joining the large number of firms that today have their headquarters in Manitoba and when they could operate with a greater margin of profit working out of the Province of Saskatchewan. It will be very interesting to see what will happen there. The added costs of diesel fuel to those in the business will just be passed on to the consumer. There is no doubt about that, Mr. Speaker. The many hidden taxes that will come out of this Budget that will affect the average Manitoban are not going to be realized for a considerable time.

Mr. Speaker, the Member for Inkster, when he spoke

last week in support of his government's Budget, he raved on and on and on about the way the previous government mismanaged the affairs of the province. You know, Mr. Speaker, the honourable member reminds me of the soapbox speakers that operated in Hyde Park during the war. Yes, a lot of us have heard them. We stood there in awe watching these people up on their soapbox in Hyde Park and waving their arms and trying to convince the people that they had all the answers. Well, I can assure you the Member for Inkster has not got all the answers and nor do I, Sir. He spoke on how the previous government dragged its feet on the Critical Home Program. I want to suggest to him - he said how his government is going to expand and revitalize this program. I only hope, Sir, for the sake of the taxpayers of the province that when they revitalize that program, as he says they are going to do that they'll watch over that program better than they did in 1976.

I recall, Mr. Speaker, when I was out campaigning for the 1977 election I came across this little home where a carpenter actually had cut out practically the whole side of this home to install windows; one was a lovely big picture window. Mr. Speaker, that picture window itself, that unit, was worth more than that entire home. Yet, that government at that time, let these programs ramble on. They went on and rambled on. They just had no control over them and I'm afraid, Sir, that the same will happen again.

So many of the programs the NDP Government supports are unreasonable. They get carried away; they can't keep control of them and have little regard, if any, for the dollar they are spending. Mr. Speaker, I find it very alarming that the Government of Manitoba who in six short months has put the people of Manitoba in the position of facing the largest deficit in the history of this province, and has stated that it will be borrowing \$750 million on the world money market in its first year of office. Yes, they laugh, the brag about it almost. Well, Mr. Speaker, I don't believe the voters of Manitoba ever thought last November that the NDP Government would be doing that —(Interjection)— no, that's right, there was no word mentioned that they would be spending money to that degree.

Mr. Speaker, it is my opinion that this province is heading to the point of far too much government involvement, instead of cutting back. I wonder just what the province's economic position will be after another three year's of socialist government. I do support my leader, the Leader of the Opposition's amendment on this Budget.

Thank you very much.

MR. DEPUTY SPEAKER: The Honourable Member for Brandon East.

HON. LEONARD S. EVANS (Brandon East): Thank you very much, Mr. Speaker. This is a very interesting subject, a very interesting debate —(Interjection)— well, I'll have to think about it

I want to say that I rather enjoyed some of the remarks made by the preceding speaker, the Member for Portage la Prairie. Although he's not given to the colourful phrases and the superlative adjectives expected of the Member for Fort Garry, nevertheless he talks like a true Conservative; indeed, the Member

for Portage is a true Conservative and at least he doesn't talk out of two sides of his mouth as some other members opposite happen to do from time to time.

Mr. Speaker, the Member for Portage said among other things, that the problem with our party in government is that we might have, or words to this affect, too much government and he, indeed, was concerned about too much government. And that is a legitimate Conservative position; it's a neo-Conservative position, I might add, Mr. Speaker, a modern-day Conservative, some people use the term neo-Conservative position, where they follow the philosophy that the least government is the best government and that is a legitimate position. There are other legitimate positions, Mr. Speaker. I don't happen to agree with the position of the Member for Portage but he's entitled to it and I would rather hear someone soundly say: "This is where I stand and I would really like to see taxes cut and programs cut," because I think, really, this is what the Member for Portage does believe in and he does state it and he's true to his principles. But so often we get a lot of huffery and puffery from members opposite and we go on talking ad infinitum and perhaps ad nauseam about philosophical positions and policy positions and so on and it really leaves me rather confused as to where the members stand, because we're criticized on the one hand for raising taxes and on the other hand, we're criticized for not spending enough money on certain programs so I really get confused by some members opposite.

I think, Mr. Speaker, that we have to recognize in this Legislature, as indeed the people of Manitoba recognize, that the role of the Province of Manitoba to hold is a very tough role; that to develop the province in a meaningful economic way is a very difficult challenge. It's a challenge that may be almost insurmountable to any Provincial Government. We indeed have a limited resource base. We have some very good resources but let's face it we, unfortunately, do not have the plentiful oil and gas, the various petroleum supplies of the Province of Alberta, indeed, we don't have the modern resource assets of the Province of Saskatchewan. While we have some excellent minerals, base metals and so on, while we have a very rich but rather small agricultural base compared to the two western provinces, to the two provinces to the west of us, relatively speaking our resource base is limited. Unfortunately we are distant from major markets so it makes it rather difficult for some of our manufacturers to compete and the local market is rather small. Our domestic market is relatively small because we have a vast geography but we have barely more than a million souls inhabiting this great province of ours so it is, indeed, very difficult at any time to see significant economic growth occurring in our secondary industry in particular.

In this day and age, Mr. Speaker, I think we must become aware, more than at any other time, that indeed we're not an economic island unto ourselves. That phrase I had used for many years while in Opposition, and previously when in government, that we have to recognize, as sometimes we don't wish to recognize perhaps in this House to the extent that we should do, that we are, indeed, affected by the national economic situation. Indeed, we are affected

very much by the economic policies that come out of Washington and if the Federal US Government insists upon having a high interest rate policy for whatever reason, there is going to be a negative impact on the American economy which indeed spills over, unfortunately, into the Canadian economy.

