



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

**DEBATES**  
and  
**PROCEEDINGS**

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# LEGISLATIVE ASSEMBLY OF MANITOBA

Friday, May 18, 1979

Time: 10:00 a.m.

**OPENING PRAYER** by Mr. Speaker.

**MR. SPEAKER, Hon. Harry E. Graham (Birtle-Russell):** Presenting Petitions . . . Reading and Receiving Petitions . . . Presenting Reports by Standing and Special Committees . . . Ministerial Statements and Tabling of Reports . . . Notices of Motion . . . Introduction of Bills.

## ORAL QUESTIONS

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

**MR. SIDNEY GREEN:** Mr. Speaker, I would like to address a question to the Minister of Finance. Is the Minister of Finance considering the stabilization of transit fares for the next five years by guaranteeing that they will remain the same, and making up any problems out of consolidated revenues?

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

**HON. DONALD W. CRAIK (Riel):** No, Mr. Speaker.

**MR. GREEN:** Mr. Speaker, another question to the Minister of Finance. Is the Minister of Finance considering the stabilization of gas charges to Greater Winnipeg, which have increased 100 percent over the past five years, by stabilizing same and guaranteeing that they will be frozen, and making up any problems out of consolidated revenues? :

**MR. CRAIK:** Mr. Speaker, the province doesn't own a transit system, nor does it own a gas distribution system, a gas production system, or a gas sales system.

**MR. GREEN:** Mr. Speaker, the Minister seems to have some difficulty with the English language. I didn't ask whether they owned them, I asked whether the government would stabilize the rates and guarantee that they will be frozen over the next five years — these two rates which affect the poor people, particularly transit rates, by making up any problems associated with increased costs out of consolidated revenues.

**MR. CRAIK:** Mr. Speaker, not until we have expropriated both the Province of Saskatchewan and the Province of Alberta.

**MR. GREEN:** I gather, Mr. Speaker, that the province is not considering freezing these rates by paying any increased costs out of consolidated revenue.

**MR. CRAIK:** Mr. Speaker, the tenor of my answer is a result of the facetious question being asked by the Member for Inkster.

**MR. GREEN:** Mr. Speaker, I want to assure the Minister and the First Minister that this type of progressive consolidated revenue payment for rates which affect the poor is something which I wholeheartedly would like to endorse, and I ask the Honourable Minister whether he will —(Interjection)— Yes, I now see that the Conservatives endorse the principle of consolidated revenue as against Medicare premiums, something which they took a long time to learn. Now, I'm asking them whether they will go further in this area by undertaking to freeze water rates over the next five years, by guaranteeing that they will be frozen and taken care of any increased costs out of consolidated revenue.

**MR. CRAIK:** Mr. Speaker, the Budget states very clearly, that this government will undertake to

keep the rate of inflation down, to fight inflation wherever it is within our power to do so. The action we took was within our power to do so, if there are other occasions where we can protect the ratepayer, Mr. Speaker, that will be done as a first priority.

**MR. GREEN:** Mr. Speaker, is the Honourable Minister saying that it is not within the power of the provincial government to stabilize transit fares, gas rates and water rates by undertaking that they will remain the same and making up any increased costs with consolidated revenue, no matter who runs the utility?

**MR. CRAIK:** The Speaker, the comparisons that the Member for Inkster is making are not the same. The undertakings that have been taken with regard to the stabilization of hydro rates, have been to take back the debt, Mr. Speaker, that was given to the utility in the first place, that was negotiated by the government in the first place, given to the utility as an arbitrary decision without the wish or, Mr. Speaker, the request for an opportunity for the utility to make its own decision, with the exception of one case, Mr. Speaker, only in one case were they given an opportunity to make their own decision. What is being done, is to reverse the procedure that was undertaken previously over the years and protect the utility in that manner. Time will tell, Mr. Speaker, whether in fact it will mean any — even one red cent of an impact on the, Mr. Speaker . . . —(Interjection)— Time will tell whether it makes one red cent difference to the Consolidated Fund.

**MR. SPEAKER:** Orders of the Day. The Honourable Member for St. Vital.

**MR. D. JAMES WALDING:** Mr. Speaker, my question is to the Honourable, the First Minister. Could he inform the House, what measures the province will take to officially recognize the Queen's birthday?

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

**HON. STERLING R. LYON (Charleswood):** Mr. Speaker, I'm not sure if I caught my honourable friend's question. Is it with respect to Her Majesty's birthday? I daresay that when the House is in session, the appropriate comments will be made. I wasn't sure if my honourable friend was referring to Her present Gracious Majesty or Her late Gracious Majesty, Queen Victoria?

**MR. WALDING:** Mr. Speaker, a supplementary question. It's my understanding that Her Majesty's official birthday is on the same day that the late Queen Victoria's actual birthday was, which I understand is coming up on Monday — in a matter of two or three days' time. Can the Honourable, the First Minister inform the House what measures the province will take to officially recognize the occasion?

**MR. LYON:** Well, Mr. Speaker, we have a custom in this country which I don't know if my honourable friend used to follow when he was a child in his homeland, of setting off firecrackers. Unfortunately there have been a number of people who are trying to protect the public and I think according to their likes it's a good thing to do, who have rather dampened — if I may use that pun — dampened the ability of our young people nowadays to set off firecrackers, sky rockets, and so on, to indicate that we have some semblance of respect and joy in the fact that Her Majesty is celebrating another birthday and another year of her reign.

I can say to my honourable friend that on Tuesday, when the House will be in Session, that I daresay that appropriate comments on that notable occasion will be made after the sky rockets have gone off.

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

**MR. WALDING:** Then, Mr. Speaker, can the Honourable the First Minister confirm that the province is not planning a 21-gun salute or any other official recognition of Her Majesty's birthday?

**MR. LYON:** Mr. Speaker, I'll be happy to enquire as to what the authorities are doing in that regard. I can recall from my own experience over the years that there have been on some occasions 21-gun salutes, on other occasions there haven't been. I being one who happens to favour the monarchy and all that it stands for including the present person of Her Majesty the Queen, well, my honourable friend can rest assured that whatever is proper will be done.

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

**MR. RONALD McBRYDE:** Yes, Mr. Speaker, I wonder if the First Minister or his Minister of Finance

could confirm and give us the detailed figures for Manitoba in terms of the increases in the cost of living that have just been announced?

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

**MR. LYON:** Mr. Speaker, I heard some comment on the news this morning and I had some figures that were handed to me on the way into the House. I'll take my honourable friend's question as temporary notice and see if I can get back to him before the end of the Question Period.

**MR. McBRYDE:** Well, Mr. Speaker, my understanding is that there has been a drastic increase, especially in Manitoba and Winnipeg, in the cost of living, so I wonder if the Minister this morning could tell us his story about how the Conservative Government is helping average and low income Manitobans to live better by controlling inflation in the cost of living within this province, and that is their main thrust, to assist average low income Manitobans. I wonder if we could hear that story this morning, Mr. Speaker.

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

**MR. LYON:** Mr. Speaker, I'm dying to.

**MR. SPEAKER:** Order please. This is hardly the story time Session. I realize that the House did sit late last night but we're now in the morning Session.

The Honourable Member for The Pas.

**MR. McBRYDE:** Yes, Mr. Speaker, I wonder in light of these new figures; in light of the fact that one of the areas of large increase : in the new figures is in the area of operating an automobile, I wonder if the First Minister will now require the Minister of Consumer Affairs to finally do something in terms of investigating what appears to be an automatic across-the-board increase in prices of all the service stations in Winnipeg; whether he will now require his First Minister to investigate the claim that north of the 53rd parallel the oil companies themselves automatically charge 10 cents more a gallon to their retailers because they are north of that 53rd parallel. I wonder if the First Minister could now require his Minister of Consumer Affairs to investigate this matter.

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

**HON. WARNER H. JORGENSEN (Morris):** Mr. Speaker, the question my honourable friend asks is one that was asked the other day, and I can advise him that I do have a comparison of gasoline prices from Toronto west. This is leaded regular gasoline. In Winnipeg, the price range is from 91 to 96 cents a gallon. In Toronto, it's from 92 to \$1.00 a gallon. In Regina, it's from 92 to 96 cents a gallon — that's the price range, depending on the mark-up that the dealers take. In Saskatoon it is 96.8 cents a gallon. In Edmonton, as one would expect since they do not have a sales tax, it's from 77 to 80 cents a gallon; and in Vancouver, from 95 to 99 cents a gallon.

Now, if my honourable friend is suggesting that I should be examining prices from Toronto to Vancouver, then I think he's asking me to do something over which I have no authority.

**MR. McBRYDE:** Yes, Mr. Chairman. I wonder if the Minister could then answer the question that was asked, and that is the first question that was asked was in terms of the overnight increases unanimous amongst the gas stations — and recently in Winnipeg we have seen the price go from 75 cents to 95 cents over a period of two days. My colleague, the Member for Flin Flon, asked about a similar situation in Flin Flon. I wonder if the Minister could now report to us on that matter. And maybe, Mr. Chairman, since he has statistics from across Canada, whether he could report whether the same drastic fluctuations in gas prices are taking place in those other areas as well as they are in Manitoba?

**MR. JORGENSEN:** Mr. Speaker, there is only one other city in which those fluctuations are taking place, and to the best of my knowledge, the reasons are not evident, and that is the City of Regina, where there appears to be a price war going on there as well. What my honourable friend seems to lose sight of is the fact that consumers in Manitoba were getting a bargain in gasoline when the gasoline prices were down to 74 cents, because in all the other cities this has been the price ranges that have been stable for a number of weeks. It is only in those areas where price wars are carried on that the prices do fluctuate. And, from my understanding, I believe that the prices now are beginning to go down again.

Now, is my honourable friend suggesting that the consumers in the City of Winnipeg should not be able to take advantage of these lower prices? Because the regular price range, which has been in effect in the cities across Canada, are as I have indicated. And if he is suggesting that they should continue to pay that high price when they can get the benefit of a price war, and a lower price range in gasolines, then I am afraid that I cannot accept his suggestion, because I believe that the consumers should have the benefit of any price decreases that do take place.

