



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

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**DEBATES**  
and  
**PROCEEDINGS**

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The Honourable D. James Walding  
Speaker*



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**MANITOBA LEGISLATIVE ASSEMBLY**  
**Thirty-Second Legislature**

**Members, Constituencies and Political Affiliation**

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

## LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, 30 April, 1984.

Time — 8:00 p.m.

### BUDGET DEBATE

**MR. SPEAKER, Hon. J. Walding:** On the proposed motion of the Honourable Minister of Finance and the amendment thereto proposed by the Leader of the Opposition, the Minister of Agriculture has 10 minutes remaining.

**HON. B. URUSKI:** Thank you, Mr. Speaker.

When we adjourned for the supper hour, we heard protestations from members opposite and denials about their alleged and proposed dealings with Alcan in the sale of a portion of a hydro-electric dam, and their denials that the rates that I quoted and how the rate question would impact on Alcan versus Manitoba consumers. I want members opposite, and I challenge them, to show that their rate proposals were something different than I had mentioned in my remarks, and especially, Sir, I challenge the Member for Lakeside and the former Minister of Finance, both of them, who protested and I believe protested too much.

To say that their deal somehow did not put into question the whole future of financing and development of hydro-electric projects in Manitoba in the way that they were prepared to sell off one portion of a hydro-electric dam to Alcan, which in fact if one did an analysis would impact adversely on Manitoba consumers in terms of the future of rates increases. Because, as I said, and I repeat again, Sir, Alcan would have one rate that they would have for the life of the agreement based on that cost of that project, while Manitoba consumers would have to have a rate based on the construction of new plants, a blended rate, and while Alcan would have only one rate, the consumers of Manitoba would have to pay a blended rate.

Mr. Speaker, that is the fundamental difference between what we are proposing now and what the Tories proposed when they were in office, Sir. We will have, in terms of the agreement in principle, a blended rate - and we hope and we say with all intentions - because we believe that it takes a partnership in which to make the Manitoba economy go, Sir.

It takes a partnership like the Jobs Fund in which we have attracted private capital. We have attracted municipal capital. We have attracted capital from all other sources and the Jobs Fund has been used as the catalyst to make Manitoba - and we have said that the unemployment rate in the province is not low enough. We would hope that it would be lower than it has been and it continues to be, as far as we can determine, the lowest in the country, Sir.

It is this kind of co-operation that we will see Manitoba jobs protected for those in which some industries may be in difficulty through the Jobs Fund. It will see services to many communities in the province expanded and grow like through our Jobs Fund Water Services Board initiative in which we have expanded and increased the budget of the Water Services Board by 50 percent, Sir.

That in itself in the last two years, that one project in my department, the branch, the Water Services Board has translated, Sir, in approximately I believe, and I go from memory, 13,000 man weeks of additional employment that would have not been created had we not moved by expanding the budget of the Water Services Board by 50 percent.

Sir, that has translated into economic well-being and security of water supply to many communities and improved the services to many rural communities in terms of sewer facilities. That kind of co-operation is really what this government has and will attempt to do to build that link to improve the economic well-being of the citizens of Manitoba.

It is this kind of a Budget that has been presented by my colleague, the Minister of Finance, that attempts to say look, while we have been through some very difficult times and we are not out of the woods yet it will take a concerted co-operative effort on behalf of government, industry, and workers throughout the Province of Manitoba to make things work in the best way possible so that we as citizens can improve the economic well-being of all citizens in this province.

Sir, that's why I stand here in full support of the Budget as presented by my colleague and reject the comments and the motions moved by the Leader of the Opposition.

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

**MR. G. MERCIER:** Thank you, Mr. Speaker.

Mr. Speaker, before I begin my remarks on the Budget I would like to take this opportunity as I know perhaps the Attorney-General will during the Budget Speech, or no doubt at the beginning of his Estimates, Mr. Speaker, to place on the record the gratitude and respect that we on this side, Mr. Speaker, have for Mr. Gordon Pilkey who today completed his term as Deputy Attorney-General of the Province of Manitoba.

Mr. Speaker, I had the opportunity to be present at a dinner for Mr. Pilkey along with the Premier, and the Attorney-General, and others, last week and they also at that time expressed their thanks to Mr. Pilkey for his some 19 years of service as a Deputy Attorney-General in the Province of Manitoba during which he also served as Deputy Minister of Consumer Affairs, I believe, for a short period of time. Prior to that he served as Crown prosecutor, and in the department since 1955.

I certainly, Mr. Speaker, during my term as Attorney-General appreciated very much the advice and the service of Mr. Pilkey. He is a man whom I believe has served with great integrity, has excellent judgment and common sense and has served Manitoba well.

Also, Mr. Speaker, perhaps it would be appropriate to, on the record of the Legislative Assembly extend my congratulations to Mr. Gil Goodman who has served in the Attorney-General's Department for many years and who recently was appointed a judge of the Court of Queen's Bench, Family Division.

Mr. Speaker, I am pleased to participate in the Budget Speech. This is, of course as many have said, the most important debate of each Session of the Legislature. I regret, Mr. Speaker, that the Minister of Finance saw fit to pass a special warrant for \$1.5 billion, which will only serve to reduce the opportunity that we in the opposition have to comment on the financial affairs of this province.

Mr. Speaker, after observing this government for some two-and-a-half years and hearing the Throne Speech this year and the Budget Speech this year obviously Abraham Lincoln was thinking of this government when he said, "You can fool some of the people some of the time, all of the people some of the time, but you can't fool all of the people all of the time."

The Minister of Finance tells us now and in the Throne Speech, the government says they want to concentrate on the private sector and they want to co-operate with the business community. Mr. Speaker, I agree wholeheartedly with that objective, but this is a government whose actions to date have certainly been contrary to that expressed objective.

Mr. Speaker, this is the government that the Canadian Federation of Independent Businessmen have called the worst anti-business government in Canada. This is the government whose labour legislation for the past two-and-one-half years is being termed mildly pro-labour, Mr. Speaker. This is the government that's introduced first contract legislation. This is the government who's increased assessments under the Workmans Compensation Board - 9 to 20 percent last year, 20 percent this year - and they had to put in another \$4 million of the taxpayers' money to keep that assessment down.

They introduced the payroll tax, Mr. Speaker, with some mild exemptions introduced this year. They're investigating as to whether or not they should enter the life insurance industry, Mr. Speaker. Mr. Speaker, this is the government that's now going to co-operate with the business sector and work with the business community. Mr. Speaker, it's the right philosophy, but it's certainly not the right government to do it.

Mr. Speaker, we have seen since the election of 1981, that the NDP will do anything or say anything in order to achieve power or in order to maintain power. We have seen, Mr. Speaker, that they simply cannot be trusted and I want to deal, as an example of that, with some of the references that they have made in the Budget Address which are selective use of statistics, outright errors or inaccuracies in the figures and in the statements.

On Page 4 of the Budget, Mr. Speaker, they repeat a statement that they made in the Throne Speech and say that from December 1981, our government's first complete month in office, to December 1983 some 9,000 jobs were created in Manitoba, about three times the increase in the last two years of the previous administration. Mr. Speaker, I'll let you draw your own conclusion.

In the April 1984 Manitoba Labour Market Information Bulletin, Mr. Speaker, that's put out on a monthly basis, on Page 13, there are some very interesting statistics. This deals with Manitoba Labour Market variables and they point out, Mr. Speaker, that from 1977 to 1981 the number of employed Manitobans increased from 428,000 to 461,000; 33,000 jobs all virtually in the

private sector. Now, Mr. Speaker, they show in 1982 the number of employed persons in Manitoba were 454,000. That was a drop of 7,000. In 1983 the number of employed in Manitoba were 460,000; still, Mr. Speaker, 1,000 below the figure in 1981 which was 461,000 people employed in Manitoba.

Yet, Mr. Speaker, the Minister of Finance states boldly that the NDP created 9,000 jobs, three times the increase in the last two years of the previous administration. These statistics clearly show, Mr. Speaker, in the first two years of their administration there were 1,000 less employed people in Manitoba than there were when they took office.