There's no doubt, Mr. Speaker, that we are living in very tough times and some of the most solid, large corporations that we see amidst us in the United States and Canada are suffering very drastically at this time. Companies that have had a very, very solid and long record of economic growth, of industrial growth, who have paid their shareholders good returns, good dividends, are now suffering and they're shouting loud and clear why they are suffering. I'll just use a couple of examples that appeared in recent newspaper articles. One article I have which was reported in the Free Press of today but comes out of the New York Times News Service is of the John Deere Company of Moline, Illinois and it is a good company, it's a company that has had an excellent record of growth, an excellent record of paying dividends, an excellent record of just sheer increasing productivity through the years. But here the economic recession is becoming so bad that John Deere is now being affected. I'll just quote a couple of sentences here from this article: "But spring has come late to the mid-west this year and a slackening in the demand for agricultural equipment has been one result of that delay. Consequently Deere and Company, the farm implement industry's largest and most profitable company, is cutting back in the time when it would normally be expanding."

Then it talks about "Deere predicting a serious decline in earnings this year and announced that it would slash production schedules by an additional 5 percent, dropping the level of output to 15 percent below its last year rate. At Deere, a well-disciplined and conservative organization where management decisions are made by consensus, the predominant feeling is that interest rates will stay high enough to keep demand for farm equipment, its main product line, below the anemic levels of last year. Company officials complained bitterly about the Budget impasse in Washington and said it was ruining business prospects and wrecking havoc with its plans." Then the article goes on to say how Deere has earned a sparkling reputation for its planning and execution over many decades and how it has had an enviable dealer network and where it's engaged in heavy investment in new plant and equipment over the years. I'll quote and this is the last two sentences: "But the recession in the farm economy, the worst since the 1930s," that's the period of the great depression, "is blemishing Deere's remarkable performance, 14 percent of its 50,000 workers are already unemployed with more layoffs on the horizon."

Mr. Speaker, I thought it was useful to relate to one very successful well-known large American company and the difficulties it is having in the United States and there are many reasons that effect the growth of any company and it's sales, obviously. Certainly one major reason is the American recession, coupled with very high interest rates. Looking at this country, to use an example, where else should we look but at the Canadian Pacific Company, CP is one of the largest

corporations in Canada, and it too is being hit by the recession that we're now experiencing and if anyone has any skepticism that we are, indeed, in a serious recession all you have to do is look at the evidence presented or the data presented to the annual shareholders meeting earlier this month of the Canadian Pacific Ltd. That company is Canada's biggest company, by virtue of its \$12 billion a year Consolidated Revenues in 1981. It reported, Mr. Speaker, a decline of 65 percent in first quarter profits and CP Chairman, Frederick Burbidge said there could be more bad news later this year. That development certainly mirrors the depressed state of the Canadian economy, in general, and I would say, Mr. Speaker, and this drives the point home, is that no large or small company can claim immunity from the current economic recession that North American, that Canada is experiencing.

So we, not being a economic island unto ourselves, are participating, unfortunately, in this general economic downturn waving over the North American economy. I suppose you could make an argument that whatever we do in a Budget in Manitoba won't have that much affect on our economy but, Mr. Speaker, I think you could make a case that it does have some marginal affect one way or the other. Therefore, it's incumbent upon any Provincial Government in Manitoba to do whatever it can to offset the tide of recession, to do whatever it can to hold back the economic decline that is pressuring us.

Mr. Speaker, many people talked about a balanced Budget and I suppose we could have had a balanced Budget. How do we get a balanced Budget anyway? Well, there's no magic about it, you could raise taxes even more than we've raised taxes; we could have added even more to the Health and Education levy; we could have added some to the sales tax; we could have increased personal and corporation income tax, certainly we could have raised more taxes, that is a possibility, we could have offered that avenue, we could have pursued that avenue; certainly, we could have cut programs, that's another way of coming to grips with the so-called balanced Budget. We could have simply said, well even though inflation is running a fairly steady pace still with us we won't worry about that, we will not increase the funding for these different programs whatever they maybe, in Education, in Health, in Highways or Agriculture, wherever, we won't increase these because we don't have the money so the increase will be less than inflation. Of course, either zero increase or perhaps an increase less than the rate of inflation and if it is less than the rate of inflation, Mr. Speaker, it means that there is de facto cutback and that is, of course, what we experienced in Manitoba for several years under the previous Lyon administrator where, particularly the first two years of acute protracted restraint, where the rates of increase were way below the level of inflation with just a fraction of inflation rates and, as a result in a real sense, programs were cut back across the board in Manitoba, whether you look at our social welfare field, that is health programs for the mentally retarded or what have you, or whether you looked at education, or whether you look at any of the governmental departments and governmental programs. There was a real reduction in those services.

It seems to me, Mr. Speaker, that in the November

1981 election the people for Manitoba told us loudly and clearly that they didn't like the acute protracted restraint approach of the Lyon Government; that they did not want their Provincial Government to cut back severely in help for the handicapped, in help for the aged, in help for the poor, in help for our educational systems. They said they wanted a government that was caring, a government that was going to take a more prudent approach to social programming, a party that could bring in a government that would, indeed, be concerned about human development, social development, in addition to economic development.

I ask, Mr. Speaker, there's a great amount of debate about whether we should have a deficit or whether the deficit is too big or what kind of deficit we should have. I don't know what's so magical about this matter of a deficit or a surplus in some ways, there's been so much talk about the need to balance the Budget. I say if we balance the Budget per year why don't we balance the Budget every quarter or, better still, why don't we balance the Budget every month, or maybe we should balance it every week, or how about every day or how about every hour? Then of course, it gets ridiculous. The point being, Mr. Speaker, there is nothing magical about balancing the Budget over the year, year by year. Certainly what is more important is to look at the budgeting, the spending and the taxing by government over a period of the business cycle. Surely what we want to do is to use to the extent that we can, is to use government spending and taxing power to offset the business cycle and, therefore, Mr. Speaker, it is most appropriate that our Minister of Finance and that this government brought in a deficit Budget at this time. It is most appropriate to have a Budget deficit of the size that we did because this Budget with the size of deficit we have I'd say, is stimulative of our economic situation. If it was balanced, it would be less stimulative.