But I repeat, the prices of gasoline across Canada, when they are stable in those provinces that do not have price wars, are as I have indicated, and they range from 91 cents to \$1.00 a gallon.

**MR. McBRYDE:** Yes, Mr. Chairman, I would thank the Honourable Minister for today answering, or attempting to deal with the question which he wouldn't deal with the other day. But Mr. Chairman, I think what makes people wonder is the fact that a price change of 20 cents can take place overnight. Mr. Speaker, I don't think people are concerned when the prices go down . . .

**MR. SPEAKER:** Order please. Has the honourable member a question?

**MR. McBRYDE:** Mr. Speaker, my question to the Minister is, is his answer that in fact the overnight price change that has taken place in a number of areas, including Flin Flon and Winnipeg, that overnight price change is solely the result of a price war and that there is no discussion or no collusion amongst the companies in terms of that overnight price change.

**MR. SPEAKER:** Order please. I find we are not yet in the discussion period. We're in the question and answer period. Since the honourable member had no question, it's very difficult for me to recognize the Minister to answer a non-question. The Honourable Member for The Pas.

**MR. McBRYDE:** Mr. Speaker, my definite and clear question was whether or not the Minister has investigated whether or not there is collusion between companies when an overnight price change takes place. Mr. Speaker, that seems to be a fairly clear question to most people.

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

**MR. JORGENSEN:** Is my honourable friend suggesting that when there is a price drop of 15 to 20 cents that we should investigate that company because there is collusion? It seems to me that is competition.

**MR. SPEAKER:** The Honourable Member for Transcona. The Honourable Member for The Pas with a seventh question.

**MR. McBRYDE:** Yes Mr. Chairman. I wonder if the Minister could indicate then, in his investigation of this matter, whether he found that the price increases usually take one day or two days, the price decreases usually take four to six days to take effect throughout the city.

**MR. JORGENSEN:** What appears to have escaped my honourable friend in the answers that I've given him is that the stable prices for gasoline are in the 91 to 99 cent range. Anything below that is a bargain.

**MR. SPEAKER:** The Honourable Member for The Pas with an eighth question.

**MR. McBRYDE:** Yes Mr. Speaker. My next question to the Minister of Consumer Affairs, who is at last answering the questions, is in regard to the price situation outside the city of Winnipeg in the northern and rural areas of Manitoba. Mr. Speaker, I asked him on two occasions previously if he would investigate the situation where in fact the oil companies themselves are charging 10 cents more per gallon, not because of transportation costs, but simply because they can get away with it in terms of north of the 53rd parallel. I wonder if the Minister has done any investigation of that situation or of that report from members of this side.

**MR. JORGENSEN:** Mr. Speaker, I would suggest that my honourable friend communicate with his own leader and with the Member for Flin Flon.

**MR. SPEAKER:** The Honourable Member for The Pas with a ninth question.

**MR. McBRYDE:** Yes Mr. Speaker. I would like to let the Minister know that I do in fact communicate with those two individuals on a regular basis and I usually get much clearer answers than I'm getting from the Minister opposite. Mr. Speaker, since the Minister has indicated that the average range should be in the area of 94, 95 cents, I wonder if he could tell us whether he investigated the fact that a short hour's drive into the Interlake in Manitoba or driving to northern Manitoba brings gas prices averaging from \$1.12 cents a gallon to \$1.20 cents a gallon. I wonder if he has had an opportunity yet to investigate that situation and report to the House on that situation.

**MR. JORGENSEN:** Mr. Speaker, I have a continuing list of prices that are charged in various points across this province. If my honourable friend would undertake to do a little bit of examination of his own, he would be able to get those figures as well.

The gasoline companies do have areas in which certain prices are charged, delivered to that particular point. What the dealers in those areas charge is another matter, and is a matter that is left solely up to competition. The mark-up that is taken by the various dealers varies from point to point, and varies from dealer to dealer.

**MR. SPEAKER:** The Honourable Member for The Pas with a tenth question.

**MR. McBRYDE:** Yes, Mr. Speaker, I wonder then, from the Minister's answer, if he is indicating to us that he is satisfied that, because of the lack of competition in northern Manitoba, because the competitive system doesn't appear to be working well, that he is satisfied that the companies automatically charge 10 cents more a gallon, plus the transportation cost to that point — whether he is satisfied with that situation.

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

**MR. JORGENSEN:** Again, Mr. Speaker, I invite my honourable friend to consult with his leader.

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

**MR. LEONARD S. EVANS:** Mr. Speaker, inasmuch as Winnipeg has recorded the highest rate of inflation this past month of any city in Canada, can the Minister of Consumer Affairs advise the House as to whether he has any information as to why we've had the highest rate of inflation this month in Canada?

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

**MR. LYON:** Mr. Speaker, without accepting my honourable friend's statement of fact, which of course is wrong, as are most of his statements of fact when they come to the statistical field — and I don't say that he is making that statement knowingly — wrong but I can say to my honourable friend that his statement that Winnipeg has the highest rate of increase is wrong, that the City of St. Johns has a higher rate than Winnipeg, and indeed, Winnipeg is very close to the City of Edmonton, and so on, according to the statistics that I have been given.

Now, if I'm wrong, then the statistics that I have been given are from Stats Canada, so I don't know where my honourable friend gets his. But he is asking if there is any reason why Winnipeg, in this cross-Canada city survey that is done on a monthly basis, would show an aberration. I can give him one good reason, that is we were embarking upon the temporary six-month reduction because last year there was a sales tax, which had an obvious deflationary effect for six months on the economy, not only of Manitoba, but all of the provinces who participated. And I think that any fair or reasonable viewer of those statistics would take that fact into account, because it is a fact.

**MR. EVANS:** Mr. Speaker, as the First Minister has just acknowledged, most provinces participated in the sales tax reduction so that should not be a special factor. So I, therefore, pose the question to the Minister of Consumer Affairs, inasmuch as CBC News reported this morning that the City of Winnipeg, along with the City of St. Johns, had the highest rate of inflation last month, has the Minister of Consumer Affairs any information as to why we have this sudden increase in inflation in the City of Winnipeg, which is representative of southern Manitoba?

**MR. JORGENSEN:** Mr. Speaker, the only information that I have is what I heard on the news this morning. I have nothing other than that and I don't believe my honourable friend has either.

**MR. EVANS:** Mr. Speaker, I would like to ask another question of the Minister of Economic Development, the Minister responsible for the Manitoba Housing and Renewal Corporation and ask the Honourable Minister whether it is correct that the Government of Manitoba through MHRC is now planning a major increase in rental rates for senior citizens housing in the near future in Manitoba?

**MR. SPEAKER:** The Honourable Minister responsible for Manitoba Housing and Renewal Corporation.

**HON. J. FRANK JOHNSTON (Sturgeon Creek):** Mr. Speaker, that statement is plain rot. There has been absolutely no discussion or even thoughts about increasing the rates to senior citizens; that's rot.

**MR. EVANS:** Mr. Speaker, I did not make a statement. I asked the honourable member a question. So I ask the honourable member a question, can he advise this House now, is he prepared to state to this House now that senior citizens rental rates, public housing, will not go up, thanks to this government, during the year of 1979? Is this what he is now saying, there will be no increase whatsoever of senior citizens rental rates in the year 1979?

**MR. JOHNSTON:** Mr. Speaker, the rates of the senior citizens through the Manitoba Housing and Renewal Corporation are set on a scale which the member is very very aware of when he was Minister, and there have been no discussions in this government to raise those rates in 1979.

**MR. SPEAKER:** The Honourable Member for Lac du Bonnet.

**MR. SAMUEL USKIW:** Mr. Speaker, I would like to ask the Minister of Highways if he could inform the House as to when he anticipates the Selkirk Bridge — the bridge over the Red River connecting West Selkirk with East Selkirk — will be opened?

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

**HON. HARRY J. ENNS (Lakeside):** Mr. Speaker, I'd have to take that question as notice. I imagine it has something to do with conditions on road 204, in terms of water that's overflowing at that particular point. But I'll undertake that question as notice.

**MR. USKIW:** Yes, would the Minister confirm that the bridge will be opened as soon as the water levels reach a reasonable point where traffic can flow on 204?

**MR. ENNS:** Mr. Speaker, I think without checking I can make that assurance.

**MR. USKIW:** Well perhaps, Mr. Speaker, I might help my honourable friend. My question is whether or not, notwithstanding the reduction of water levels, whether there is any reason to expect that the bridge may be kept closed for repair purposes or other reasons in that it's already been closed for several weeks and it would be quite a problem for residents on both sides if we were to continue the closure of that bridge?

**MR. ENNS:** Mr. Speaker, I acknowledge the bridge has been closed for several weeks but there has been water flowing over the roads for several weeks as well, and when the water stops flowing over the bridge, then I would hope the bridge will be opened.

**MR. USKIW:** Mr. Speaker, I would like to ask the Minister of Highways whether or not his engineers have made any recommendations with respect to correcting the problem east of the bridge either by raising that level of the highway at that point, or by building some structures to get us around the flood problem that arises so often.

**MR. ENNS:** Mr. Speaker, the member is undoubtedly more aware of the specific situation there than I am but I can indicate to him that there is an all too frequent difficulty there. A simple raising of the road-bed will apparently not suffice in the sense that it simply acts as a dam and would cause more flooding. I have asked and will ask the Bridge and Designing Department to look at that particular stretch with the view to seeing whether sufficient structures it's of road my indication on preliminary reports that again simple installations of culverts will not suffice. It will require a substantial structure underneath that portion of the road to allow for the heavy flows of water that

it has to accommodate, virtually, I am told, on an annual basis. But the short answer, Mr. Speaker, to my friend, the Member for Lac du Bonnet is that I am aware of the situation, I have given some assurance to residents in the area that when the water recedes that I will make a personal inspection of the site with a view of making some long-term remedies.

**MR. USKIW:** Well, Mr. Speaker, I would like to ask the Minister whether or not, when he does review the situation, whether or not he would consider that if improvements cannot be made, adequate improvements on the existing site, that he follow-through with either further engineering studies or those that have already been carried out with respect to a new location for a new bridge?