Mr. Speaker, during the last two years of our administration the number of employed persons in 1980 increased from 450,000 to 458,000; that's an increase of 8,000. In 1981 the number of employed persons increased from 458,000 to 461,000, another 3,000; a total of 11,000 jobs created by the Progressive Conservative administration in the last two years of our term in 1980 and 1981.

The record, Mr. Speaker, what should have been said here is in the first two years of our office total employment in Manitoba went down 1,000 compared to the last two years of the Conservative administration when employment went up 11,000, or compared to the four years of the Conservative administration when total employment in the province went up 33,000.

Now, Mr. Speaker, this is a statement that was stated in the Throne Speech, and is repeated in the Budget Speech. Mr. Speaker, it is almost a matter of privilege for the members of this Legislature to see such misleading information contained in the Throne Speech, in the Budget Speech, and given out to the people of Manitoba. Mr. Speaker, it is absolutely wrong and the government's statistics in the Labour Market Information Bulletin prove it. These are their statistics.

This is prepared, Mr. Speaker, by the Research and Planning Branch, Manitoba Employment Services and Economic Security. Now, Mr. Speaker, this page of information contains some other very interesting information, other than the pure and simple point that in the first two years of this government and their administration employment was down 1,000 compared to an increase of 33,000 unemployed people over four years under a Conservative administration. We've heard members opposite speak often, Mr. Speaker, about population increases.

Now, it's interesting to note that from 1977 to 1981 there was an increase in the labour force. Pardon me, Mr. Speaker, first of all, an increase in the population - this is 15 years of age and over - from 738,000 to 756,000. There was an increase in the labour force from 455,000 to 490,000, an increase of some 35,000 people in the labour force during those years, Mr. Speaker. And employment increased by 33,000, nearly a job for every person who came into the labour force. The fact is, Mr. Speaker, of course when we left office, approximately in November of 1981, there were approximately some 27,000 unemployed people in Manitoba. In this month's statistics for March of 1984, there are 47,000 unemployed people, Mr. Speaker, an increase of some 20,000.

Now, Mr. Speaker, I hope that the Minister of Finance in his zeal to inform members of the public with his Budget-eve letters, which apparently get priority over

social assistance and pension cheques, will use the resources of his department to properly inform the people of Manitoba with respect to the statistics that are contained in government labour market bulletins prepared by their Research Departments.

I hope that the news media, Mr. Speaker, will assist us in opposition, who don't have the resources available to the government, and will inform the people of Manitoba about the true statistics that show some 33,000 jobs created under a Progressive Conservative administration, in the first two years of this government 1,000 less jobs than when they took over, Mr. Speaker. — (Interjection) — Yes, Mr. Speaker, that does include the Jobs Fund to which supposedly made such a great contribution towards employment in Manitoba.

Now, Mr. Speaker, the government calls this recovery and growth, renewed growth and they want to be believed by the people of Manitoba? They want to have some credibility among people in Manitoba? Can you imagine what any one of those 47,000 unemployed in Manitoba felt when they heard the Minister of Finance talking about recovery and growth and renewed growth in Manitoba and what a great job this government has done, Mr. Speaker?

Mr. Speaker, I would ask the Minister of Finance to also correct another error contained in his Budget Speech in the appendix on Page B5. He says clearly here, by March 1984, the unemployment figure was cut to 42,000. That's what he says, Mr. Speaker, in the appendix. Mr. Speaker, clearly if he would consult his own Research Departments within government, on Page 3 of the Labour Market Bulletin it clearly sets out that the number of unemployed in March 1984 was 47,000. So, Mr. Speaker, it appears this government simply cannot be trusted. It cannot be believed in any of its statements, Mr. Speaker, because it won't tell the truth.

If a government wants to have the confidence of the people of this province, it has to tell the truth, Mr. Speaker, and they refuse to tell the truth. They manipulate, they distort, Mr. Speaker, they use selective statistics and they don't tell the truth.

Mr. Speaker, on Page B9 they talk about Manitoba's labour force increasing by 2.4 percent or 10,000 in 1983 to an average of 508,000 and they take great pride in that. They don't point out that in our first year in office in 1978, the labour force just didn't increase by 10,000; it increased by 15,000, Mr. Speaker, and 6,000 in 1979 and another 8,000 in 1980 and another 6,000 in 1981, and we kept unemployment down. In 1978 unemployment was 6.5; in 1979 5.3; 1980 5.5; 1981 5.9 and that was all in the private sector, Mr. Speaker.

Mr. Speaker, these facts, and they're taken from the government documents, government research, government Labour Market Information, point out that this government cannot be trusted. Mr. Speaker, it points out that the economy under a Conservative Government did much better and would do much better. It points out again, Mr. Speaker, that the Jobs Fund is a fraud. Mr. Speaker, it's a device this government thinks they can use through their image makers, through their excessive advertising costs, to prop up the image of this government and to attempt to resell them to the people of Manitoba.

Mr. Speaker, if I can move on to Page 7 of this Budget Address, the Minister of Finance, in discussing the

deficit, referred the deficit to a typical situation where a Manitoban with a \$25,000 annual income buys a \$50,000 house does not consider him to have incurred a deficit of \$25,000.00. Mr. Speaker, that is the most ludicrous example to come from the mouth of a Minister of Finance that I have ever heard. If he wants to have an analogous situation, Mr. Speaker, he should have said - you know, does that homeowner buy a house every year? No, he buys one in his lifetime.

I think the Minister of Finance did a little writing himself in this Budget, Mr. Speaker, because you can recognize those passages. The Attorney-General also, Mr. Speaker, perhaps he did it, but I think it was the Minister of Finance who did that. That statement is absolutely ridiculous to try to tell the people of Manitoba, impress upon them and educate them that that is how you consider a deficit.

Mr. Speaker, this is a government that has had three years of excessively high deficits. The deficit in their first year was greater than the deficit of four years under a Progressive Conservative Government and they've gone on to exceed that in each year. They borrowed \$1.3 billion last year. I don't have the exact figure for the year before. They're borrowing another \$1.1 billion this year, Mr. Speaker. The figures are astronomical, Mr. Speaker. I suppose how they intend to fool the public on that particular issue is that the public and individuals simply can't comprehend those types of figures, Mr. Speaker.

At the same time, Mr. Speaker, they attempt to talk about their expenditures in various areas. In one particular area, Mr. Speaker, that attracts my attention they talk about education spending - reflecting or continuing commitment to quality educational opportunities for all Manitobans. Well, Mr. Speaker, they're pretty words, but we've seen the results of what is happening in the educational field, particularly during the past few months when we have the University of Manitoba cutting more than 200 full and part-time positions for next year with unprecedented cuts at the University of Winnipeg along with limited increases in tuition fees.

Now, Mr. Speaker, what bothers me more than what is actually happening this year to each one of these institutions is more the long-term problem. Where are our post-secondary education facilities headed? What is the objective of that whole area of education in the Province of Manitoba, Mr. Speaker? Where are the priorities in post-secondary education? Surely, Mr. Speaker, there has to be some understanding, some vision, and some view of what the long-term approach will be to post-secondary education. You can't have such a wide difference in the amount of funding that these institutions receive from one year to the next. There has to be some rational plan, an approach, towards funding of these educational institutions.

We are seeing, Mr. Speaker, as well as the unprecedented reductions in staff positions at these universities, limited enrolments at universities which again are unprecedented. Those enrolments, Mr. Speaker, are, I suggest to you, the prospect of them are placing a great deal of pressure among young people in this province, high school students who are becoming very concerned about the prospects of obtaining an education at the university level. There has to be some consideration given to a number of things I think, Mr. Speaker.