I would suggest, Mr. Speaker, that the degree of stimulation is indeed modest and is not out of line. In fact, some people could argue maybe we should have had a bigger deficit to have a little bit more stimulus. But we want —(Interjection)— well, the member asks me a question from his seat, under what circumstances I would see it being balanced. I say, as I said before, I'd see it being balanced over a period of years, over a period of a business cycle.

We have to pay our way, I know that, we have to pay our pay, but I would remind the honourable member if he wants to do a little bit of study of the history of economies of a lot of the western nations, that some countries have had deficits for 30, 40 years and they're still operating. The major thing is to see whether there's a deficit in terms of employment. Surely our objective is to get the maximum amount of employment. Surely our objective is to get the maximum production of goods and services. That's what we want, real goods and services. That's the objective. If it takes deficits at some time by the province to help achieve that, we won't reach that goal ourselves, but we can do something. Therefore I say if we can do something, indeed we should and indeed we have.

But having recognized that we have a stimulative deficit Budget, I want to remind members that if we compare ourselves with what's happened so far across

Canada this year, looking at the Budgets that have been brought down by other provincial Ministers of Finance, you'll see that Manitoba is in a very intermediate position. As a matter of fact, Mr. Speaker, every province except Quebec and Newfoundland have brought down their Budgets for the '82/83 year, so we can compare ourselves with the other seven provinces and you'll find that lo and behold the expenditure side, the two provinces that have had very very sharp increases in spending, are the Conservative province of Alberta and the Conservative province of New Brunswick.

The Province of Alberta had an expenditure rise this year, Mr. Speaker, of 27.3 percent. Please note, our increase is 16.4 percent. —(Interjection)— Well, the Member for Pembina should keep his cool. If he can't keep his cool, I tell him to shut up. I tell him to be quiet for a moment. I am quoting the comparative figures that have been provided for us in the Globe and Mail Report on Business —(Interjection)— and, Mr. Speaker, using the comparative statistics that we've had, we have a 27.3 percent in Tory Alberta as I said and a 22.3 percent in Conservative New Brunswick.

It's rather interesting that there are some provinces that have had a smaller rise in expenditures than ourselves. I'm not suggesting we had the lowest rise. In fact, I wouldn't want us to have the lowest increase, but there are provinces, the two most Conservative spending increases, the smallest spending increases were in British Columbia 8.1 percent, in Nova Scotia 6.6 percent. But the point I'm making, Mr. Speaker, is that our increase in spending is intermediate, it's somewhere in the middle.

If you look at what happens to the deficits, Mr. Speaker, you'll see we're in plenty of company. Mr. Speaker, the only province that budgeted a surplus this year was the NDP government of Saskatchewan. That was the only province and they budgeted for a \$210 million surplus for '82/83 and they kicked them out of office. But every other province in Canada had a deficit and I think if you look at the listing, they all had an increase over last year except Nova Scotia and Saskatchewan. The Saskatchewan budget is not passed. There will be a new budget brought in by the new Conservative Finance Minister and I daresay, with the cuts in their gasoline tax, I wouldn't be surprised if they're into a deficit as well.

But here's Alberta, in 1981/82 they had a deficit of \$260 million. This year, their budget deficit is projected to be \$2.45 billion, \$2.450 billion deficit compared to a \$260 million deficit last year. Do you know why it's so big, Mr. Speaker? In a way you have to understand there is the Heritage Fund and so on, but I'm comparing their budget situation this year to last year on the same basis and there's been a sharp increase in their deficit financing and for good reason, because the Provincial Treasurer of Alberta wanted to help stimulate the Alberta economy because it too, is feeling the downward effects of the national economic recession. —(Interjection)— Well, there may be political reasons.

British Columbia's deficit last year was \$280 million, this year projected to be \$360 million. New Brunswick, last year was \$200 million deficit; this year it's estimated to be \$420 million, more than double.

Incidentally, Mr. Speaker, New Brunswick is smaller

than Manitoba and when they have a \$420 million deficit with a population of about 200,000 or 250,000 less than Manitoba, I say that they are into a deficit program in a far more serious way than we are. They have a Conservative government as well.

If you look at the Conservative Government in Nova Scotia, what's their budget projection this year? \$390 million deficit. Prince Edward Island, they also have a deficit relatively small, but they're a small province, a \$10 million deficit. As I say, the last province I have on the list is Saskatchewan and it had a surplus of \$210,000.00.

But the fact is that there are provinces who are adopting, if you'd like to say this, a Keynesian approach in the belief that major increases in government expenditures are an effective method for counteracting the economic recession that we have.

So, Mr. Speaker, the lesson to be learned from this is that with our deficit is we are in an intermediate position in terms of deficits. There are many provinces that have bigger deficits than us. There are one or two, like Saskatchewan, which has a surplus, PEI which is very small, which is smaller than ours. So what's happening in Manitoba is not out of line with what's been happening across Canada. —(Interjection)—

I say, Mr. Speaker, as I've said before, the reason in terms of deficits, governments almost automatically go into a deficit position with a downturn in the economy. Why? Because the revenue growth doesn't occur that normally occurs when you have a more positive rate of expansion and at the same time governments are required to maintain certain services. As a matter of fact some expenditures rise. Various social welfare expenditures rise in times of recession because more people are unemployed.

Mr. Speaker, I say that on balance, it's good. On balance we have a good Budget as I said in the beginning and it's stimulative, it's a good deficit, it's a stimulative deficit. As I said earlier we could have had no deficit — before the Member for Pembina got into his seat — I said earlier we could have had no deficit if we wanted to raise taxes or if we wanted to cut government programs, cut government expenditures, but our decision was that it's necessary to maintain government programs and in certain areas, bring about certain expansions that were required. At the same time we recognized we needed more money but we didn't want to raise the amount of money that would have balanced the Budget because if we did that we wouldn't have been able to be in a stimulative position as we are at the present time. Having said that, I repeat, this is a rather modest effort compared to what's going on in some of the other provinces.