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

**MR. CRAIK:** Mr. Speaker, I rise on a matter of privilege, and it's in relation to a statement made by a responsible Federal Minister, the Minister of Intergovernmental Affairs; it was not made in Manitoba but made in Ontario, — it's in relation to the flood damage in Winnipeg and this has been brought to my attention by one of the media people — to the effect that the most important piece of information, or misinformation, that I want to correct, because it's not official, is the statement that the flood damage in Manitoba would be \$125 million or of the order of \$125 million. Mr. Speaker, I want to indicate that there has been no official figure tabulated. That will come when the disaster repair group get further into their work; we'll have a better idea of what that figure might be. But the \$125 million figure, Mr. Speaker, I am sure is way out of line, much much too high. I wouldn't hazard a guess at this time and it certainly hasn't come from any consultation with the province or with anybody here that we know of.

Mr. Speaker, there are some other bits of information in his statement also that are not correct and I don't know where he has come up with them, but certainly they are very misleading about the flood operation in Manitoba and also the financial aspects.

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

**MR. PETER FOX:** Yes, Mr. Speaker, in the absence of the Minister of Labour, I wonder if the First Minister could assure this House that the employees at Canadian Bronze, where the company has been enjoined to clean up its health situation, will not be adversely affected in respect to their economic well-being.

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

**MR. LYON:** Mr. Speaker, I'll be happy to take that question as notice for my colleague, the Minister of Labour, but my only information second-hand is that meetings were being held between representatives of the company, the employees concerned and government representatives either yesterday or today, in connection with that matter. I can't give my honourable friend any further advice at this time at all because of the nature of the closure. I am sure my honourable friend would be the last to say that the plant should not be closed. I merely say to him in a hypothetical way if the plant had burned down the plant would have to close too, and these are things that happen in the ordinary course of operations.

**MR. FOX:** I concur with the First Minister that the plant should be closed down if it is a health hazard to the employees, but at the same time the intent of The Workplace Safety and Health Act did indicate that the employee should not be adversely affected wherever possible and I was just asking the Minister to make sure that this is carried through.

**MR. LYON:** I'd be happy to take that as notice, Mr. Speaker.

**MR. SPEAKER:** Orders of the Day. The Honourable Member for The Pas.

**MR. McBRYDE:** Mr. Speaker, in the absence of the Minister of Labour, a question to the Acting Minister of Labour. I wonder if the Minister could indicate how many persons in the Manpower section of that department in the various categories have been fired, or otherwise terminated within the last fiscal year.

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

**HON. NORMA L. PRICE (Assiniboia):** Mr. Speaker, I believe that that was on in Estimates as we were sitting here last night and I think you would be best to ask the Minister when you continue with his Estimates.

**MR. SPEAKER:** The Honourable Member for The Pas with a supplementary.

**MR. McBRYDE:** Yes, Mr. Speaker. The reason I asked the question is because the Minister wouldn't answer that question last evening.

### BUSINESS OF THE HOUSE

**MR. SPEAKER:** Orders of the Day. The Honourable Member for Inkster.

**MR. GREEN:** Before the House resumes to ordinary business, I would like to indicate, Mr. Speaker, that earlier in the year, this side was asked to give unanimous consent to not sitting on a particular day, because we were advised there was some Cabinet business that had to be discussed, and we co-operated, Mr. Speaker, and did give unanimous consent to not sitting. Mr. Speaker, I was asked for unanimous consent with regard to work that had to be done — (Interjection)— Well, Mr. Speaker, it was asked of me, it was given. I am advising the House that this side is prepared to give unanimous consent to not sitting on Tuesday, which is a day in which all of us are definitely interested and involved — and I don't know that that is any secret to anybody, Mr. Speaker, but we are prepared to replace Tuesday by sitting Wednesday night and not to have any compensation for any time off, in terms of the Budget Debate. In other words, we're prepared to sit an extra evening and not sit Tuesday. If that's not satisfactory, if my learned friends don't want that, then we will, of course, sit Tuesday afternoon and evening.

**MR. LYON:** Mr. Speaker, just so that the record will be clear, my honourable friend — and this is history and it's procedure. My honourable friend may well have been asked for consent not to sit on a particular day, but the House can adjourn at its will. No unanimous consent is required, ever, for the House to adjourn.

On the second point, there does not seem to be consensus, that the House should not sit on Tuesday and that is that.

**MR. GREEN:** Mr. Speaker, I didn't ask for it. I indicated that we were willing to give it — if we are not, we will sit Tuesday afternoon and evening. There's no problem there, but on the point of order, Mr. Speaker, my honourable friend is incorrect. If unanimous consent is not given, the rules say that you will come here and then you can move adjournment, but you would have to come here in the morning to make that motion of adjournment. We facilitated that not happening.

**MR. LYON:** Mr. Speaker, this is a very fine procedural point, but my honourable friend is clearly wrong. And just to set the record clear for my honourable friend, Mr. Speaker, the House will sit on Tuesday, until a motion to adjourn is put.

### ORDERS OF THE DAY — BUDGET DEBATE

**MR. SPEAKER:** Adjourned debate on fourth sitting day on the proposed motion of the Honourable Minister of Finance. The Honourable Member for Inkster.

**MR. GREEN:** Mr. Speaker, this is a very interesting Budget Debate that I am in, because normally the kind of talk that I am given the opportunity of making here this afternoon is something that comes after a government has been in power for some seven or eight years, and dry rot, Mr. Speaker, has started to set in. It is very rare, Mr. Speaker, that one is able to give the kind of talk that I'm going to give for a government that is in its first 18 to 19 months in office. It's not a secret, Mr. Speaker, that every government that stays around for a while and there's no better example than the federal government in Ottawa, develops decay, develops problems. But, Mr. Speaker, this government was rotten from the start and is rotten now and it is extraordinary for the opposition to be given the kind of opportunity which the Minister of Finance has given the opposition in this session of the Legislature.

Mr. Speaker, we started off last year with a government that did not have the courage of its convictions, decided to base its program not on any philosophical conviction that it had but on the fact that it is an impossible position, that it was left a legacy of mismanagement and deficits

which made it, Mr. Speaker, impossible for the government to do what it wanted to do, and that it made it imperative for the government to enter into a program, not of its own design, but of necessity because of the legacy of the past. So it started off without courage, Mr. Speaker, of saying what it was going to do on the basis of its own philosophy. Its program in 18 months has been deemed to be a failure by itself and therefore, Mr. Speaker, it started without courage, its program resulted in failure and it is now resorting to trickery in an attempt to retain the confidence of the people of the province. Now, Mr. Speaker, I intend to prove my remarks. I'm going to make — and I wish the honourable members to see wherein anything that I say in this speech is wrong and they will have full opportunity to answer because I'm speaking at the near beginning of the debate.

Mr. Speaker, proposition No. 1, the government is budgeting for an accumulated deficit in two years of \$234 million, which by self-admission, Mr. Speaker, constitutes a financial mess which makes it impossible for them to govern. Mr. Speaker, I am using their own criteria; they came into power saying that they had a budget deficit of \$220 million, that it made it impossible for them to act. They ended up admitting that it was a deficit of \$180 million. They still said that it was overbearing, it was more than the province could handle. It made them abandon any programming that they had to do and made them go into a program which they didn't want to do.

Mr. Speaker, by its own admission, this government is incompetent to govern the province at this time and should resign. If they were true to their own position they should resign. Mr. Speaker, in 18 months, they have presented two budgets, and those are the figures, \$234 million of deficit more than they were left by the New Democratic Party government in the year which they said made it impossible for them to govern, has now been budgeted for by the Conservative administration. Proposition No. 1' Mr. Speaker, and I'm going to prove all of these.

No. 2: The government has increased the amount of taxes it collects in one year by \$134 million. The amount of taxes which it will collect this year, as opposed to last year is \$134 million more. Using again, Mr. Speaker, the same criteria, the Conservative formula of talking about what an increase in taxes means. Oh, yes, Mr. Speaker, we'll deal with it.

Proposition No. 3, and this, Mr. Speaker, is the most " important. Most important, Mr. Speaker. I'll explain them all — I'll explain them all; just be patient, Sir. But this one is most important, and we had the Minister of Finance acknowledge it this morning. He said that it may not cost one red cent to subsidize Hydro.

Mr. Speaker, the government has given an unqualified endorsement of the wisdom and efficiency of the Hydro programming over the past ten years, by announcing that rates can now be stable over the next five years. And the Minister of Finance confirmed it today. It may not cost one red cent — those are his words. Proposition NO. 4, Mr. Speaker — because that may not be the case, and I don't know whether I can believe him or not — Proposition No. 4: In the alternative, the government has announced its willingness to use general taxation over the next five years to subsidize hydro-electric users, a policy which has future progressive implications in the area of other utilities, such as water, telephone and automobile insurance, Mr. Speaker.

And, Mr. Speaker, let me make myself clear. I believe in the principle of from each according to his ability, to each according to his needs. And what the Conservative government is saying is that we will collect public revenues on the basis of ability to pay, I hope, although I can't be sure with them, and we will pay it out according to needs; and the hydro-electric users have need of it, and therefore we are going to consolidate their prices, Mr. Speaker, and not charge them increases — something that the Tories have fought against in every other field. And I am glad, Mr. Speaker, that they have given us this precedent, because from now on, when it is done by a New Democratic Party administration, it will not be referred to as doctrinaire socialism, it will be referred to as doctrinaire progressive conservatism.

And I, Mr. Speaker, I can live with this. It is the members of the other side who are going to have difficulty with this proposition which results from trickery, and which results from an embarrassment, Mr. Speaker — which results from an embarrassment of having a stable hydro system, which they have been maligning over the past ten years. They now find that it is a stable system, and in order to try to rationalize the stability and explain it away by way of trickery, they are saying that they are going to freeze the rates for the next five years.

Proposition No. 5, Mr. Speaker: The government has increased spending by \$175 million since they came into office, or 10.4 percent over a two-budget period, while announcing, Mr. Speaker, an increase of \$142 million over the same period. That is in line with the principle of the Minister of Education, that under the Conservatives, the axioms are changed. The whole is not equal to the sum of the parts, the whole is greater than the sum of the parts.