One, and I offer this as a personal view, if you are going to have limited enrolments to this degree, perhaps to an even greater degree in the future, then some consideration has to be given to provincial-wide examinations in order to assess students on an equal basis, Mr. Speaker. There are different standards at high schools throughout the province, and surely the only fair way for them to be accepted into these university courses is for them to be assessed on the same criteria because that's not occurring now, Mr. Speaker. That's something that some consideration is going to have to be given to if this concept of limited enrolments in so many courses is to be maintained.

The second point, Mr. Speaker, is there has to be some long-term, strategic planning in consultation with the university as to their role and their funding in the future, because you can't have ad hoc decisions made from year to year as they have been made during the past few years. There has to be some long-range consideration given to this. We're talking about the educational - our most important resources of the province, Mr. Speaker, in our young people and some proper consideration has to be given to this whole area.

Mr. Speaker, on Page 30 of the Budget Address, the Minister of Finance talks about the government that - Page 31, I guess - we are maintaining for all Manitobans one of the fairest and most equitable tax systems in the country. Even though the Canadian Federation of Business, Mr. Speaker, said to them that they had to examine their whole tax system, but a system with no reliance on regressive health premiums or user charges. It's correct, Mr. Speaker, there have been, nor have we on this side advocated any health premiums, but there have been no user charges. That's very interesting. No user charges.

The Minister of Health is here, Mr. Speaker, perhaps he can explain, particularly in view of their statements when they were in opposition, how come he's introduced on a regular basis increases to the daily residential charges for personal care homes? Remember their comments in opposition? They've increased it on a regular basis, Mr. Speaker.

What does he call a sales tax increase, Mr. Speaker? What does he call the payroll tax? What does he call - no increase in user fees, what does he call abandoning the hydro rate freeze? If I ever saw a user fee, there's one, Mr. Speaker. Sixteen percent increase, Mr. Speaker, in two years. Explain that to the homeowners. What, Mr. Speaker, does the Attorney-General call the doubling of the Land Titles Office charges and fees, which most seriously impact upon modest home buyers buying their first home? They have taken great pride in their housing programs, meanwhile when they go to register that transfer of land and mortgage they find out the Attorney-General has doubled the Land Titles Office fees.

Mr. Speaker, remember when they were in opposition, they complained, they said that bus fare increases were a user charge caused by our government. Bus fares have gone up, and this is a government that says there's no reliance on user charges. What have they done in the area of municipal taxes, Mr. Speaker? I've said it a number of times now. The increase under this government in three years is four times the increase over a four-year period under a Conservative Government on an average assessed home of \$7,000 in the Winnipeg School Division.

Mr. Speaker, I can remember when I was Minister of Urban Affairs, the first time the real property taxes were increased, they were outraged. Outraged! And their record is so poor and despicable in that area, it's absolutely ridiculous. They complained then about the City of Winnipeg having the highest rate of property taxation in Canada, and they have done absolutely nothing about it, Mr. Speaker.

Mr. Speaker, we increased the Property Tax Credit by \$100 in 1981, we put another \$70 million into the educational system in 1981, and the Attorney-General complains that I've said this before. And he's going to hear it, I want to assure him, all through their term of office. Because it's going to defeat them, the fact that they have done nothing to assist the real property taxpayer in the city and outside the city. It's going to be one of the major factors in defeating them.

Mr. Speaker, the Minister of Natural Resources made a significant increase in park fees. We've talked about the increases under the Workers Compensation Board. Tuition fees have increased, Mr. Speaker. The Attorney-General, no doubt at the direction of the Minister of Finance, increased the prices of the products of the Liquor Control Commission so that the revenue increased by some \$30 million, from 90 to 120 a year or so ago, and they increased the mark-up at that time so that mark-up applies whenever there is any further increase. So it's up to something like, I think, 138 points on spirits.

Mr. Speaker, has alcoholism stopped in Manitoba since then? I hardly think so and I hardly think the price increase would have that much of an effect. The only reason I raise it, Mr. Speaker, is because of this government's actions. The prices on the products of the Liquor Control Commission are almost the highest in the country. There's no reason why Manitoba should have, relative to other provinces, such high prices. And we've seen that idea of high prices commented on as one of the significant factors in a major reduction in tourism last year, some 237,000 less visitors. That has an impact on the hospitality and tourism industry, Mr. Speaker. People from the States and other provinces don't want to come to Manitoba to pay exorbitant prices. Those are exorbitant prices caused by the action of this government. Mr. Speaker, can the Minister of Finance really say, in the light of all of this, that he is maintaining a system with no reliance on user charges? I hardly think so.

Tuition fees have gone up. Mr. Speaker, I appreciate that some of these should go up on a regular basis to reflect increased costs. But when they were in opposition, Mr. Speaker, they blamed us for every increase in every area that I've referred to. Now they have the nerve to say, having said all of that in opposition, that they are operating a system with no reliance on user charges, when we have evidence such as this that all of these charges or rates and taxes have gone up. They are operating, Mr. Speaker, with a great deal of reliance on all of those increases and user fees and charges and taxes. In spite of that, they still have again a deficit closer to \$500 million.

Mr. Speaker, they have sent out a letter to employers in this province in which the Minister of Finance has made his comment about the 2 percent sales tax, etc. Without getting into that, Mr. Speaker, I just want to tell the Minister of Finance that I have received many

many calls as a result of this letter, and the feeling of the employers that have talked to me in very small businesses is that somehow they really feel an injustice. Why is it wrong in Manitoba to have an extra tax because you have a payroll of more than \$50,000.00? Mr. Speaker, it just does not make sense. They feel that the government is punishing them for employing more people, and having a payroll of more than \$50,000.00. They are incensed, Mr. Speaker, at this government. To them this is the real NDP Government that seems to be proceeding so irrationally with respect to this payroll tax.

Mr. Speaker, it is clearly the position of members of this side that upon our election as a government after the next election that this payroll tax will be done away with. It is completely wrong. The figures show, as I indicated earlier, under our government employment increased by some 33,000 people in the private sector. Under the NDP with all of the money they've supposedly spent in the Jobs Fund, unemployment during the first two years is down 1,000 people. And instead of some 27,000 people unemployed, there are 47,000 people unemployed.

I submit to you, Sir, and to the members of this Assembly that our approach is right. I say, Mr. Speaker, without the payroll tax, without these other increases in taxation imposed upon the private sector in Manitoba, a significantly higher number of people would be employed in the private sector than are currently now. The government now apparently recognizes the wisdom of the criticism they have heard from this side of the House and now want to concentrate on the private sector. One way of dealing with that would be to make some further statement with respect to this payroll tax, perhaps at least adopt the proposition that was put forward by the Member for Turtle Mountain the other day for this year, because private sector has been struggling under this government with the increases in taxation and regulation and labour legislation, Mr. Speaker. As is obvious from the record, our type of government was able to develop many many more jobs than this government has been able to under its approach; 33,000 during four years compared to a loss of 1,000 in their first two years.

Despite the Minister of Finance's assurances, Mr. Speaker, we are not in a period of new growth. We have seen significantly high bankruptcies in the early part of this year; we have the prospects of - hopefully not - but it would appear rising interest rates, so we're not in any period of renewed growth. And the Minister of Finance, if he's proceeding on that basis, I doubt will be causing in Manitoba any more increase in jobs than what they have been able to obtain during the first two years, when there was minus 1,000 compared to the last year of the Conservative Government.

In fact, Mr. Speaker, to bring it right up to date, in March of 1984, there are only 458,000 employed in Manitoba, so they are some 3,000 below the number of employed persons in 1981. So despite the Jobs Fund, those are the real facts. Those are the real facts of the case, not what the Minister of Finance stated in his Budget Address when he suggested there were some 9,000 more jobs. That was absolutely wrong and misleading, Mr. Speaker. The record is contained in the government's publication on Labour Market Information for April of this year and is the correct information.

So, Mr. Speaker, I'm distressed that the Minister of Finance has used these types of statistics which mislead people in Manitoba from the true situation, and until this government starts telling the truth they have no hope of obtaining any credibility in this province.

Thank you, Mr. Speaker.