Mr. Speaker, there's no question in my mind that our AA credit rating will be maintained, it's a very good rating. We obtained it during the Schreyer administration. It went from A-plus to AA. I say that our rating will, even though we have a slightly larger deficit than before, our rating will be maintained and the reason for that, Mr. Speaker, is that our taxing capacity is good compared to other provinces. In other words, if you compare the tax structure of Manitoba with the tax structure in other provinces, you'll see that we're nowhere near as high as many of the other provinces in this country. In fact, in some instances we have the lowest rate of tax.

If you look at personal income tax, it's relatively high but it's not the highest. Our personal income, this is as a percentage of federal basic tax, is 54 percent in Manitoba but compare that with 58 percent in Newfoundland, 56.5 percent in Nova Scotia, or 55.5 percent in New Brunswick. As I said, there are some provinces a bit lower than us but the fact is that we are not at the highest level.

Look at our sales tax. We all know in this House that at 5 percent, excluding Alberta which doesn't have a sales tax, at 5 percent we remain the lowest in Canada of all of the nine provinces and compare this with what we see to the east of us; Newfoundland, 11 percent; PEI has a 10 percent sales tax; Nova Scotia has a 10 percent sales tax. They're all Tories. New Brunswick Tory Government, 8 percent sales tax; the Levesque Government of Quebec, 8 percent; the Ontario Conservative Government, 7 percent and British Columbia, which is the same thing as a Conservative Government is 6 percent sales tax. So the credit rating companies know full well that we have lots of capacity in this province for additional tax if that ever is necessary and that's taken into consideration when you look at the tax structures.

If you look at our corporation income tax on small business we're well in line, we're again around the middle and, indeed, with large corporations we're second from the top other than B.C.

Of course, the other thing, Mr. Speaker, that I must point out to my friends who like to tell us how good things are in Alberta, British Columbia and Ontario, that they have that invidious flat rate premium tax for health care where now, in Ontario, if you were a family in Ontario you'd be paying over \$60 a month premiums towards health care. As you might recall, Mr. Speaker, the NDP Government in 1969, reduced the Medicare premiums by half and I believe it was in 1970 we eliminated the other half and went on to a general taxation method of paying for our health care in this province. That's a step that I'm sure the people of Manitoba welcomed and I'm pleased that we are still in that position. But let's face it, a Medicare premium levy is a form of tax and it's a very very regressive tax. It's even more regressive than the sales tax. So the point is, that we have an excellent credit rating and in my view, that rating can and will hold.

The other point I would like to make, Mr. Speaker, which members opposite seem to wish to ignore or certainly don't want to talk about and that is the value and the inherent good that is coming about from some of the many programs that we have put in place as a Provincial Government. Some of these programs, or all of these programs have been in existence, I suppose, for some years now and they may have been cut back and so on, but they were maintained and I think it's a recognition by all parties that there's some basic services, basic programs, that are essential. I think maybe it's a matter of degree to which extent you want to finance them. There may be a difference of degree but I can say without hesitation that I am pleased that we are providing more money for health care in Manitoba.

When they criticize the Budget, when they criticize the deficit, I say, are you going to cut back on health care? Should you cut back on health care? We have probably one of the most sophisticated health care

systems anywhere in the world and I believe that it's our job to ensure that the excellent health care system be maintained and if, indeed, not maintained, even improved. I think our Minister of Health, in his Estimates, has shown that there are ways and means that we can indeed improve our health delivery system and we have, in connection with that, a five-year program of construction of nursing homes and hospital facilities around the province.

So I'd like the members to tell us if they think there shouldn't be a deficit and that should be accomplished by means of cutback in expenditures. I ask them, would they cut back the expenditures in the field of Health or would they have the expenditures such that we couldn't keep up with the rate of inflation? Similarly, in the area of social services, I continually am amazed at the vast array of social service agencies that are funded by the taxpayers of Manitoba. I think that is to the credit of the people of Manitoba that they are prepared to help those less fortunate than themselves, that they are prepared to help the elderly, that they are prepared to help the handicapped, the mentally retarded people and those that are generally disadvantaged.

The Department of Community Services has a vast array of programs to help people who are handicapped, who are mentally retarded and, as members know, we are now developing a more sophisticated day care program and I believe that this is worthwhile and the expenditures in that area are most worthwhile and are productive in our economy. In the area of housing we have indicated a major thrust in housing construction and housing repair and this is something that will be welcomed by the people of Manitoba. This is something that is sorely needed, particularly when high interest rates are thwarting the private sector, when high interest rates are making it virtually impossible for young families to be able to afford housing, where it's making it virtually impossible for consumers generally to put their funds into housing because they simply can't make the payments, at least this is what a lot of young couples tell me.

The field of education, we take it so much for granted. We have an excellent education system in the Province of Manitoba and I think we take it for granted. We have something really good going for us here; we have excellent teachers, we have an excellent system, we have a system that maybe envied by many places in Canada, indeed, maybe envied by the people all over the world. But there are monies that are required to sustain and maintain and develop education in this province and I'm pleased that those proposed expenditures have been put forward to this Legislature for approval. So there are many, many areas that we have increased our spending, there are many areas that I haven't mentioned but, generally speaking, it's my belief that the people of Manitoba are approving of these initiatives, are approving of the Health Care system that we have, of the system that we have to help those that are less advantaged than ourselves.