And I will show, Mr. Speaker, that there is a \$32 million missing feature in the printed Estimates of the government. It's the shell game. It's under one of the shells.

Mr. Speaker, No. 6 — Proposition 6: The government has placed Manitoba solely at the mercy

of the private mining industry for future mineral development, and has given the industry such a superior bargaining position as to make it impossible for the citizens of Manitoba to obtain a fair share of the wealth of their mineral resources.

Now, Mr. Speaker, those are the six propositions. But I don't put them simply as propositions. I want to indicate by the Conservatives' own figures that they are correct in every respect.

**A MEMBER:** They're old accounts. no, these are the Tory accounts. Mr. the Conservatives came in with a deficit which was increased, by the way, not by government spending, but the large part of it due to federal shortfalls and I'll discuss that in a moment. belong in the year in which you claimed \$180 million deficit on the part of the New Democrats. New revenues have come in, Mr. Speaker. The Minister has acknowledged it, and I suggest to you that there is every suggestion that those revenues were for the year previous, not for the year in which they are claimed.

But nevertheless, put that aside. You people said \$200 million was horrendous; you couldn't govern; you came into a financial mess; there were horror stories. They never —(Interjections). . . Mr. Speaker, listen to the Conservatives. They are now saying they never said that. They are now saying they never said that.

Mr. Speaker, last year the budgeted deficit of the Conservative Government was \$114 million. Those are not my accountant's figures, they are your accountant's figures. This year, the budgeted deficit of the Conservative Party is \$120 million. \$120 plus \$114 — if we use calculation other than that which is continually being forced on us by the Minister of Education — that comes out to \$234 million. Mr. Speaker, in two budgets, they have reached the deficit that they said was a financial mess, and is financially unmanageable. —(Interjection)—

Now, Mr. Speaker, the honourable member says, "What was the real deficit?" Well, Mr. Speaker, we'll deal with that. Even the Minister of Finance said he couldn't verify that \$86 million. The Estimate on your own forms, Estimates of Revenue and Expenses, show the deficit estimated at \$150 million for last year; total revenue 1.5 billion; less expenditures, \$1.680 billion; subtotal, by your accountants, on your figures, \$150 million.

Well, the Minister of Finance was shocked by that figure, so he came with his Budget, and he gave us a new figure. He said, he estimates it at \$83 million; but, Mr. Speaker, very carefully said that "I cannot prove that estimate. It may be higher, it may be lower." And he used, to get to the \$83 million, federal moneys which may well have been applied to the previous deficit which they claimed at \$180 million.

But, Mr. Speaker, both of those figures are estimates. The Honourable Minister is not suggesting that the Minister of Finance didn't say it wasn't an estimate. That's why I was very careful in my proposition to use budgeted figures, because those are not estimates. The budgeted deficit, \$114 million and \$120 million. My honourable friend doesn't like it, uut it's \$234 million, Mr. Speaker. More than those people said made it impossible for them to govern.

Well I agree, Mr. Speaker, it is impossible for the Conservatives to govern, and they should quit right now. By their own admission, Mr. Speaker, they should quit right now. That's their deficit.

Now, Mr. Speaker, I don't happen to think that that kind of thing is not necessary from time to time. I believe that there are times, as Joseph the Provider said, Mr. Speaker, when you have seven good years, you are to collect the produce of those years. And when you have seven lean years, you provide those, and in those years you are deficit financing.

But it's those people, Mr. Speaker, who say that they can't govern; they can't manage; they are in an impossible situation. If you're in an impossible situation, by your own admission, quit. Quit, and let somebody take over who does understand, Mr. Speaker, what does have to be done in periods of this time.

Mr. Speaker, I wouldn't have put that proposition. They were elected, but they came into office saying that it's impossible for them to handle the kind of deficit that they were left with. They then proceeded, in 18 months, to create a higher one, Mr. Speaker, to create a higher one, which gives a lie to the suggestion that the — two lies, Mr. Speaker. One to the suggestion that they had an impossible situation, because they happened to have a pretty good situation — which other government came in with impossible finances and then gave \$83 million in tax relief in the same year, in which they said that they were in an impossible situation. There's nobody who can do that, Mr. Speaker, and the fact is the situation was not impossible, it was very good, but it is impossible for the Conservatives, Mr. Speaker, by their own admission and by the figures. And these, for the Member for Sturgeon Creek, are not my accountant's figures they are your accountant's figures. So that, Mr. Speaker, is proposition No. 1.

Proposition No. 2, Mr. Speaker, and again I'm going to use Conservative criteria. —(Interjection)— We'll let the public decide that — we'll let the public decide that, Mr. Speaker. Proposition No. 2: The government has increased the amount of taxes it collects in one year by

\$134 million. Well that's simple, Mr. Speaker, look at the figures of Revenue, and I'm now using Conservative criteria. They said that the amount of taxes you are collecting as against last year have gone up by 100 percent. They said, "In 10 years you've increased the amount of taxes by 100 percent," and they went from \$300 million to \$600 million. And we said, "That's not the taxes, that is the amount of moneys, the rate of taxes. For 8 years, we governed hardly increasing any rate of taxation." But the Conservatives continued to say that the amount of taxes you have collected has gone up.

Well, Mr. Speaker, I am now going to use Conservative language. Mr. Speaker, I am now going to use Conservative mathematics. The amount of taxes that they are increasing this year in the Attorney-General's Department, Mr. Speaker, are \$7 million, \$89 million over \$82 million; Mr. Speaker, the federal-provincial field, which they always counted when we were in power, \$948 to \$982 — \$32 million; in the Manitoba levies, from \$289 to \$380 — \$90 million; in the Highways, Mr. Speaker, from \$25 to \$28 is \$3 million; in the Mines Branch, from \$13 million to \$15 million, a total, Mr. Speaker, of \$134 million over last year, and if you take out the federal-provincial field, which they never took out when we were in power, you can make it \$102 million. But why take out the federal-provincial field?

But the First Minister now says, "The rate has stayed the same." Mr. Speaker, for eight years we told them that, for eight years we told them that the rate of taxation hadn't changed, and for eight years he and his Finance Minister and the Member for River Heights kept on saying that the amount of taxes that you are collecting has increased. Mr. Speaker, these are your accountant's figures; these are the Estimates presented by the Government of Manitoba; have nothing to do with the Research Department, show an increase in the amount of taxes that is being collected by the Conservative administration to be, Mr. Speaker, —(Interjection)— Mr. Speaker, the First Minister obviously has learned something. Mr. Speaker, for eight years we sat on that side of the House and tried to explain to them that although sales taxes had increased from \$60 million to \$120 million, the rate was still 5 percent, and the Tories said, "No." They said, "You've increased sales taxes by \$60 million." —(Interjection)— Mr. Speaker, suddenly, there is, Mr. Speaker, —(Interjections)— Mr. Speaker, there is some benefit . . . Mr. Speaker, you get up and tell them to shut up. —(Interjections)—

**MR. SPEAKER:** (Inaudible)

**MR. GREEN:** Even hard headed, doctrinaire, blinker-closed eyes, Conservatives learned something. They learned that taxes do not increase when the same rate gives you a higher amount of money.

But, Mr. Speaker, I am now talking Conservative criteria. The amount of taxes — they are your figures — have increased by \$134 million in one year in government. —(Interjection)— Mr. Speaker, the Minister says on lower rates, is there a lower rate on motive fuel taxes? It's gone up by 2 points, Mr. Speaker. The province of Manitoba had to reduce estate taxes, the government of Manitoba had to reduce estate taxes on people who have inherited over a half-a-million dollars. Those people had a terrible problem; they were the ones who had a real problem; they were paying \$8 million in taxes and so the province of Manitoba said that every time a motorist goes up to the pumps, he will pay an additional 2 cents in motive fuel taxes in order to take care of those poor people who are inheriting a half-a-million dollars and have the heart of the Conservative government to look after. And even after that, Mr. Speaker, even after they did that, they still saw to it that some people were relieved of taxes which they should have paid according to the Finance Department of the government of the province of Manitoba.

But, Mr. Speaker, those are three propositions, and they sounded unusual but I haven't used any of my accountant's, I've used the Conservative accountants to prove those three propositions. Let's go, Mr. Speaker, to proposition . . . oh, I've only gone to two, excuse me. Proposition No. 3 . . . now my arithmetic has a problem. —(Interjection)— Yes, Mr. Speaker, I've done what the public will view as judge as fairly well, the honourable member says I can do better, you bet you can — you ain't heard nothing yet.

Mr. Speaker, the government of Manitoba has given an unequal: ified endorsement of the wisdom and efficiency of Hydro programming over the past 10 years by announcing that rates can now be stable over the next five years. Now, Mr. Speaker, what they are saying is what we have been saying all along, that putting in those installations now will result in them being put in at lower costs, that the sale of the export power will see to it that, although the rates will increase rather dramatically and quickly, they will then be stable and the future generation, not the generation but in future years the same generation will be paying lower rates and stable rates.

The Minister of Finance said it today, he said that the only reason that there is going to be any moneys paid by Consolidated Revenue into the Hydro rates has to do with the fluctuation of

the dollar; has nothing to do, Mr. Speaker, with any mismanagement of Hydro, as a matter of fact indicates that Hydro has been well-managed. And if you look at Page 53 of the Budget, he says it in very explicit, Mr. Speaker, in very explicit terms. "The government," Mr. Speaker, "will lift all foreign debt from Hydro retroactive to April 1, 1979," and then he says, "These moves alone will, we believe, provide the utility with sufficient elbow room, not only to hold its rates fixed for this period, but also to rebuild its reserves to a more appropriate level." So what they are saying, Mr. Speaker, is that if the dollar didn't fluctuate there would be no necessity for any change and any increase would have nothing to do, Mr. Speaker, with any mismanagement in Hydro, but had to do with the rates that Hydro was paying for money. And now they are guessing, Mr. Speaker, and they could be hurting Hydro; they could be hurting Hydro. Depending on what happens with the dollar, if they now shift the normal Canadian borrowing rates on Hydro in exchange for the rates here, who's to say that five years from now the government will not be getting the benefit at the expense of Manitoba Hydro. And they don't know, Mr. Speaker, they themselves indicate they don't know but there is no clearer statement than what the Minister said this morning that what I am saying is perfectly true — it might not cost the government one cent to stabilize Hydro rates; —(Interjection)— Mr. Speaker, not one red cent refers to our side. On their side, it's one blue cent.