**MR. SPEAKER:** The Honourable Minister of Northern Affairs.

**HON. J. STORIE:** I could virtually say, Mr. Speaker, I am pleased to be able to join the Budget Debate and I want to indicate to the Honourable Member for Pembina that I could virtually say anything and it would be closer to the truth than the garbage we saw in the P.C. Legislative Report.

I would like to start off, Mr. Speaker, by making a challenge to the Member for Morris. I wouldn't dare take up the Member for Pembina on this challenge, because he'd take me up on anything, but I dare the Member for Morris to personally put his signature to the kind of political diatribe that came out in that report, to the half-truths, to the distortion, to the innuendo. I'd like to see him put his signature to it. Perhaps he will stand up after I'm finished, Mr. Speaker, and be good enough to indicate whether he has the political guts, or the gall, to sign this document. Starting off with statements like, Farmlands Ownership Act discriminates against citizens — (Interjection) — Mr. Speaker, I can understand why they're sensitive.

If I may continue, Mr. Speaker, it says, discriminates against Canadian citizens by prohibiting them from buying more than 10 acres of farmland in Manitoba. Mr. Speaker, in The Farmlands Ownership Act there is no such discrimination. Anybody in Manitoba, in Canada, in North America, in the world, can come to Manitoba and buy farmland. Garbage!

**SOME HONOURABLE MEMBERS:** Oh, oh!

**MR. SPEAKER:** Order please.

**HON. J. STORIE:** If I can finish, Mr. Speaker, if that individual is interested in farming in Manitoba.

Mr. Speaker, I could go on and point out in virtually every instance how this is a half-truth. But it's a waste of time. — (Interjection) — Mr. Speaker, I'm quite curious to see whether the Member for Morris was willing to take up the challenge and sign that document because I know the Member for Morris has some credibility and some integrity. It will be interesting to see.

**SOME HONOURABLE MEMBERS:** Oh, oh!

**MR. SPEAKER:** Order please.

**HON. J. STORIE:** Mr. Speaker, it approximately equals . . .

**MR. SPEAKER:** Order please, order please. Order please. The Honourable Minister is entitled to put his opinion before this House. If other members have other opinions, they will have the same opportunity to put forward their opinions.

The Honourable Minister of Northern Affairs.

**HON. J. STORIE:** Mr. Speaker, we have almost an equal volume of bovine excrement from The Honourable Member for St. Norbert with respect to his comments in this particular debate.

Mr. Speaker, we realize that we have a difficult time explaining the policies of this government, given that there is, and I acknowledge, and the the Honourable Member for St. Norbert did say and quite honestly, that there are a significant number more Manitobans unemployed in 1983 than there were in 1981. I'd make no denial of that fact. Mr. Speaker, we have a difficulty explaining how successful we have been other than by referring, in a self-congratulatory way, perhaps, to statistics like the fact that Manitoba is now the lowest, has the lowest unemployment in the country.

Mr. Speaker, you know that can be interpreted as a self-congratulatory pat on the back, or it can be interpreted as a matter of fact, and if it's a matter of fact, then I suppose we have to do some analysis as to why that's occurred.

Mr. Speaker, what you have heard from members on this side, both in the Throne Speech and in the Budget Debate, is an analysis of why that's occurred. It's occurred because this government is purposeful, because this government is pro-active, because this government is prepared to act. The only way, Mr. Speaker - and I hope members opposite will give me an opportunity to explain - the only way a government can be truly compared is with respect to what is going on in other provinces.

Mr. Speaker, whether members opposite like to acknowledge it or not, in the 1981 election campaign, the NDP Party, the opposition at that time, used the statistics that were available to us to compare what was going on in Manitoba to what was going on in other parts of the province. Mr. Speaker, I will compare member for member, item for item, each of the major economic indicators that Statistics Canada use, the Conference Board of Canada use, to indicate that Manitoba is doing better, on average, than the other provinces in Canada, and particularly the western provinces.

Mr. Speaker, we don't have to look at B.C. very long. We don't have to look at the numbers in B.C., the 15 percent unemployment, the increasing bankruptcies as opposed to Manitoba. We don't have to look very long at the labour strife, the conflict that exists in that province, to know that that government isn't doing a good job.

Mr. Speaker, we don't have to look too far to the west to see the Government of Alberta, which an article in the Free Press today, identified that government as having gone in three years, I believe, from a 3.8 percent unemployment record to now 12.2 or .4 or .8 percent. Mr. Speaker, how does that happen in a Conservative province? Mr. Speaker, we get tired of the rhetoric which is reported as fact that Manitoba's economy is floundering.

Mr. Speaker, the indices that come to us from outside - independent, non-partisan bodies - tell us that the opposite is true. Mr. Speaker, the Member for Morris is laughing. Well, the Conference Board of Canada, the Investment Dealers Association are hardly left-wing political groupies of the NDP party.

Mr. Speaker, we have, as the Premier of the province says, the knockers on this side, who, for their own political purposes, distort, manipulate and send out half-truths. Mr. Speaker, the Investment Dealers Association is not distorting statistics to support the New Democratic Party Government, nor is Statistics Canada, or nor is the Conference Board. Mr. Speaker, I don't begrudge them their fudging the figures. I don't begrudge them to use statistics as individuals will for gain. Mr. Speaker, I am suggesting that it is not this government, it is not me as an individual, I'm not suggesting that it is unfair for them to use those tactics.

Perhaps, Mr. Speaker, when the Member for Morris talked earlier today about how we weren't being honourable in some of the statistics we were using, I would compare the statistics we use with the statistics they've used in their political literature. I'm further suggesting that these particular figures that I'm going to be using somewhat later in my speech do not come from any partisan source, but independent, and look concretely and realistically at what is happening across the province.

Mr. Speaker, certainly we have a difficult time explaining to the people in Manitoba that while there is still 42, 44, 40 - whatever it is - thousand people unemployed, we have a difficult time explaining that we recognize — (Interjection) — that's very small comfort to those people who are unemployed. We're not unsympathetic. Mr. Speaker, we're taking a purposeful, active approach and trying to do something about it. That's what Jobs Fund'83 was about and that's what the new Jobs Fund was about. That was what the Budget in the previous two years was about and that's what the Budget this year is about.

Mr. Speaker, we don't mind being compared to other provinces with respect to unemployment or anything else. The paper today in an article by Don Braid in Alberta says, "No sympathy here for the jobless. For Alberta's 152,000 unemployed; 12.8 percent of the labour force. . . —(Interjection) — Mr. Speaker, could I be allowed to continue?"

**MR. SPEAKER:** Order please, order please. The Honourable Minister.

**HON. J. STORIE:** Mr. Speaker, the Honourable Member for St. Norbert says from his seat, "What are you going to do, compare us to North Dakota?" Mr. Speaker, I indicated previously that in the 1981 election, in "A Clear Choice for Manitobans," we used statistics, and throughout the election used statistics that compared their record, their dismal failing record, with records in other provinces. Mr. Speaker, I'm prepared to put our record on the line.

Mr. Speaker, it says that, "Only three years ago Alberta was Canada's favourite province with an unemployment rate of only 3.8 percent. Now the rate is nearly 13 percent (over 15 percent in the City of Edmonton)." And it talks about the government and it says, "They sound like bureaucrats who never see the faces on the street."

Mr. Speaker, I want it on the record that this government sees the faces on the street. We're not satisfied with 8.2 percent unemployment. We're not satisfied that there's 42,000 unemployed.



**A MEMBER:** 47,000.

**HON. J. STORIE:** I choose to use 42,000. I don't know whether there's a discrepancy between those figures. We're not satisfied at that rate of unemployment and we're trying to do something about it and we make no apologies for that either.

Mr. Speaker, we could go on the record and suggest that - and I've quoted some of the facts that exist in other provinces, B.C. and Alberta - we could look at what's happening in Saskatchewan. The province that's open for business. Do you know who's getting the business in the Province of Saskatchewan? The unemployed. The people of Saskatchewan are getting the business.