So I say, Mr. Speaker, for all the criticisms I hear from the other side, exactly what would the Conservatives have done, what do they propose, they don't tell us really what they think should be done? Should we cut expenditures, should we cut the programs that we

have, should we have reduced the funding for Health Care, tell me? We have the answers and we submitted the answers by virtue of our Estimates, those are our answers, that is where we stand, Mr. Speaker, but I say all the critics on the other side, for all their huffery and puffery, have not told us just what programs they want. Let them stand up here and be specific, let the Member for Pembina stand up and be specific, where would he cut, tell us? He's afraid to tell the people of Manitoba —(Interjection)— Well I'd eliminate the Member for Pembina, I'd eliminate his riding, because the Member for Pembina said he'd eliminate the MLA for Brandon East so this is a tit for tat interjection.

The fact is, Mr. Speaker, the Member for Pembina and other members opposite are afraid, where is the Member for Roblin, will he tell us where to cut the Budget, where will the Member for Roblin cut the Budget. If he'd tell me I'd be glad to hear specifically what part of the Health Budget would he cut, what part of Education would he cut?

MR. DEPUTY SPEAKER: Order please. The Honourable Member for Roblin-Russell on a point of order.

MR. J. WALLY MCKENZIE (Roblin-Russell): The Honourable Member for Brandon asked me where I've been, if he will give me the privilege floor I'd be more than pleased to tell him where I've been since this government took office. Mr. Speaker, I don't think I've ever seen a more weak government, more unqualified . . .

MR. DEPUTY SPEAKER: Order please. I do not believe the honourable member's remarks constitute a point of order. The Honourable Minister of Community Services has two minutes remaining.

MR. EVANS: So I say, apart from the vague generalities they included in the interjection by the Member for Roblin, I would like the honourable members to specify to the people of Manitoba precisely and exactly what they would cut. There's these spending Estimates in front of them and they can read it as well as anybody else, or alternatively would they raise taxes, where would they get the tax money? They don't want to cut, what taxes are they going to raise, would the please tell us? Are they going to raise personal taxes, are they going to raise corporation income taxes or are they going to increase sales taxes? They don't seem to like our Health and Education levy; our Health and Education levy is a fair tax, it is much more equitable, as the Minister of Finance explained, than a sales tax. So, Mr. Speaker, I would like the members opposite to tell us just where would they raise taxes.

I suggest, Mr. Speaker, that the people of Manitoba on November 17, 1981 indicated that they don't want the kind of government they had before under the previous Premier of this province, the Leader of the Conservative Party; they don't want acute protracted restraint; they do not believe the philosophy of members opposite that the least government is the best government, they simply don't believe that, they rejected that. They do appreciate that the government can maintain a good Health Care system, they don't want to see that cut back. They do appreciate the fact

that we have a fine education system and that should not be allowed to deteriorate.

Mr. Speaker, we have presented a good Budget, it's a Budget for our times; it's a Budget not out of line with some of the other provinces, as I've explained; it's a Budget that the people of Manitoba accept. We're going to have to pay more attention to economic thrusts in years ahead and, indeed, this government will do. We will, as we proceed, Mr. Speaker, follow our principles of humanity first and social justice. These principles will prevail and it will include our concern for providing jobs for the people of Manitoba as well as our concern for social security. We simply don't believe in the Tory economic philosophy, otherwise known as the trickle-down theory; some people call it the horse and sparrow theory - you feed the horses and ultimately you'll have a little left to feed the sparrows. I say, Mr. Speaker, that kind of philosophy, that trickle-down theory as is espoused ultimately by people of the economic right, will simply not work and will not be accepted.

Our Budget is a Budget for the times, our Budget is a Budget that I know, talking to my constituents for three days last week, is well accepted by the people of my riding and I think they're typical. I spent three days in the City of Brandon including talking to a busdriver and a busdriver is someone who comes in contact with hundreds of people every day and, Mr. Speaker, I can tell you that the people of Manitoba think that the first Budget brought down by the New Democratic Party Government is a good Budget, a sound Budget and it's well received by the people.

MR. DEPUTY SPEAKER: The Honourable Member for Niakwa.

MR. ABE KOVNATS (Niakwa): Thank you very much, Mr. Speaker. It gets to a point where I almost don't know how to handle the situation. There's people up in the gallery and there's people up in the press gallery to take down all the words of wisdom that is going to be espoused by myself in the next short time. There must be one door open in the gallery because I see my wife and a couple of neighbours up there so they are able to get in.

First of all, Mr. Speaker, I congratulate you on the position that you've taken as being the Deputy Speaker and taking over in place of the Speaker who is not well at this time. I would much rather see the health of the Speaker much improved and be sitting in the Chair in your place, Sir, but at this time I respect the position that you are now taking over and I can always say that you've done a good job and I have no complaints concerning the Speaker and the things that you have done up until now.

First of all, I would just like to make a couple of remarks concerning the Honourable Member for Brandon East, the Minister of Community Services, I believe where he said it was all right to have a modest deficit. The Minister considers \$400 million a modest deficit. Does he consider murder a minor misdemeanor? I notice that on page 2219, June 25, 1971, the Minister made a remark in Hansard, "And another example is Saunders Aircraft, a company that but for the grace of a few people, myself and my department could have gone to Quebec." Thank God the Minister

was able to save it for Manitoba.

I also notice that he has lowered himself to talking to busdrivers in Brandon. If that's how he gets his information, I think that busdrivers are on the same level as anybody else and actually, you know, it sounded like he said, I've even talked to a busdriver. God help the busdrivers for being able to talk to the Honourable Minister.

I don't think that I've got 40 minutes to speak, Mr. Speaker, but oh, I'll probably carry on for a little bit longer anyway.

You know this afternoon I was listening to the Attorney-General making his remarks about protracted restraint and to stimulate the economy and I think the Attorney-General is yelling that you've got to spend money that you don't have. You can always get the money or owe it in the future. But he was talking about running on the spot, where are you going. I guess the Attorney-General is still running on the spot. He doesn't know where he's going; he doesn't know whether he's advancing or going back. But he made some remarks and he took offense to having been associated with jackboots. Well, I don't know where the offense takes place, but I was associated with seaboots during my navy time and my neighbour up in the gallery also was involved with the navy and I don't take any offense at all with being associated with seaboots or jackboots or whatever. I think it's just a ploy to gain some sympathy and he's not going to get any sympathy from me.