But the fact is, Mr. Speaker, that's what he said. I said it the other day. I was rather going on a hunch which I believed to be correct and said so. The Minister has now taken away any hunch out of it. He confirms that it might not cost a simple cent. So what happened, Mr. Speaker? Tories came in, they looked at the Hydro system, they said, "My God, it's working. Look at the power that's been purchased; the rates are going to stay the same." How are we going to explain to the people of the Province of Manitoba after perpetrating a hoax for five years that \$600 million was overspent? How are we going to explain a smoothly operating system, operating on stable rates? And they said, "Here's how we'll do it. We will announce that we are freezing the rates" and in the confines of the Cabinet room, they said, "There's no harm in this; there's no harm in this. It might not cost us one red cent" and that's what the Minister has told us today — that's what the Minister has told us today, "and then we will be able to go to the people of Manitoba and say: if your Hydro rates had stayed the same and we have been telling you that they will go up but if they stayed the same it's because we announced the policy that Hydro rates will be frozen over the next five years."

Mr. Speaker, that's trickery that is designed to get them out of their embarrassment and, Mr. Speaker, it is the most colossal hoax that has ever been attempted to be perpetrated on the people of any province since the hoax that \$600 million was overspent on Hydro installation. And, Mr. Speaker, the people of the province will not buy it; they are not going to be misled by that type of proposition. And furthermore, Mr. Speaker, what is more important, because you know, one hoax or another is something that people can live by, overcome, and wait for the next one, but that Party, Mr. Speaker, has irreparably damaged its philosophical position; irreparably. They are now saying, Mr. Speaker, which is the kind of thing that I have advocated for years that it is legitimate with regard to certain basic things, to say, Mr. Speaker, that those things shall not be charged on a user-pay, loser-pay basis. It is a perfectly legitimate proposition and the Minister even got up and said it today, that we are going to see that consolidated revenue will take care of unnecessary increases in inflation, Mr. Speaker.

You know, Mr. Speaker, they fought for Medicare premiums because they said that each person who gets it should have to pay. They have said that transit fares should go up because the people who use it should have to pay. They have said, Mr. Speaker, in many many other areas that there is nothing that can be done about this; the people who use it have to pay. They have now said, Mr. Speaker, unwittingly, because of their embarrassment and because they are trying to perpetrate a trick and never looked one year beyond what they are doing, they are now saying, Mr. Speaker, from each, according to his ability, that we will use consolidated revenues which can be collected on the basis of ability-to-pay, to each according to his need and that people will receive Hydro rates and will not have to pay for them at rates which they cost if they cannot afford it.

But, Mr. Speaker, the real position, the real position, is one that they have endorsed — the Hydro system. But in the alternative, Mr. Speaker, because I am going to show that they lose both ways, they have lost both ways. In the alternative the government has announced a policy to use general taxation over the next five years to subsidize Hydro Electric users, a policy which has future progressive implications in the area of other utilities such as water, telephone and automobile insurance.

And, Mr. Speaker, when I talk about the gas rates, the heating costs of people in this province through the Gas Company, have gone up faster than the Hydro rates. They have a harder implication than the Hydro rates because they constitute a larger part of each individual's personal budget. And, Mr. Speaker, I don't know, my heating bill for gas is much higher than my Hydro bill. Well,

Mr. Speaker, I suggest to you that for the average citizen it is more expensive — I'm not talking about the one who uses Hydro electricity for heating, but the one who uses gas — it has gone up higher.

Now, Mr. Speaker, when we say —(Interjection)— oh well, Mr. Speaker, you know that yesterday they accused me when I talked about bread and milk of comparing apples and oranges, and I said I'm comparing Hydro rates to bread. Now they're taking two very related activities, Hydro rates and gas rates, and they say it's apples and oranges. Mr. Speaker, it's not apples and oranges, it's Hydro rates and gas rates. And, Mr. Speaker, when I say in the future, which I will say, that the time has come to make sure that every citizen is provided with basic water necessities out of consolidated revenues, that he should only be charged for the overcost; and when my learned friend, the Minister of Finance says, "We can't do that, it should be the user who pays for it", Mr. Speaker, I will say, "What about the Hydro rates? What about the Hydro rates?" That's what I will say, Mr. Speaker, and when I say what about the Hydro rates. I will say, Mr. Speaker, . . . and when we talk about automobile insurance, and say that it's the better, more efficient system that we use consolidated revenues to pay for more of the premium costs, and my learned friend says, "We cannot do that; the person who buys the insurance should pay for it directly and individually and that it is a user-pay principal" Mr. Speaker, I will say, "What about the Hydro rates? What about the Hydro rates?" And I say, Mr. Speaker, that unwittingly — unwittingly — by seizing on what they thought is a political trick, they have done, Mr. Speaker, irreparable damage to the conviction of conservatism in this province; they will never rue the day, they have moved it, Mr. Speaker, into a place from which it can never return and we have with this, Mr. Speaker, happy fortuitous event although it was not necessary, we have a fortuitous event, Mr. Speaker, which will bade well for the citizens of the Province of Manitoba. And let there be no misunderstanding. Nothing is for nothing, and I've never ever suggested it.

This \$31 million spent this year constitutes to the average citizen of the Province of Manitoba, a roughly 20 percent increase in Hydro rates. You are taking \$31 million out of consolidated revenues. That is almost 1 percent of sales tax which means that if you didn't take it out you could reduce the sales tax to 1 percent. The money has got to be repaid; there's only one source of getting it.

In that, the Conservatives are right, that money has to come back from the people of the Province of Manitoba; \$31 million costs 1 percent of sales tax which is roughly \$50 a year for a person in the middle income, and if he is now paying \$20 for his Hydro bill, Mr. Speaker, it represents \$4 on that bill which is a 20 percent increase in Hydro rates. And if that is some mathematics that the Conservatives can't understand I ask them to go back to all of the days in which they have said, Mr. Speaker, "Nothing is for nothing".

Mr. Speaker, the government has increased spending, and this is the most interesting feature. They've increased spending by \$175 million, which is over 10.4 percent over a two-year period while announcing increases of \$142 million over the same period. Now here are the expenditures, Mr. Speaker. These are your accountants. In 1978 the expenditures went up from million to seventeen hundred and two 680 million. The estimated expenditures went up on their Estimates from sixteen hundred and two to sixteen forty-nine. The Estimates in 1980 go up to seventeen seventy-five. So the total between '78 and '80 is roughly \$175 million. But they've increased 175 million in spending with one increase, Mr. Speaker, of \$49 million. And the next increase of \$95 million. This year the increase is 95; last year it was 47 for a total of 142. So if we take the two Estimates of increases, Mr. Speaker, straight from the books. One year the estimated increase was \$47 million, which they came in and announced it at something like 2.9 percent or 3 percent, whatever it was.

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

**MR. GREEN:** They came in and announced this Estimate at a very low percentage figure; this year they have an estimated increase of \$95 million. And the two together total \$142 million, but the expenditures, Mr. Speaker, started from sixteen hundred and two, and this year, by your Estimate book, they're seventeen, seven seventy-five, which is an increase of \$175 million. But you only have 142 in the two Estimate books. So Mr. Speaker, how do we get to 175? There is 32 million missing. My honourable friends brought it out, but it never appeared more clearly than it now appears in the Estimates book. It's the \$32 million shell game. Where is it, Mr. Speaker? Where is it? The

estimated figures of expenditures presented to the House are \$32 million less than the expenditure figures of the government.

So Mr. Speaker, here is a government that said it's going reduce government spending. In two years it has increased government spending by 175 million and it has passed on, Mr. Speaker, to the individual taxpayer and this will await another speech where I show you how this taxpayer has had his spending increased while the government talks about reduced — Well, Mr. Speaker, I will prove it to you. I will prove it to you. Give me time. If you want me to do it now, just tell the Speaker. —(Interjections)— Mr. Speaker, \$175 million in increased expenditures when you announce \$142 million, thereby hiding \$32 million, it may be, Mr. Speaker, Progressive Conservatism. But restraint it ain't. Restraint it ain't. And when you take those expenses of the individual citizen in the province of Manitoba, when you take the expenses of the individual citizen in the province of Manitoba and add them up, Mr. Speaker, you will find, Mr. Speaker, that he is the one who is being restrained. He has to live much worse on the same amount of money. Mr. Speaker, I'll get to my last point and I'll try to do it without interruption.

Mr. Speaker, the government has placed Manitoba solely at the mercy of the private mining industry for future mineral development and has given the industry such a superior bargaining position as to make it impossible for the citizens of Manitoba to obtain a fair share. We'll deal, Mr. Speaker, more heavily with this when the bill comes up. But the fact is, the policy has been made plain. What the Minister has said is that this province cannot develop its mineral resources unless we attract the private mining industry. Therefore, Mr. Speaker, he says he will do anything to attract the private mining industry because he can't say that there will be no mineral development. That would be the death knell of the Conservative Party. So he must say that he will do something for them, and today it's to remove one tax. Next week it will be to remove another tax. If the mining industry said to the Minister, "You come up to Thompson with your hat in your hand and beg us to explore", the next day the Minister would be up to Thompson with his hat in his hand asking them to explore. If the mining company said, "You get down and grovel on your hands and knees before you come into our door", the Minister would get down on his hands and knees and grovel before he came into the door. And if the mining executives said, "You get down on your hands and knees and kiss my ankle", the Minister of Mines would get down on his hands and knees and lick the ankles of the mining industry in this province. Because Mr. Speaker, he cannot say to them, "I have an alternative." Mr. Speaker, seldom in the period in the history of any government. Seldom in the history of any government has a government permitted itself to be attacked in its Budget such as this government has done in the first year. It usually takes a little longer, but Mr. Speaker, this budget is the death rattle of the Conservative government in the province of Manitoba.