Mr. Speaker, in this province we were laughed at, scoffed at by members opposite when our Budget was reduced by approximately 20 percent. We were laughed at, we were scoffed at when our revenues increased. The member for - I'm not certain that it was that member - but there were members in this House who suggested, well that's really nothing. The fact that revenues rose in the province is really nothing. Professor McCallum, the guru of the Tory party, said that it was - (Interjection) - former guru, pardon me. As the Member for River Heights is probably the former Member for River Heights now, seeing as he disagrees with the pundits.

Mr. Speaker, the former guru for the Conservative Party, the former financial advisor, was suggesting that there was nothing really unusual in the fact that Manitoba's deficit had decreased, that Manitoba's revenues had contributed to that decrease. He said, that's not unusual, the recovery is everywhere. Well, Mr. Speaker, in 1983 in the Province of Saskatchewan, they had 5 percent over their original deficit estimate and it rose to \$335 million. Mr. Speaker, revenue forecasts are down \$40 to \$50 million, revenue is down \$40 to \$50 million.

**SOME HONOURABLE MEMBERS:** Oh, oh!

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

Order please. If the Honourable Member for Pembina wishes to put forward his opinion, he will have the opportunity to stand up and put it on the record in due course.

The Honourable Minister of Northern Affairs.

**HON. J. STORIE:** Mr. Speaker, the Honourable Member for Pembina is displaying his ignorance. It's \$40 to \$50 million below estimate. When the Estimates were tabled, of course, they understood the implications of the tax relief that they were offering. Mr. Speaker, the recovery isn't everywhere and for members opposite to stand in their place and suggest it is, is political claptrap and they know it.

Mr. Speaker, on another occasion during the Throne Speech I outlined Manitoba's record. I think other members have taken a similar opportunity to put on the record the fact that the major indicators indicate Manitoba is doing very well.

I want to move on to some other facts. Mr. Speaker, we had the purveyors of doom and gloom on their feet last year talking about what the impact of the Jobs

Fund was going to be. We had them on their feet talking about the implications of the tax structure as it was in Manitoba. Mr. Speaker, let's hear what some of those honourable members said. Here's the pretend Leader of the Official Opposition, the Member for Tuxedo, "This recovery will come for North America and world-wide, but it will pass us right by, and the reason is that of course nobody looks upon Manitoba as a safe, secure, reasonable place to invest anymore." Mr. Speaker, the evidence belies this kind of nonsense.

Mr. Speaker, the Member for St. Norbert said in his speech of Monday, February 28th, "I think the policies and tax position that we are seeing take place will mean and ensure that Manitoba will not get our fair share of the national recovery that takes place." I want to tell the Member for St. Norbert, we're not taking our share, we're taking much more than our share. We're No. 1, in the first position.

Mr. Speaker, that bright bulb continued to say, "We're not going to be part of any national recovery that takes place, because with these kinds of tax increases, with this kind of attitude towards the private sector, towards investment in Manitoba, investment is bound to go elsewhere." Well, Mr. Speaker, wrong again. The Honourable Leader of the Opposition, pardon me, The Honourable member from the third row, the Member for Charleswood, said, "If you were willing to make an economic wasteland of this province, then you've certainly embarked upon the policies and upon the foolish statements that will lead to that inevitable result."

Well, Mr. Speaker, I want to know who are the people in the other provinces making all the foolish policies and the foolish pronouncements, because they're going downhill. We're going uphill.

Mr. Speaker, a document that was prepared by the Investment Dealers Association, before the last Budget, talks about Manitoba's position. We've talked about external groups who make forecasts about the province's performance and comment on the way the province has performed. Mr. Speaker, this group is a respected group, a group who has some understanding of what motivates people to invest in the province. We're not talking about some people from the economic right wilderness, we're talking about a group of people who understand economies.

Mr. Speaker, this is what they say about Manitoba's performance, in an overview. They say, "Investment opportunities within the province have never looked brighter. Over the medium term, real construction expenditures are projected to average 3.3 percent per year between 1983 and 1987, ranking Manitoba third behind Nova Scotia and Newfoundland." Mr. Speaker, do you hear Ontario or Alberta or Saskatchewan or B.C., the right-wing bed fellows of these members opposite members opposite mentioned in these statistics? No, you don't, Mr. Speaker.

"Manitoba's overall production in real terms," and I'm quoting from this particular document which is entitled Manitoba Economic Outlook, Investment Dealers Association of Canada, Dept. of Economics. "Manitoba's overall production in real terms is forecast to rise 4.9 percent in 1984. These growth rates will track the national average, and assuming . . ." - Mr. Speaker, the Member for Sturgeon Creek likes to quote how the province is doing compared to 1981. Mr. Speaker, perhaps the member opposite would like to

compare the figures in Alberta from 1981 to 1983, or from Saskatchewan from 1981 to 1983. Mr. Speaker, I've never suggested that Manitoba's economy is in as good a shape as it would have been without the recession, but in all reality no province's economy is in as good a position as it would have been before the recession.

Mr. Speaker, we have to be a little bit realistic when we do our analysis. If I may continue — (Interjection) — it says, "These growth rates will track the national average, and assuming this growth rate is realized, total real domestic product will increase 8 percent over two years. From a historical perspective, this would be remarkable progress, remarkable progress under a government that is committed to doing something."

Mr. Speaker, this is as opposed to very unremarkable progress in some of our sister provinces to the west. Unremarkable. Mr. Speaker, it has happened in 1983, it certainly has. This is the future, 1983 and '84. It's talking about '83 here.

Mr. Speaker, economic activity will be stimulated by a major increase in non-residential investment, a continuation of the mini-boom in housing and increased consumer demands for goods and services. Mr. Speaker, others have talked about the importance, and not the selective statistics that the Member for Sturgeon Creek used about department store retail sales, this province has experienced a mini-boom. And Mr. Speaker, it's something that we can be proud of.

Mr. Speaker, we're talking about the mini-housing boom. Certainly interest rates were an important factor in determining whether that boom occurred. Mr. Speaker, the Investment Dealers Association (Canada) suggests equally as important was the Homes in Manitoba Program, and it suggests that the new version is going to be effective in increasing housing sales and continuing with those good statistics.

What about employment, Mr. Speaker, what do the Investment Dealers have to say about employment? "Employment growth of 1.3 percent in 1983 out-performed the rest of the country." I'm going to repeat that for members opposite who have difficulty hearing good facts. "Employment growth of 1.3 percent in 1983," I'm talking about the past now, for the Member for Turtle Mountain, "out-performed the rest of the country." Did you get that "out-performed"? It's a good statistic. Try and focus on it. As they say in psychology, hold that thought.

Mr. Speaker, it goes on to say, "The \$200 million Jobs Fund Program introduced by the Provincial Government in its 1983 Budget was a major factor." Perhaps you could hold that thought as well. I agree with my colleagues who said asking them to hold two thoughts at once is a major accomplishment. We'll avoid that. Mr. Speaker, perhaps they could hold one thought and write the other one down.

Mr. Speaker, I talked about what was happening in Saskatchewan and whether the fact that the Saskatchewan Government's deficit was increasing as opposed to ours, which the members incidentally also belittled our efforts in controlling our spending and to reprimand, also indicated that the Investment Dealers suggested the revised deficit of \$292 million is 3.6 percent of gross provincial product and compares favourably with other provincial deficits. I should point out that as a percentage of gross provincial product,

Manitoba's deficit compares very favourably and probably ranks about fourth, I guess, although I haven't counted.

The historically high deficit has been caused by rising expenditures, slower growth in the revenues due to the recession and an erosion of the tax base caused by a major outflow of residents in 1979 and '80 to other provinces.

So, Mr. Speaker, you know the kind of thinking you get from members opposite, members opposite have been heard to complain, and I think it was the Member for Charleswood who said something about the influx of Manitobans. Do you know what they'd be contributing to? An increase in Social Assistance. Did he think about the tax base? Mr. Speaker, the Investment Dealers know that an outflow of 20,000 people, or 30,000, or 40,000 people affects revenues.