If he's talking about the taxing —(Interjection)— we'll get to the drunken sailors in a minute too because that's my background. It might sound a little bit humorous at this time because —(Interjection)— no, I have some remarks to make and I've been through it both. I've been known to take a drink and I've been known to be a sailor, but we'll get back to that just very shortly. I'm still criticizing the Attorney-General for the remarks he made about taxing the candy in Ontario. Who gives a damn what they're doing in Ontario? We're in Manitoba. This is where we should be considering the things that are happening here.

We're talking about Manitoba, the Premier of Manitoba who sits there and yells - I was watching him this afternoon and you know, I think that if the people of Manitoba could only watch him on television the way that he pounds on the desk and, you know, I'm being critical of him, but it's ridiculous. I remember as a kid we had these little boards that you would sit on and you had these little tap dancers and you bang the board and they would be flipping all over the place - there's my Honourable Premier of the Province of Manitoba. And I recall at a Hydro hearing last year where the Honourable Premier of the Province of Manitoba who was the Honourable Leader of the Opposition at the time, couldn't quite accept what was going on and what did he do? He took his group out of the Hydro hearing, he walked out, he got mad and he walked out of the Hydro hearing and he took his ball and went home. I hope now that he's got the responsibility —(Interjection)— when I ask you a question then you talk. But I hope now that he's the Premier of the Province of Manitoba that he'll have a little bit more responsibility and will stick around even if it gets a little hot in the kitchen, that he sticks around

because he is the Premier of the Province of Manitoba and the people of the Province of Manitoba elected him as the Premier and I respect him for that and I wish him every good success on being the Premier of the Province of Manitoba and I hope he has good success for the next four years and then out. I've just got to get my notes together —(Interjection)— well, so far.

You know, and I hear from the government side the term "selective amnesia" and keep playing on "selective amnesia" like what they're inferring is that we forget what we don't want to know and we remember what we do want to know. Here it is, selective amnesia. I would rather be associated with selective amnesia than selective stupidity.

You know I've got to tell a little story, Mr. Speaker, concerning my neighbour down the street. When you talk about selective stupidity, I think that he's been associated with the New Democratic Party because the front yard of his house, right in the front of his house, it was a little low and he decided that he would get some fill for the front of the house. So he spoke to his neighbour who was putting in a driveway and he said, "Look, when it comes time and you're going to be putting in the driveway and you've got some extra earth," he says, "I'll take a truckful. Just put in the low spot on the front of the lawn." When he got home about 4 o'clock that afternoon, there was a mountain of earth about the size of his house and he says, "What happened?" And the fellow who was putting the earth there just kept bringing it and bringing it and nobody told him to stop. This is what happens with the New Democratic Government. Nobody's told them when to stop. They're not smart enough to know that you can only go so far without hurting the people of the Province of Manitoba and they keep going on and on and on. For goodness sakes, stop already.

I've got a couple of remarks for the Honourable Minister of Health. You know, the Honourable Minister of Health is quite a humorist. I'm quite disappointed in the Honourable Minister of Health because it's the first time that I've really seen him in a vicious nature. I've never known him to be as vicious as he was earlier on this evening. He's a kind and a gentle person and he knows the benefits of being a socialist because he's been a couple of other different parties but he knows the benefits of being a socialist. He got to be the Minister of Health and he's a senior member in this Cabinet and I'm sure one of the prime members to take over when the Honourable Premier is no longer there. I can see everybody vying for positions to take over from the Honourable Premier and I think the Minister of Health will be right in line there.

I was wondering what the Minister of Health had to give up, really, to become a member of this party and to become a Minister of the Crown. A little bit of self respect, but not enough, but a little bit of self respect, yes. —(Interjection)— He was talking about the payroll tax and he said, you know, this tax is not going to affect the retired people and the people on welfare, those were his exact words. "The payroll tax will not affect the people on welfare and the retired people." That's a bunch of baloney; it's got to affect them. You make reference to crocodile tears; that's a bunch of crock, and that's short for crocodile tears.

The Honourable Minister knows we supported some of the same things. We've supported the French cul-

ture and the French language and things of that nature and we have supported aid to private schools. —(Interjection)— I said we have supported aid to private schools. I say that the Minister has supported aid to private schools. But I asked the Minister of Education a little earlier on, prior to the Estimates, whether the private schools were going to be getting the same type of increase funding as public schools. The answer came back: "No." As a senior member of this Cabinet I would hope that the Honourable Minister of Health, who has the same interests as I have concerning aid to private schools, will speak to the Minister of Education so that we can, in effect, get this extra monies and aid to private schools that they so richly deserve.

I don't think the Minister of Health can sit back any longer. He has got to come right out in open support of aid to private schools —(Interjection)— yes, he does and he's got to tell the Minister of Education, of which he has some influence, that aid to private schools must be kept on the same basis as the extra tax money to public schools.

I also remember him saying some remarks concerning, a little earlier, when they were talking about the two Minister's of Health, about how the previous administration had cut back all the way along the line when it came to hospital funding and that hospital funding was only increased by 2.8 percent one year, which was ridiculous, and how — I think it was either for hospitals or nursing care homes — and how the previous Conservative Government had cut back on the number of rashers of bacon, was three rashers of bacon cut back to two rashers of bacon, but now since the New Democratic Government has gotten in, everybody gets three rashers of bacon. —(Interjection)— Well, that was part of the story that was going around. Everybody now under the New Democratic Party Government gets three rashers of bacon, including this little old Jewish lady in the hospital who doesn't want it. —(Interjection)—

Before I leave the Minister of Education, I've received a bunch of letters here concerning the Baccalaureate Program for nursing and I'm just going to read one of the letters so it will be on file so that the people who have sent me these letters as their representative will know that I've spoken to the Minister and I would hope that something will come about in the next short time. It's addressed to Mr. Kovnats and they're all signed in case I have to table them. It says:

"Current trends in health services require greater expertise for better patient care. A Baccalaureate Program in nursing especially designed for registered nurses with previous diploma preparation has been approved by the Universities Grants Commission. The University of Manitoba, the University of Winnipeg and the University of Brandon are co-operating developing this program. I ask you, as my elected representative, to actively support our appeal to the Minister of Education for funding of this program. I am actively appealing to the Minister of Education for funding of this program." Thank you.