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

**HON. L. R. (Bud)SHERMAN (Fort Garry):** Mr. Speaker, I don't know, Sir, what more ringing endorsement of the value and the correctness and the strength of the Budget presented by the Minister of Finance on Tuesday night in this House could be achieved than by having a desperate, weakened leaderless opposition in this Legislature, do what they always do in response to the age-old dictum propounded by the Right Honourable John Diefenbaker frequently, "When the going gets tough, the tough get going." And they take the toughest, most frightening, most terrifying shock trooper that they have in that tattered army across the way and they throw him into the breach to scare the daylight out of the people of Manitoba. That, Sir, is what they have done again and again and again and have done again today, and I only wish that performance had been on television. It was for a while, but the cameraman —(Interjection)— my colleague says the cameraman got sick. I question that, Mr. Speaker. I would absolutely. I would suggest the cameraman got scared. Terrified. Frightened. Left this Chamber under the fulminations of the Honourable Memstream and midflight. But that's all right, ber for Inkster in mid Sir, because he's a great performer. He's a great actor. He's a great orator and he is thrown into the breach every time that this side, the government, confronts the opposition with something that they can neither cope with, grapple with nor understand.

So they turn to the old left-hander, the old reliever from the bull pen out there in Inkster and he comes forward onto the mound and he tries to bail them out and he did it again today and he did it rather well. But I want to say, Mr. Speaker, that it's obvious, it's quite obvious that the Budget Address and the Budget message delivered by my colleague on Tuesday night in this House has rocked the opposition to the soles of its feet. Rocked them to the very soles of its feet, because there would be no other reason for propelling the Honourable Member for Inkster into the battle at that tempo and that pitch and at this stage of it, and with that kind of message, if it weren't that they were so totally confounded and dumbfounded by the constructiveness and the value of

that Budget that they had no other way to approach it than to try to confuse the issue, in keeping with the kind of campaign, I might say, Sir, that I think they and their colleagues are conducting in the current federal election to try to confuse the issue with messages of fear and intimidation.

Sir, the irony is that the Honourable Member for Inkster did give a good performance and did give a reasonably good account of himself. But his difficulty, and he will not be able to overcome it, is that his position has been undermined for him by his colleagues, both provincial and federal before he ever gets on his feet, because, Sir, as a result of the positions taken by his leader, the Honourable Member for Selkirk, and I wish the Honourable Member for Selkirk were here, because I do not like to criticize his posture and his position when he's not in the Chamber, but I can rise to that challenge if I have to. The message carried by the Member for Selkirk and others has destroyed every shred of credibility in terms of the public position of the New Democratic Party at the present time in this province, so the irony of the performance by the Honourable Member for Inkster is that his message is undermined before he ever gets on his feet.

Sir, it's difficult to know how to follow the charges and the allegations of hoax and trickery that the Member for Inkster levelled at this side of the House when one considers what has been going on, provincially and federally, spearheaded by the federal Liberals and the provincial New Democrats for the last month and a half in this province and in this country and in every constituency where the federal election is being fought. It leaves one almost inarticulate, Mr. Speaker, to try to talk about the deceptions that have been practised by the Honourable Member for Selkirk and others on that side when the Member for Inkster has been on his feet trying to lay down the barrage first of trickery and hoax on this side, but it becomes quite clear that that was the tactic, because they know that their position is indefensible insofar as any passing acquaintance with the truth is concerned, so they lay down the offensive barrage first to try to suggest and sow the seeds of suggestions of some kind of devious approach from this side of the House. So that really is masterful political strategy, Mr. Speaker, but I welcome the opportunity to follow the Member for Inkster because it is deceptive political strategy, it will not wash, it will not be accepted. It will not fool anybody and it will not go unchallenged and unrepudiated from this side of the House.

Mr. Speaker, the Member for Inkster had many things to say about the main features of the Budget introduced by my colleague relative to the freeze on Hydro rates in particular, and I'm not going to attempt to deal with those questions at this particular time. My time is limited; my field of responsibility is limited; I have a number of things I want to say about the health care field and about the deceptions being sewn by members opposite. The Minister of Finance and the leader of my party, the Premier of this province are experts in the area of Hydroelectric energy and energy development. We'll all reduce the arguments and the theses of the Member for Inkster to the diminished level which they deserve, Sir, and I shall leave that responsibility to them.

But I do just want to deal briefly with one position that the Member for Inkster took, and that was built around the question of who can govern and who can't govern. And when we look, Sir, at the kinds of difficulties that we have encountered in terms of providing, meeting the perceived needs of Manitobans in the field for which I'm responsible as in the fields for which many of my colleagues are responsible, and the difficulties we face because of the irresponsible, unaccounted for undertakings of the previous administration. I think, Sir, that it becomes the height of cynicism and irony and arrogance for the Member for Inkster to raise the question in this House as to who can govern and who can't govern. We look at money poured down the drain on government buildings and edifices around this province and yet they whine about what we are doing or not doing in certain facilities fields, the health care field in particular, and they were the ones who so committed the taxpayers of Manitoba with the real threat of impending bankruptcy that we could not meet in all responsibility some of the things we would like to have met and still wish to meet in the months and years ahead. But it boggles the mind, Sir, that a spokesman for the other side should be able to stand in this Chamber and raise the question as to who can govern and who can't govern.

Was it governing to pour the millions of dollars that they did into unnecessary public buildings and edifices when they, out of the other side of their mouths, talk about health care facilities, educational facilities, social service and the like — was that governing? Sir, we had the answer to that 18 months ago. The people of Manitoba gave the answer to that question and gave it very clearly 18 months ago.

We claim no miracles in the message that my colleague, the Honourable Minister of Finance delivered in this Chamber Tuesday night, Mr. Speaker. Perhaps other governments could have done what this government is doing. The point is, Sir, they didn't. They didn't have the will to do it, and that is what makes the difference. They didn't have the political intestinal fortitude to make the hard decisions to do what had to be done, and that's what makes the difference.

No one is arguing about the ideals or necessarily the principles or the objectives involved. The

Member for Inkster can expound to whatever lengths he wishes to go about the approaches that were conceptually, perhaps, in the minds of the previous government, the things that the previous government had planned to do, the things that in fact, in his view, the previous government did and that the current government is now taking advantage of. Sir, that is so much intellectual fancy dan high-stepping and phoniness that it's hardly worthy of comment. They did not have the will to govern the way the people of any province or any jurisdiction have the right to expect to be governed and led. They did not have the will to be accountable. They did not have the will to be responsible trustees for the people's money. They did not have the will to balance perceived need against capacity and timing in terms of meeting that perceived need. They did not have the will to prioritize. They did not have the will to keep doctrine and philosophy, socialist philosophy out of their thinking. They did not have the will to trust the people to make some decisions. They did not have the will to make some hard decisions that had to be made to save the people of Manitoba some money so as to be able to preserve other features in the structure of our welfare and our well-being here in Manitoba that are dependent on public resource and public revenues. So that is the difference, Mr. Speaker. When we talk about who can govern and who can't govern, it's not the rhetoric and the theory and the ideas that the NDP spouted for eight years while in office. It comes down to guts, Sir, it comes down to courage, to intestinal fortitude, to the will to do things, and it's been demonstrated in this province in the last ten years that one government wedded to doctrine and theory and outmoded philosophical commitments so strongly that they couldn't see beyond it, did not have that necessary will.

So we'll leave that situation, Mr. Speaker, on the basis of the judgment that has already been exercised on it by the people of Manitoba and will be exercised again this year when the three provincial by-elections that will be coming up in this province this year are called.

Now Mr. Speaker, again I wish to say that I regret very much that the Leader of the Opposition, the Honourable Member for Selkirk, is not in the Chamber, because I accuse him, Sir, I accuse him, Sir, of being one of the principal actors and architects in a campaign of fear that's being conducted in this province that is beneath contempt; a campaign of fear that is utterly and totally reprehensible. It's a campaign of deception in the health care spending field that sinks to a new low in Canadian politics. You know, the tactics are the same only greater in degree now as were practised by the NDP during the general provincial election campaign of September and October, 1977.

Who were the pawns, the innocent pawns in this campaign of fear, these scare tactics? They are the elderly, Sir. They are the residents of our province whom the NDP professes to champion so strongly. They spent virtually the entire 1977 election campaign in this province trying to scare the elderly citizens of Manitoba into believing that a vote for any party other than the NDP would mean the end of their dignity of life, of their health care, of their legitimate social services support and of their legitimate right to decent access of opportunity to housing.

They spent the entire provincial election campaign of 1977 waging that campaign of fear and intimidation, Mr. Speaker, and they haven't learned their lesson, not one whit. The elderly citizens of our province were among the 49 percent component voting in the election in October, 1977, that chose to reject and repudiate the suffocating atmosphere of socialism and to select and elect a Progressive Conservative government of the day, and yet the NDP has learned nothing from that. They have gone out in the past few weeks in this province and across this land, federally and provincially, and the Member for Selkirk has repeated the deceptions and the myths and the falsehoods inside and outside this House and tried to scare the elderly, the ill, the infirm, the disadvantaged, once again with the totally false bogey man of Conservatism as sketched by the socialists and the New Democrats, as sketched as being representative of a political position that will create some difficulties or endanger services that are in place for citizens in those categories at the present time.

The elderly are the primary innocent pawns and targets in this tactic, and I suggest, Sir, that this kind of approach is reprehensible in the extreme. It is totally false, it is totally deceptive, and it is totally irresponsible and I'm shocked that a man of the professed responsibilities and sensibilities of the Honourable Member for Selkirk would stoop to do this again. He has stood in this House and he has stood outside this House and spread myths about the condition of health care and health facilities in this province and spread fearful myths about what is likely to happen if those great saviours and champions of all society, the NDP and their fellow travellers and their candidates, are not elected to political office. Well, Sir, that is why I say, that when the Honourable Member for Inkster stood in this Chamber a few moments ago to make a strong effort to protect a rather desperate opposition posture in the face of an exceedingly well-received Budget, well received in public terms across this province, that his position was undermined for him before he ever got on his feet. Because he stood up and talked about hoax and trickery, and he speaks from the benches of a party that has attempted to intimidate the elderly and the ill in this province for 18

months, and has developed that intimidation campaign to a crescendo in the last few weeks of the federal campaign.