Mr. Speaker, the Member for Turtle Mountain wants to know when it's going to show up. Mr. Speaker, does the Member for Turtle Mountain know that we had an increase of revenues over forecast this year? Does he know that?

Mr. Speaker, this document was presented, developed, by the Investment Dealers prior to the Budget. Now, Mr. Speaker, we have introduced a Budget, which has received relatively good reception and some praise from certain quarters, minor criticisms from members opposite. But what does the Investment Dealers Association of Canada say about our Budget?

Mr. Speaker, in an article in the Free Press it says, "It was an excellent and appropriate one for Manitoba at this point. The Chairman, Charles J. Howard, said Tuesday night's \$3.4 million Budget was constructive and showed useful levels of restraint." Their remarks echoed IDA. Manitoba Economic Outlook said that the economic outlook had never looked brighter. Mr. Speaker, he felt that it would be viewed positively by the financiers around the world. He said that Manitoba's current 8.3 percent unemployment rate is Canada's lowest.

Mr. Speaker, what did they say about the criticism that we heard from members opposite? What did they say? Mr. Speaker, when told the IDA's Budget endorsement contrast with criticisms from the Conservative and Liberal Party Leaders and some business spokesmen, Kniewasser smiled and said, "It may seem unusual for someone from the investment community to be so optimistic about a Budget from a social democratic administration. But the IDA is not in politics. We're in the business of commenting as dispassionately and professionally as possible on economic strategy and investment outlook."

Mr. Speaker, do you know what I find most sleazy about the comments that were made by this particular association, their chairman and their director or president? Mr. Speaker, there's a quote a little bit later on in the article which says, "This individual described the approach as careful and prudent administration, worthy of being followed in other provinces." I've outlined the kind of policies they followed, and I've outlined where it's led them. But more important than that, he said he was pleased and encouraged that the Budget's thrust coincided so closely with policy implications. What was he saying? The government knew what it was doing? Heaven forbid, Mr. Speaker.

Mr. Speaker, we had a Budget, we had policies that were headed in the right direction. Mr. Speaker, I don't

want to say that's a first in Manitoba. It probably happened under the Schreyer Government, but not very often in the previous four years in the previous administration did we see Budgets with policies that coincided that made sense.

Mr. Speaker, I don't think I'm going to take much further time. I think that, Mr. Speaker, we have to emphasize the fact that members opposite have it easy. It's easy to criticize, it's easy to be negative, it's easy to pick out a couple of aspects that would find disfavour. It's not hard to find something in a package, in a document that's 40 pages long, and pick out a couple of policies, a couple of programs, that are going to find disfavour and play them up and pretend there's nothing positive happening. That's unfortunate, Mr. Speaker. I guess it's not unfortunate that it's easy, because probably if it wasn't easy they couldn't do it. But, Mr. Speaker, it's unfortunate for Manitobans because if Manitobans had possession of the facts that they have, if all Manitobans were aware of the fact that this province has progressed far beyond what other provinces have in these difficult times, they'd be doing what I did with my Legislative Report, they'd be shredding it. Mr. Speaker, this particular crew of incompetents deserve to be where they are. They may bask in this particular moment of popularity in the polls but, Mr. Speaker, the Investment Dealers Association is on our side.

Mr. Speaker, the Member for Turtle Mountain wants to know how many votes they've got. Mr. Speaker, it's not the votes that count, it's the outlook. Mr. Speaker, the outlook for Manitoba is much better than it has been, and it's much better because this government is here and not some right-wing Tory crackpots, like in B.C.

Mr. Speaker, thank you.

**MR. DEPUTY SPEAKER, P. EYLER:** The Honourable Member for Swan River.

**MR. D. GOURLAY:** Thank you, Mr. Deputy Speaker. I'm pleased to be able to make a contribution on the Budget Debate even though the Budget Address was sort of a hum-ho-stand-pat Budget.

But before I go on to the Budget Address, I'd like to make a brief reference to the storm situation that hit our province on the weekend. I noticed with interest the remarks of the Minister of Government Services, the Minister responsible for Emergency Measures Organization, and he made reference to the situation along No. 1 Highway. But he didn't make any reference to his own community of Neepawa where there were some 280 people stranded there over the weekend and were put in the local high school.

I chose to, rather than drive home, go home on the bus on Friday, thinking that the bus driver said it looked like everything was go. It took us some five hours to go from Winnipeg to Neepawa where we were stranded at that point.

But I have to make reference to the organization at Neepawa. The local disaster organization within the town of Neepawa accommodated some 280 people in the Neepawa area collegiate institute. There were six buses that were stranded there and numerous vehicles all the way from British Columbia to Ontario. The 280

people were accommodated very well. The elderly people, people that were on medication, or people that had young babes in arms were accommodated in private homes, and the remaining 280 people were put up in the local high school.

But certainly I have to give credit to the organization there that worked all night Friday night and well on to Saturday, very cheerfully looked after the people that came to the community. Certainly I would hope that the Minister would take note of my remarks and pass them on to the people. I will be contacting them as well by letter, but certainly can't really say enough good things about the people there that looked after the hundreds of visitors that were unavoidably stranded there.

Well, to make reference to the Budget Debate, I indicated at the onset it was sort of a hum-ho-stand-pat Budget, and really I think that pretty well describes it. There were some slight tax increases and there were some slight tax decreases, but nevertheless the projected deficit remains at just under .5 billion, which is still a pretty significant deficit to continue on with, and last year's deficit was estimated to be \$578 million. I don't mind admitting I felt that the deficit would probably be much greater than what was projected last year by the Finance Minister. But I'm delighted it didn't go that high, and as a matter of fact, it didn't go as high as the Minister even had projected and certainly to come in at some \$87 million under project is good news.

But the bad news is that it's still almost .5 billion and we are again facing that same kind of deficit for the current year. I hope there will be good news come the end of this fiscal year, that the Minister will be able to come back and say, well you know I certainly overestimated their deficit and it's going to be much lower. I hope that really will be the case.

But you know when we looked at the situation a year ago, the last quarter of 1982, the retail sales at that time were certainly depressed, but I keep wondering about the Minister. During his address, he kept referring to the fact - or at least left the impression - that we are now out of the recession and into a period of renewed growth, and I hope he's right.

But certainly when I look at the situation in my own constituency - I don't like to preach gloom and doom - but certainly the agricultural situation has never looked so gloomy in this past three or four years than it does this spring. We are anticipating a record number of farm bankruptcies in the Swan Valley area.

The number of farmers that are in serious difficulty has never surfaced to the degree that it is right now. Although many of the farmers that are in financial difficulties are not declaring personal bankruptcies, they are in a very serious position with their finances and they are going to be, in some cases, losing some land base. In some cases they are losing quite a bit of their machinery. In some cases they are losing their livestock enterprises, but they are hoping to be able to continue with what they have left, but certainly it is not a rosy picture at this time.

When you contact the various agricultural agroservices businesses and farm machinery dealers in the area, you also don't receive a very bright picture for the coming year. Many of the people are in very serious financial cash flow positions. They are wondering just

how much longer they will be able to finance their operations and be able to maintain the kind of employment picture that they currently have. Many of them have indicated to me, prior to the Budget Address, that they wonder whether there wasn't some kind of measure that the government could help these kinds of businesses out, and certainly they make reference to the payroll tax. The added cost that these businesses have, in a time when they are struggling to stay in business, they wonder why the government couldn't do something about the payroll situation.

To compound the problem with the farm machinery dealers, of course, is the record number of farm auction sales that are being listed and are currently under way in the Swan Valley area this year, and I'm sure that this is not only limited to the Swan Valley area. I'm sure that there are a number of farm sales throughout the province. But certainly the number of farm sales will compound the problem with farm machinery dealers and a lot of good machinery is being offered for sale this spring.