Now to get back to the bacon issue. I look across the Chamber and I see Moses with his finger up in the air again because I have made reference to him before. I keep talking about Moses, and I hope that within three or four years I can be over on that side and keep

making reference to Solan on this side, but I'm reminded that Moses led the Jews out of bondage across the desert to the promised land. Because of the dietary laws, the eating of pork was forbidden because it was causing sicknesses and because it wasn't being properly cooked. You can fry bacon, you can barbecue spareribs, you can roast a pork loin, you can eat a ham sandwich and no matter what you call it, it's still a pork product. A payroll tax by any other name is still a sales tax; a hidden sales tax, only worse. —(Interjection)— Yes, I got up to speak just for those people who like to eat pork.

1. This payroll tax will affect and hurt all of the people of the Province of Manitoba by increasing costs for goods, products and services.

2. In the case of employee wages, there will be less increases or, in fact, some reductions.

3. Finally go broke. That's the other third alternative of a person in business with this payroll tax. They can close the doors, quit trying; it's no use. The NDP Government doesn't care.

First of all, all products, goods and services coming from outside the province will have a decided advantage; no 1.5 percent payroll tax. All products, goods and services coming from within Manitoba will have 1.5 percent added to costs included in the products that have never been taxed before; children's clothing, food, services of the Clergy and benevolent organization services.

The Clergy, the backbone of the community, aren't happy with this regressive tax. It will have to be charged or deducted from the Minister's salary, the secretary, the caretaker and all of the other people who work around the churches. Is it the intention of the government to force the churches out of business? —(Interjection)— If you don't like it just sit on it and you can speak your piece when you get your turn. Does this government consider all of the free services performed by the church and not compensated, the bookwork for marriages and deaths and births, counselling for the people in trouble who could be a burden on the Manitoba taxpayer. Will the government send in their inspectors to check the records of the churches during regular business hours? Would 11:00 a.m. on the Sabbath be convenient, would the \$1 million it would cost the government to administer increases because of overtime on Saturdays and Sundays? Does the Member for St. Johns, I guess he's not here so I guess this remark is just going to go unheeded, support the tax that puts some churches into financial problems also causing dissension?

I remember when rent controls were being changed. The labour unions represented, advised that wage increases were inevitable because of the higher cost of living. These same unions must now accept decreases and lower increases in their negotiations or suffer the consequences. As you keep going to the welfare water the government is rapidly drying out the well and there will be no water left. In the union case no money left for increases. Let somebody else pay but somehow it boils down to the people of the Province of Manitoba. There are no free rides.

Large businesses and financial successful smaller businesses will write out a cheque and deduct from their corporation tax this new payroll tax, no sweat, no problems, no costs. Small businesses and those busi-

nesses in financial trouble don't pay corporation tax, so they must absorb this 1.5-percent provincial tax, or negotiate smaller wage increases for their staff, or lay off some of the staff or pass it onto their customers - or all three. There will be more closing in the category of small business unless the government helps farm implement dealers and farm implement manufacturers. The farm implement dealers are hanging on by a thread and the Provincial Government are coming in with their scissors to cut that thread. They don't care, stop already, give those farm implement dealers a chance.

I'm told this Budget is to help us through the tough economic times directly quoted by the Minister of Finance. The people of Manitoba don't want the help that causes higher rates on products that increase inflation and put people out of work and everyone from the NDP sitting there gloating. See, we didn't raise the sales tax and you sit there and you gloat about it. It's like hitting yourself over the head with a hammer, it feels so good when you stop. Do you think, we the people of the Province of Manitoba, are deceived? You election promises deceived the people; this Budget will not. The deficit will be \$340 million as quoted. I am told that the final figure will be in excess of \$400 million or thereabouts.

My wife is up there and I'm just going to make a remark because I had written this before and not knowing that she was going to be here listening, but my family of Donna and the three kids at \$400 per person comes to \$2,000 and that is what each person's share of the deficit will be for one year. My family - \$2,000 - and I think that I am an average family. The NDP will be borrowing \$900 million for all purposes if they can still get it; it breaks down to \$900 for every Manitoban. My neighbours Dorothy and Larry up there have four children; it means that on their behalf the Province of Manitoba will be borrowing \$5,400.00. This is the first Budget and look at the huge debt; three or four more years to go. Boy, have we a lot of good things to look forward to and, oh yes, one day the heritage of our children to pay back these debts.

My leader made some remarks about how the NDP were spending money like drunken sailors. I've been through it, I was a sailor, and I've been known to take a drink and I know how irresponsible a drunken sailor can be and the song says, "Put him in the long boat until he's sober." If we could only put the NDP Government in a long boat and send them out to sea. The song also goes, "Pull out the plug and wet him all over." Put the plug in the government spending and help save some of the money that we don't have. Cease the stop-gap approach. When a man is drowning and he's at the bottom of an eight-foot swimming pool, what good is it to bring him up to the four foot level? He's still going to drown.

It seems that the intention of the New Democratic Government is to take small business and turn them upside down in my swimming pool or any swimming pool and hold their head at the four foot level and drown them. They need help. I was talking to a minister in my area, but I'll tell you the ministers in my area are not supporters of the New Democrats. There is one who supports the policy of government insurance and Autopac —(Interjection)— I have just had a remark and I guess it's because I didn't run in Radis-

son, I ran in Niakwa. I didn't change constituencies, I live in the same house but that house is now located in Niakwa. I'm almost sorry that I didn't run in Radisson because if I had run in Radisson, that member wouldn't be here. I hope that member is enjoying himself because he won't be here after the next election.