So, let us not have any more such spurious performances, as we've had this morning, Mr. Speaker. When it comes to hoax and trickery we are hearing from the Honourable Member for Inkster and his colleagues, we are hearing from the masters and the past-masters doing it again. The elderly, Mr. Speaker, I'm told that many of them have been told directly by NDP and Liberal candidates in this campaign, that they will lose their health care coverage, their Medicare coverage, their access to Medicare, their premium-free medicare, their hospital beds, their hospital services unless they vote either for the definitive Socialist party in this country, the NDP, or their fellow Socialists, the party of the current Prime Minister, the Honourable Pierre Trudeau. Sir, what dishonesty, what falsehood, what intimidation, you know, what base performance. That is a new load in politics in this country.

Mr. Speaker, the Honourable Member for Selkirk stood in this House yesterday and gave a performance that I think has every potential for becoming Manitoba's version of the Little Bighorn. Instead of Custer's last stand, we're looking at Howard's last stand, Mr. Speaker. That's how desperate he is. The difference, Mr. Speaker, is that it's coming perhaps more slowly and more painfully for the Honourable Member for Selkirk than it did for General George Custer. But, you know, if he persists in the kinds of arguments and myths that he's trying to spread, and he persists in that kind of deception with the electorate, he is going to find himself in a few months' time, not with more arrows sticking out of his back than General Custer, but with more arrows sticking out of him than the entire Seventh U.S. Cavalry, Mr. Speaker. That will be his fate, as sure as it was the fate of the New Democratic Party on October the 11th, 1977, because the public is not fooled and will not be fooled by this kind of specious performance.

Mr. Speaker, he stood in the House yesterday and he talked about bed closures and he's not the only one — I simply single him out because he's the architect and one of the chief spokesmen for the NDP members and candidates, and he and other federal Liberal members are doing the same thing — but he stood in the House yesterday and said flatly that in effect, health care was going to pieces in this province; Health and Social Services were going to pieces in this province; and we've had bed closures and staff lay-offs and the like, without one shred of evidence or documentation or support, because, Mr. Speaker, there is and he knows there is no shred of documentation or evidence or support for that challenge to identify what beds have been closed, he's not able to do so because there haven't been any. You know, the New Democrats and the Liberals too, have decided that the easiest way to avoid having to face up to the main issues in this province and in this country is to create a boogeyman, and create a myth and manufacture an issue and repeat it and repeat it and repeat it until some people, they think, are going to believe it; and we have a perfect and classic example of that in the manufactured boogeyman that has been injected in the last month-and-a-half in this country, into the national political picture in the form of the purported threat to universal accessibility to Medicare and medical service in provinces like Manitoba.

Along side with that has come this continual undocumented, unsubstantiated whine from members opposite about the decline and disintegration of Health Care Services in the province of Manitoba. The truth, Mr. Speaker, is precisely the opposite. There are many things that we have had to do in this field, and in other fields that have taken political courage. They have not been easy to do; they were things that in fact, our predecessors were considering doing — I know that, because we all work with the Civil Service in this province — they were considering doing and did not have the courage to do. Why, Mr. Speaker? Because they are politically difficult to do, and far be it from the NDP to do anything politically difficult, if they can recognize what they think is politically difficult. In fact, the posture they took for eight years proved to be very politically difficult for them.

But, Sir, there are many things that we have done that have been politically difficult, that took political courage, that resulted in outcries in this Legislature, but that is about the only place in which they resulted or produced any outcries, Mr. Speaker. The criticism, the complaints in the whole area of Health and Community Services, with respect to the budgetary approach, the management approach, the priority approach that we've taken, has been limited, Sir, 99 percent to the NDP benches in this Legislature. I will not say there has not been an isolated complaint from the general public here and there. I concede that, one would not expect otherwise. But what has really impressed me, Mr. Speaker, is the fact that those complaints have been so few. Quite frankly, I would have expected more, but 99 percent of the complaints, the criticisms, the outcries are political complaints, criticisms and outcries coming out of the benches opposite, Mr. Speaker. They have no validity in fact, they are not held or shared by the general public. But members opposite will continue to try and to propound this headline, this myth, without any facts or documentation to support it and back it up, simply because they think by that kind of a repetitive barrage and

offensive, they can obscure all the other issues at stake, they can mislead the people, and they can somehow, weasel their way back into political popularity.

Well, the people weren't fooled in October, '77, Mr. Speaker, and I suggest that it's a death wish on the part of members opposite and a death wish on the part of the current leader opposite, the Member for Selkirk, if he thinks that he can persist in this course with any hope, with any hope of political acceptance, political credibility or political success.

Mr. Speaker, when one looks at what has been done and what has been accomplished in the Health Care field and the Community Services field, I beg to suggest in all modesty, Sir, that my colleagues, that the government of this province has chalked up some not insignificant achievements. It is not easy — members opposite may think it is, because they never had any regard for the expenditures of the province; they never had any concern with where the money was coming from; they never had any sense of accountability, so they didn't have to worry about it. But when one has a commitment to the people of this province, as we have and we were elected on it, to put the financial house of the province in order, to reinforce a base that the province can maintain its services on into the future it is a difficult challenge to serve both objectives, to meet the commitments that we have to the people to get public spending under control and put our financial house in order, because it's the peoples' money, and at the same time, in a period of inflation and high cost, maintain the very necessary services and the quality of those services that are in place in the Health and Community Services field in Manitoba.

And I might say that our spectrum of Health and Community Services is the envy of most provinces and states on the North American continent. Perhaps there are many Manitobans who don't recognize that, because we all take for granted what we've got. But I know from personal experience and I'm sure that members opposite have had the same experience — that persons from other jurisdictions on this continent are vividly impressed by the Health and Community Services' spectrum that is in place in this province, and by the quality of care that exists there.

Now, let us be realistic; it costs money, Mr. Speaker. It's fine to operate and elevate everything to the level of pure ideals and pure idealism, but it does cost money. And if we're not going to be practical about ensuring that we've got the economic capacity to maintain that system, then it's not going to last in that condition for very long. And so it has been a major challenge for this government and the 14 members of this Executive Council to meet that twin objective, and I think that our achievements have been not insignificant, Sir. We have expanded the capital construction field in the health facilities area as practically and responsibly as we can under these conditions. We have introduced major new program initiatives in innovated areas that we are very proud of, and I can and will enumerate some of them. I have in the past, but obviously they need repeating for the benefit of members opposite. We have worked with, in co-operation, the memberships of the health professions and paraprofessions that serve the people of Manitoba through our Health Care and our Personal Care and our Social Services field, without disruption, without interruption, without eruption, without problems that oftentimes attend upon services and programs in these fields by virtue of the high labour component, the high employee component, necessary to fulfill those services.

We have not had frictions and troubles with the people, the men and women of this province, who work in our health care professions and facilities and services. Where have there been interruptions or stoppages or difficulties? I take my hat off to those people, those men and women for their co-operation with us, for their recognition, as Manitobans, of the very essential job that needs to be done in preserving and maintaining our system. They have co-operated; there has been no whining, no crying, no difficulty, no interruption of service. It has only come, Sir, from certain critics on the NDP side of this House, who have taken a political position, and I don't quarrel with political position, but who have taken a political position and tried to pretend, tried to project it into a general social feeling, and it is not a general social feeling, Sir.

I want to say that I think that a singular exception to this kind of approach, this kind of tactic from members opposite has been represented by the official health critic of the opposition, the Honourable Member for St. Boniface, who has not risen in outrage at some of the measures that we have found necessary to introduce. When we raised the personal care per diem, where was the outcry? It did not come from personal care residents, they recognized the legitimacy of their responsibility, of paying for part of their accommodation. They always have, Manitobans always have recognized that responsibility. It came from some members opposite, not however, from the Member for St. Boniface because he knows how fair, just, equitable the application of that per diem and increases in that per diem are. He knows that it is based on a fair disposable income for the residents; something conveniently overlooked by the member of the opposition, the Member for Selkirk, when he stands in his place and rails against increases in the personal care per diem.

The fact that the personal care per diem has risen in percentage for both married and single residents, percentagewise, much more sharply than — the fact that the disposable income left to personal care residents both single and married after application of the per diem increases has risen much more sharply in percentage terms than the increases in the per diems themselves is conveniently overlooked by the Member for Selkirk.

When we moved, for example, to remove Medicare coverage from foreign university students, Sir, where did the outcry come from? That was a move that took some courage. We didn't get any criticism from the official health critic of the opposition; we got no criticism from him because he recognized, having been a Health Minister, the justification in terms of Manitoba taxpayers for that move. But the whines and outcries came from others on the opposite side; not from university students, except from some university student leaders, who again were politically motivated and I don't quarrel with that political motivation, but let's not misread it or misrepresent it as a general social attitude. Generally, students across the province were either unconcerned or felt that there was nothing unjustifiable or particularly reprehensible about that move. Why should the taxpayers of Manitoba be assuming that kind of responsibility?

When we moved to review social allowances health services cards, Mr. Speaker, where was the outcry? Not from the elderly. Many of them appealed the decisions made with respect to their cards and those appeals were then adjudicated accordingly. But there was no outcry other than from some members on the NDP benches, and I could go on and on.

There has been no outcry over the increase in the Pharmacare deductible because it only affects 5 percent of the people in Manitoba and generally, those of us who are affected as Manitobans, assume the, you know, are prepared to assume that responsibility, are prepared to acknowledge that costs can't go up and up and up forever without some offsetting step being taken by the trustees of the public's funds.