So looking at the situation from within the constituency confines, certainly I don't recall whenever we needed a good crop as much as we do in 1984. Certainly we will be very dependent on getting the granaries filled up and getting some much-needed cash flow back into the Swan Valley constituency.

During the Throne Speech and also the Budget Speech there was, I think, considerable reference made to the Jobs Fund and how great this Jobs Fund has performed in the province. I don't doubt that it has had some positive effect on our job rate situation in Manitoba. There's no doubt that certainly when you spend or direct millions of dollars into a Jobs Fund, it should have a positive effect on employment statistics. But rather than being a priming effect on the Fund, so that it could supply long-term sustaining kind of jobs, when the funding is cut off, then the jobs very soon follow suit. Certainly I don't feel that we can continue to pump in millions of taxpayers' dollars into propping up our statistics figures on unemployment. Certainly it's a situation that can be encouraged in the short term to improve our stop-gap measure, but certainly it wouldn't appear that we're out of the woods on this recession at this point. To be able to maintain the kind of employment figures that the Minister of Northern Affairs has referred to and many of the members of government have referred to, the great work of the Jobs Fund, although, as I say, it has had some short-term positive effect, there's no way that this kind of situation can continue if the recession continues to be with us.

Mr. Speaker, I couldn't help but notice when I was looking over the Jobs Fund bulletin, how similar it was in appearance to "A Clear Choice for Manitobans." It looks like it's printed by the same printer. It's got the same kind of message on the front page and signed by Howard Pawley, Premier of Manitoba. The only difference is it doesn't give a second initial. It's just Howard Pawley this time. In "A Clear Choice for Manitobans," it has the picture of a very stern looking individual and it tells, of course, if this party was elected, how it could turn around the disastrous situation that was facing Manitobans and how it could promise to keep the farms in the hands of Manitoba farmers and how it could provide interest rate relief and nobody would lose their jobs or businesses.

This is the same kind of presentation that we find in the Manitoba Jobs Fund and it's rather interesting reading, I think perhaps. It says when a government falls as low in public esteem as the polls show Manitoba's present New Democratic Party administration has done, the usual explanation is while it's policies were uniformly beyond criticism, it had failed to explain them adequately to the people. — (Interjection) — Well I don't know, we felt that the advertising for the Manitoba Jobs Fund - it's rather interesting reading, I think it makes some reasonable points, but all the way through the book it doesn't mention anywhere how you can qualify or where you apply to get some help. I looked through this I don't know how many times, but then when you turn it over and look at the back on the corner it says in little fine print on the bottom, for more information you may write to the Manitoba Jobs Fund, with an address in Winnipeg. I don't want to be overly critical of the Jobs Fund, but I feel that the government is placing a lot of credit and a lot of expectations on the Manitoba Jobs Fund in that it is propping up the job situation in a short-term kind of project.

They make reference to the fact that they're getting into investing in our future to develop long-term strategy, and I hope that they can do that. But certainly the experience with this government in the past two or three years and the experience of the NDP Government previously certainly does not prove that they can develop the kind of long-term meaningful jobs through propping up employment with taxpayers' dollars.

I was really pleased that the Minister finally realized that the payroll tax has been hurting our employment situation in this province. Certainly the number of businesses that have been hurt by this payroll tax that laid off people because of it, or refused to employ additional people that they may have, had that tax not been there, and so I am pleased that the Minister has seen fit to scrap the payroll tax on some 18,000 businesses.

The Minister of Agriculture is making some reference to the payroll tax, but never have I had so many adverse comments about a tax as that of the payroll tax which was added two years ago. And look at the - I can recall two years ago — (Interjection) — prior to the Budget coming in, when the Premier of this province and, maybe to a lesser degree, the Finance Minister kept indicating to the people of this province why they were going to have to raise the sales tax. Mind you, they didn't raise the sales tax two years ago, but I'd just like to make reference to and quote from Hansard of 1982, Page 2468. "I would just to quote from the Swan River Star and Times, April 23 issue where 'deep concern was expressed in regard to the proposed provincial sales tax increase in that 30 to 40 percent of Swan River's business comes from Saskatchewan with its 5 percent sales tax. Mr. Pawley said that his government would like to avoid this increase, but with federal transfer cutbacks and a slowdown in the economy, they have no alternative.'"

Certainly when you live in an area that's adjacent to another province and there is a differential in the provincial sales tax that's not a very attractive thing to be faced with. So certainly, when the Premier had met with the Chamber of Commerce in Swan River, he sympathized with them but he said, you know, we've

got no alternative but to increase it. But then there were all kinds of issues. In the media, what the Premier was saying about the sales tax, this was in the Winnipeg Free Press, Monday, April 12, 1982, and I quote from one of the paragraphs: "Premier Howard Pawley told the Legislature last week Manitoba's 5 percent retail sales tax might be increased when his government unveils its first Budget later this spring."

Another article, May 5, 1982, "NDP plans Budget details next week," and there was some reference made to the fact that the sales tax would likely be increased.

The Winnipeg Sun, Monday, April 12th, "Sales tax hike is all we need." And to quote from the first paragraph, "Some Manitobans say the sales tax hike of Premier Howard Pawley confirms as likely this spring is more than they can bear."

**A MEMBER:** What year was that?

**MR. D. GOURLAY:** This was 1982.

And so you can read any number of media releases and you can quote from the Premier and also from the Minister of Finance, who was leading the people to believe that there definitely was going to be a sales tax increase. Then I can recall how smug the Minister of Finance and members of his government were when they brought in the payroll tax. They thought they had found a real breakthrough here where the greatest thing since sliced bread, to bring in this Budget with the payroll sales tax increase.

I can always say that living near the Saskatchewan border, I certainly was not promoting an increase in the sales tax, and certainly do not feel that the sales tax is probably the right way to go. — (Interjection) — The Minister of Municipal Affairs is asking where would they get the money? Well, I would like to have time to talk about that, but certainly there are all kinds of advertising that has gone on. We know how much the Jobs Fund has been advertised, and certainly, even Saturday's paper and I believe Friday's paper and I'm not sure about today's paper, this one happens to be from Friday's paper I believe, and here it's about three-quarters of a page on, really, it doesn't tell you anything, it's just got a big headline, "Development is Everybody's Business." To me it an exaggeration and just an example of how the government shouldn't be spending money. Certainly I can see there are a couple of lines here that mention about the 6 percent tax credit on manufacturing and processing. I can see that part maybe could get some publicity, but to spend the hundreds of dollars, and I'm not sure what this kind of advertising costs, but it doesn't come very cheap. Certainly the same size of ad was placed in The Sun, comparatively speaking, they look about the same, about a three-quarter page, and the Premier has not indicated to us where all this advertising is going to end. But certainly this is the kind of advertising that I think irritates the taxpayers of this province. It really doesn't have much of a message there for the people, but it's one that is trying to prop the government up and certainly it's one that drew mention of a leading editorial in the Free Press dated today, Monday, April 30th, "Misleading Propaganda" and it's an editorial based on the kind of advertising that this government is carrying on with to try and prop up their failing hold.

**A MEMBER:** Read it into the record, it's a good one.

**MR. D. GOURLAY:** I don't know whether I have time to read this into the record, but certainly I think that the opening paragraph, "When a government falls as low in public esteem as the polls show Manitoba's present New Democratic Party administration has done, its usual explanation is that, while its policies were uniformly beyond criticism, it had failed to explain them adequately to the people."

Well, I don't know, we felt that the advertising in the Jobs Fund was used to extravaganza, and certainly now we have this advertising the Budget, and really there wasn't much in the Budget to advertise. There was maybe a little bit, as I indicated, on the tax credits, but to advertise about the \$4,100 being spent on hospitals and other medical services without premiums near the fees and \$2,475 in education and it goes on, \$2,000 in economic, social and employment security. It makes reference to the 60,000 lower income Manitobans that are going to receive back some \$55 tax rebates. This is, I think, a very poor example for the government, one that has indicated another \$488 million deficit this year, to be spending that kind of money on that particular type of advertising.