I had a question for the Minister of Natural Resources about skinks but he doesn't know what a skink is so I will give him a chance to find out so that when I ask him the question on skinks he'll know tomorrow or the next day. This clergy that I was talking to, he was telling me he feels sorry for some of the people that are going to be taxed to having a real problem. One of the people that he feels sorry for are the people with drinking problems who are being taxed to the degree where it's going to force them into doing something desperate. He says, I hope that these people will be given some help from the Provincial Government, rather than just see that they are extra taxed because they're the ones that can't afford to pay the extra tax. The ones who have the extra dollars, who can afford the extra money, sure tax them but I think you've got to do something for the people with the drinking problems as requested by the clergy in my area. Do something for them, don't just slough them off and say, all right, let them fend for themselves. For those people who are still smoking, God bless you, keep smoking we need the tax money, tax them all you want I've been off cigarettes for over a year. But it seems a shame that this government must rely on the weaknesses of others by taxing some of those weaknesses to run the province.

I've just got one more point that I'd like to bring up. Most of the reference was made to the Budget, that I've spoken on today, in some way which is more than really the Honourable Minister of Health the Minister of Natural Resources, the Minister of Community Services, all they did was knock the previous administration and the opposition party. Some very, very snide and vicious remarks which were uncalled for and unwarranted. I've just got to talk about the Minister of Municipal Affairs concerning some of the problems that we're having with the cheese. Yes, it was Wally's area but there is 1,200,000 pounds of cheese that comes from Rosburn and Pilot Mound that is just in storage. I would hope the Minister of Education is going to listen because there was a program through the schools where children were supplied with milk. Could we not, and also help the industries in the Province of Manitoba, supply some of this cheese to the students in the schools, it's nutritious, it's a milk product, high protein, why not supply the children of the schools? We could get rid of some of this 1.2 million pounds of cheese and do a service to the industry that needs the help. But I give the responsibility to the Minister of Education because the Minister of Municipal Affairs has not accepted the responsibility. As a matter of fact, the Minister of Municipal Affairs has sloughed it off to the A & W Restaurant because the other day I went into the A & W Restaurant and I said I wanted a Papa Burger to take out; she said, "with cheese" and I said, "yes." So, they're selling more cheese than the Minister of Municipal Affairs has ever thought of selling.

I've got one more letter that I'm just going to read and this is to the Minister of Health. I brought it up

during his Estimates but I didn't have the letter with me. It's from 22 Conifer Crescent in St. Boniface and it's to Mr. Abe Kovnats, I've mentioned it to the Minister of Health, it says: Dear Mr. Kovnats: I've learned with dismay of the proposal for an abortion clinic in Winnipeg." I tell you I've mentioned this before. "I would like to let you know that I am against abortion and against any kind of clinic which would favour abortion procedures. Human life exists from the moment of conception and possesses all the rights to life of a human being. May I respectfully request you to intervene in this matter so that human life will be respected and not destroyed here in Manitoba. Respectfully yours, Sister Evangeline" - who is a nun living at this address. I read this into the record because I did mention it to you before. I'm not criticizing the Minister because he gave me the right answer. He told me, at that time, that there was no such clinic but she had heard and we dispelled that fear. I hope we've dispelled that fear, I hope the Honourable Minister of Health isn't just saying that there will not be an abortion clinic and, through the back door through some other funding, make sure that there is one because we don't want one.

Now, about the blueberry farm, there's no blueberry farm tonight, the Minister of Culture, yes, he's going to get his blueberry pie. I made some very casual remarks concerning the Blueberry Festival at Piney and the Minister said that he enjoys blueberry pie and I think we had made a commitment to one another, at least me to him, concerning the blueberry pie. Well, all of a sudden, in the Carillon News, right on the front page; "Abe Kovnats promises the Minister of Culture a blueberry pie," so I can't get out of it, you're going to get your blueberry pie. Anyway I want to thank you for your kind attention, Mr. Speaker, am I close to the forty minutes because I said I wasn't going to . . .

MR. DEPUTY SPEAKER: The honourable member has approximately eight minutes left.

MR. KOVNATS: In the next eight minutes you're not going to listen to me just spouting dribble, you've heard nothing but important information up to now and I'm just going to make one prediction - being a clairvoyant and I've got my crystal ball with me - four more years of New Democratic Party Government because you're going to go the full length because you know you're going to lose the next election; you've got to go the full time if you want to get your pensions. I mentioned it to you once before, good luck to you and I hope all the luck is bad; we're going to win the next election and you're going to hear it every time that I get up because I have nothing better to say about the New Democratic Party. I've heard nothing but ill will and really harsh remarks and I'm sorry that I was here to listen to the Honourable Minister of Health. I almost wasn't going to turn up to night, I was so upset with the Honourable Minister of Health, my associates - a member in my office, not Mr. Hyde who I got rid of, I got Mr. McKenzie. Mr. McKenzie pleaded with me. He said: "Abe, you've got to go into that House and you've got to tell them the way it is. Don't let them upset you." I said: "Well I am upset, Wally." He said: "Don't let them upset you. Go on in there and tell them the way it is," and I think that I have.

Thank you very much, Mr. Speaker.

MR. DEPUTY SPEAKER: The Honourable Member for Dauphin. The Honourable Minister of Health.

MR. DESJARDINS: Mr. Speaker, I wonder if the House would be ready to call it 10 o'clock?

MR. PLOHMAN: I move, seconded by the Honourable Member for Radisson that debate be adjourned.

MOTION presented and carried and the House adjourned and will stand adjourned until 2:00 p.m. tomorrow (Tuesday)