Another thing that I find amusing is the government keeps making reference to the population statistics in Manitoba. It's interesting to look at the statistics and this is from Statistics Canada and it makes reference to the Manitoba demographic statistics. It's interesting to note, Mr. Speaker, that the interprovincial migration for 1982 shows a net minus of 648 people. So in 1982, we still had 648 people fewer coming into . . .

**A MEMBER:** You always lose on migration.

**MR. SPEAKER, Hon. J. Walding:** Order please, order please.

**MR. D. GOURLAY:** Mr. Speaker, that's very interesting. You know for days now, we've heard about the great population increase in Manitoba and certainly the total figure does show an increase, but with the interprovincial migration of people in 1982, we still lost 648 people. In 1983 we're still at a minus figure. The gap is narrowing but in the first three-quarters of 1983, we're still 100 people off from breaking even. So really our population increase has been from natural births and I guess when you have nothing else to do your population increases.

It's amusing that the government has made so much talk about these population figures. Certainly we did have a net loss during our term in office, but you know the Minister of Municipal Affairs or any of the people on the other side, have never once made reference to the national energy policy that had a devastating effect on the population figures in the provinces of Canada. Certainly we lost people to Alberta when the oil industry was at its peak and there were jobs being created in the oil sands and other parts of the oil industry. We all know too that most of Alberta's income was related to resource development where we have a very small percentage here in Manitoba. It's been a well-known fact for a long time that we have a very diversified kind of industry in Manitoba and that we don't suffer the

ups and downs, to the same degree, that those provinces do where they have a large resource base. Certainly the government has really been trying to make a big deal on this population situation.

The Minister also mentioned that - I just forget when this comes into effect now but sometime soon - the fuel tax on locomotives, which will be increased by 1.5 cents a litre and also on gasohol, which is an industry that has been helping this province in its employment and energy conservation, but certainly the fuel tax on locomotives to be increased by 1.5 cents a litre, for the most part, is going to be passed onto agricultural production.

The members opposite make reference to Saskatchewan. Well that kind of taxation is certainly not going to help the farmers, and of course, farmers make up the biggest part of my constituency, so I have to be concerned. Even though it's only a 1.5 cent increase, a lot of that cost is going to be passed onto the people that use the railways and certainly the farmers in my area are the biggest users of the railway service.

What about the Northern States Power sale?

**SOME HONOURABLE MEMBERS:** Oh, oh!

**MR. SPEAKER:** Order please.

**MR. D. GOURLAY:** I'd just like to mention the announcement recently by the Minister of Energy and Mines that they were looking at signing a deal with the Northern States Power in Minneapolis. I mentioned, at the time, I welcomed that announcement. I think that on the surface this looks very good. Certainly if we can get this negotiated, it will be an opportunity to commence the start-up of Limestone a little sooner and we all know what Limestone means to this province. The economic spin-off and the employment in developing that plant certainly is one that has to be very important to this province, but we really haven't seen what kind of deal is going to be negotiated. We hope that this government can bring this thing to bear that will be a benefit to all Manitobans. We'll be looking with interest in the weeks and months ahead to see what kind of deal that we can have. But I know that all Manitobans wish the government well in this negotiation and I think that it will be a big boon to this province, if we can get that kind of development under way at the earliest possible date because we certainly need this kind of development, one that will pay its way and not one that will just be a burden on the province.

We have experienced in the past where hydro development has been developed for the sake of jobs and not for really the sake of supplying firm power to make a profit for Manitobans. So we look forward with interest to the signing of this new power sale to the States and certainly I wish the negotiators well in that project.

You know a few days later the same Minister of Mines announced the new deal with the Aluminum Company of America, whereby the possibility of a new aluminum smelter may become a reality in Manitoba. Certainly I think this sounds great for the province and I sincerely hope that the project can be successfully negotiated

and brought to Manitoba with it being a good deal for Manitobans. On the positive side it means the huge sale of electrical power and also further development of our hydro resources. Certainly that's one of the pluses that we have going for us in this province if we can develop this kind of hydro power with firm sales that will realize a profit to Manitobans, not only just provide a burden on the taxpayers.

The smelter itself will create many man years of employment. I believe that the Minister indicated that it was something like - well, just to build the smelter itself would be over 2,000 person years I guess it is, not man years, over a three-to-four-year period. To maintain the operation of the smelter would require another 600 people, so that this kind of project isn't to be sneezed at.

It's a big venture for this province. It would be probably one of the biggest undertakings that we could have experienced and probably for some time to come. We developed the hydro needs as well as the capital cost of the smelter and the spinoff on jobs, and the infrastructure, and you can go on and on. Certainly it just seems like a rerun of talking about this when we were government. The project is very similar in as far as — (Interjection) — size, scope and hydro requirements.

The Minister of Government Services gets very excited because they're very touchy on this subject. Certainly we all know what kind of response that the Alcan project got. But, you know, on the negative side I can't help but recall how negative the NDP were when we made the same kind of announcement on Alcan.

We were just about at the same stage when this was announced and they had big shouts that we were giving away our resources. You know, here we are with the same kind of a project, we've got the same kind of a project and, here the NDP Government, they're going to finance their own hydro project, and that's fine, but then they turn around and they say we're going to pay half the cost of the smelter. We all know when it was mentioned, I think today by one of my colleagues, that if Manitobans want to invest in the Aluminum Company of America all you have to do is phone up your broker and you can buy any number of shares in Alcoa. But certainly it's very interesting that this government was so critical of the Alcan project and now in less than two years, or about two years now, they are going to entertain a deal with the Aluminum Company of America.

I don't knock that, I hope that we get this project. Certainly, as I indicated earlier, it means a lot of development in our province, it means a lot of economic spinoff, but the thing is it's the NDP that are going to be negotiating this project. I think that this really makes us nervous — (Interjection) — That's right.

Mr. Speaker, I just have a few minutes left and I would want to say that my constituents are really disturbed with this government. There's been so many issues over the last two-and-a-half years that have upset my constituents and it doesn't matter whether they're Conservatives, whether they're Liberal, or NDP, or what have you, they all seem to be upset with the actions of this government.

We've had the payroll tax, the language issue, the seatbelt and helmet legislation, and now we're into this bingo and lotteries deal. If you think that the people

are happy with this Minister responsible for the Lotteries, then you have another think coming. The bingo situation, the people are so upset with what the government is proposing, they're not sure where to turn, and now last Friday the Minister makes another announcement of the government getting into the bingo business. If they weren't confused before, they are really confused now, and certainly something has to be done by this Minister to rectify the situation in this province.

Mr. Speaker, you indicated that my time was almost up, and I would just like to conclude by saying that this government has a tremendous challenge ahead of them in their projects. I wish them well in the projects that they have announced, but it has undertaken two or more very important negotiating challenges in the hope of landing major economic development projects for Manitoba. To date, its negotiating track record has been zilch, whether it's been in economic development or in constitutional matters. Furthermore, it doesn't have the confidence of the people and it refuses to listen to the people.

Mr. Speaker, I sincerely hope that we are out of the recession and into a period of renewed and sustained growth in spite of this government.

Thank you.

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

**HON. A. MACKLING:** Mr. Speaker, I move, seconded by the Honourable Minister of Agriculture, that debate be adjourned.

**SOME HONOURABLE MEMBERS:** Oh, oh!

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

**HON. A. MACKLING:** I want you to sleep well.

**SOME HONOURABLE MEMBERS:** Oh, oh!

**MR. SPEAKER:** Order please.

**MOTION presented and carried.**

### COMMITTEE CHANGES

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

**MRS. D. DODICK:** Mr. Speaker, I have some committee changes.

The Committee on Public Accounts, the Member for The Pas will substitute for the Member for St. Johns, and the Member for Riel will substitute for the Member for Osborne.

**MR. SPEAKER:** Is it the pleasure of the House to call it 10:00 o'clock? (Agreed)

The time of adjournment having arrived, this House is adjourned and will stand adjourned until 2:00 p.m. tomorrow (Tuesday).