So, Mr. Speaker, this myth, this kind of contrived argument that the people of Manitoba are threatened and that their health care is threatened and their community services are threatened, and that they're up in arms and that they're upset and that they're in opposition to what we're doing, is nothing more than that, Sir, a political myth, a contrived political headline which the members opposite cannot substantiate but keep repeating on the theory that if you say it a thing often enough, some people will start believing it. And, Sir, when the Member for Inkster talks about irreparable damage being done by the Conservative Party in terms of its philosophical position as a consequence of the freeze on Hydro rates, when one talks about irreparable damage, that's not even in the same league with what's being done by the New Democrats and the Liberals who are trying to argue that the health care and health care services available to our citizens are threatened by any government other than NDP or Liberal. That, Sir, is the kind of damage that is more irreparable, that will create more difficulty for the entire political system than any kind of contradiction in tactical positions that one or another political party may take from one time to another in order to implement programs that are in the interests of the jurisdictions for which they are responsible.

This kind of approach that is being taken by federal Liberal and New Democratic candidates and by NDP members opposite in the health care dispute does irreparable damage to the whole political system because it shuts out the truth and it operates on the theory that all one has to do in this field is keep presenting a scare headline and that that will do the job for you. And that, Sir, is dishonest politics.

Mr. Speaker, there are provinces and jurisdictions on this continent who have moved far more dramatically, far more sharply, far more arbitrarily to reduce health care costs and health care spending and operations than Manitoba has ever considered doing, than this government of ours has ever considered doing. You know, when we put the hospitals on a fairly limited budget, we put them on a global budget at the same time because that is what they asked for; the same with the personal care homes. And there was an outcry from members opposite that hospitals are being pinched and squeezed, and there are these continual insupportable references to bed closures which have not occurred.

Mr. Speaker, every jurisdiction across this continent, including Alberta, is fighting to get health care spending and health care costs under control and many of them are taking drastic measures that have not been contemplated and won't be contemplated here. Let's not confuse ourselves by thinking that this is the whole world and that what's happening in Manitoba is only happening in Manitoba and nowhere else. What is happening in terms of management and proper fiscal and budgetary responsibility in Manitoba is happening all across this country now because all jurisdictions have awakened to the need for doing this kind of thing, and for managing in this kind of responsible way. Many of them are taking some pretty sharp steps that are not acceptable to us.

In Ontario, for example, and in Quebec, they have not only closed beds in hospitals, they have closed whole wards. They have in some cases, closed whole hospitals. In New Brunswick, they have

introduced utilization fees. In Alberta, there is a substantial dispute on between the Alberta Hospitals Association and the Alberta Government right now on hospital budgets. The President of the Alberta Hospital Association has said that if hospitals don't receive more money, beds will be closed. The same thing is happening in the United States, Sir, I have clippings from all over with respect to the fight, the battle, that's being waged. So let's not distort or permit to be distorted the condition here in Manitoba. Our condition is far preferable to those existing in many other jurisdictions who are fighting this same battle now to get public spending under control and health care costs under control. And we're doing it while maintaining quality health care and health care services and we're doing it because we have taken the careful approach to ensure that we don't permit expansionary programs, particularly in the construction field that will put us beyond our means a year at a time.

Sir, the access to universal Medicare, the Medicare system, the health care system, not only for our elderly, but for our citizens generally in Manitoba, is safe and secure and they can be assured of that under a Progressive Conservative Government and no other Party should be allowed to falsify that position or falsify the record. Their attempts to do so, Sir, should be publicly repudiated and I feel that it was necessary to meet that effort this morning to clear up the record for Manitobans generally.

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

**MR. EVANS:** Thank you, Mr. Speaker. It was not my intention really to get into the debate with regard to health care matters, but having listened and I guess I really won't, but having listened to the Minister of Health speak for the last 45 minutes defending their government's record and suggesting that the only complainers about health care are New Democratic politicians, I would ask him if he's trying to tell us in his criticisms of the New Democratic Party and of his virtual covering up — I would suggest — of the problems that faced the health care system and the virtual undermining of the health care system that is now taking place, whether he's telling us that Jack Hare, the Conservative Member of Parliament for St. Boniface, is a liar or is he telling us that Jack Hare is manufacturing these difficulties or is he telling us that Jack Hare is a fool; I don't know. If he is; that's fine, but I tell you it's not New Democratic politicians alone that are standing up telling the Minister of Health and this government that things are not so well in the State of Denmark; things are not so well.

Mr. Speaker, I would suggest that what we've been presented with today and the last couple of days in this Budget is a very unimaginative document. It's filled with slanted information; it's filled with inconsistencies; it's filled with vagueness; and I think the Tribune Cartoon puts it very well: "The Horn of Plenty with three peanuts at the bottom; a Peanuts Budget" and that's what the Tribune Cartoon stated. There was a Horn of Plenty and at the bottom of the Horn of Plenty, were three peanuts, and I would say therefore, Mr. Speaker, that it is a Peanuts Budget.

It is a perpetuation of mythical notions that are in the minds of this government that private investment will come pouring into Manitoba with certain tax cuts that could or might take place or that have taken place. And I would suggest, Mr. Speaker, that it does nothing for the economy of Manitoba, in fact, if anything, it is a restrictionist budget and if anything it will slow down the economy of this province.

I also ask the government, where are the significant tax cuts that were supposed to have taken place under the Conservatives? I think all Conservatives in Manitoba must be disappointed in this government because they were looking for some substantial tax cuts from the government. And indeed, substantial tax cuts would stimulate the economy, but where are the substantial tax cuts? They're just not there, Mr. Speaker.

Mr. Speaker, I am sure the business community is disappointed because where is there any incentive for the business community in terms of any substantial corporation tax incentives? There are none; there are none in this budget, Mr. Speaker. There is nothing really in true Conservative philosophy terms, there's nothing of an incentive nature for the business community of this province.

And where is the great balanced budget that we were supposed to get from the Conservative Party of Manitoba? There is no balanced budget before us; there was none last year and, Mr. Speaker, there isn't going to be any next year unless certain things happen of course. But as my colleague, the Member for Inkster, has pointed out, we've had a budgeted deficit of \$120 million last year, \$114 million this year, for a total of \$234 million of deficit. So I say on the terms of this government, on the terms of this Conservative administration, they are failing, they are failing on their own grounds. They are not giving the tax cuts to the people of Manitoba; they've got some peanut tax cuts, peanuts, as the Tribune said, but there is no substantive, no significant, no worthwhile, no meaningful effective tax cuts to stimulate the economy in this budget; nothing. And

I'm sure that the true-blue Tories and the people of Manitoba who voted for this government expecting some real tax relief are extremely disappointed that they have not received that tax relief.

And you know, what are the results of the administration of the Conservatives in this province during the last year-and-a-half? And what are going to be the results of this budget? Is it going to do anything for inflation? The budget will have no real impact on inflation in this province.

There is the old shell game about the Hydro rates; the old shell game. The rates weren't going to go up anyway, we know that. Look, even Earl Mills — Earl Mills was quoted in the paper the other day . . .

**A MEMBER:** Who's Earl Mills?

**MR. EVANS:** Earl Mills, of the Public Relations Officer of Manitoba Hydro. I don't know what Mr. Mills' political philosophy is — I don't know what his philosophy is. All I know is that he's an employee, he's a spokesman of Hydro, and he is quoted in the paper as saying they didn't expect to have any Hydro rate increases of any substance in the next several years anyway, so what are we getting? Not really very much. It's a shell game, that's what we're getting. It's trickery, it's deception.

So, Mr. Speaker — and incidentally, if there had to be a substantial subsidy of Hydro, who would pay for it anyway? It would be the taxpayers of Manitoba. It's going to contribute to your deficit, and you're the guys who believe that deficits make for inflation. So I say, what do you expect that you are doing for inflation? You are doing nothing for inflation. The Minister of Consumer Affairs is even afraid to look at food price rises. He's afraid to even look at the matters of inflation.

And, Mr. Speaker, it is correct, the CBC did report this morning from Stats Canada that the City of Winnipeg, together with the City of St. Johns, in this last month had the highest rate of inflation — in this last month. And that's a fact, and the Minister of Consumer Affairs is really . . . and the government really doesn't seem to be concerned, and they don't seem to be prepared to investigate it.

What help is this Budget going to be to employment in Manitoba? What's it going to do to alleviate unemployment? What's it going to do to remove the very very under-national average rate of growth that we've been experiencing — what's it going to do to remove slow growth? What's it going to do to remove the economic stagnation that we've experienced in the past year and a half? —(Interjection)— Well, I'm going to talk about that in a minute, Mr. Speaker. I want to talk about the causes of stagnation in this province, because when I was Minister of Industry, I was prepared to recognize that the Manitoba economy is not affected alone by what this . . . government does, or what our government does, it's affected by many factors. And let's be honest with ourselves. you know, this is a great game that goes on in this . . . We fool one another as though we think everything that happens to the economy of Manitoba is dependent upon what the government of the day does. And the First Minister, I think, is finally recognizing this, and . . .

**A MEMBER:** He always does.

**MR. EVANS:** Well, I'm glad to hear that. But when you come up with your rhetoric, Mr. Speaker, when the Premier comes up with his rhetoric, you know, about slow growth during the NDP days, it's always our fault because there was slow growth. But now he's recognizing that there's slow growth today, and he's recognizing, he's saying, yes, there are other factors that have an impact on the Manitoba economy. And that is the truth.

**MR. FOX:** Double standards.

**MR. EVANS:** That's right, as my colleague for Kildonan says, it's really a case of a double standard being applied. You know, pick your statistics. When things go bad, it's the national government's fault, or its international economic forces. If things go well, it's obviously the result of the policies of the government.

Mr. Speaker, I'd like to talk for a moment about, well, CPI increases. The point is, this government doesn't even want to look into the matter; you don't even want to analyze what's happening to inflation in this province. And this is what I complained of. You do not have full control over inflation, and I would never, ever stand here and say that the Government of Manitoba is responsible for the rate of inflation. That's nonsense. But you can have some impact, one way or the other. You can have some impact, and at least you can look into it, and try to analyze it. And this is what I was trying to get across to the Minister of Consumer Affairs. I mean, let's have a few people study it, and see if there is something that we can do. It doesn't cost very much to do that. Let's

at least try. Let's try. I'm not saying you're going to come up with any magical solution, but at least try. But you want to sit back and say, "Well, you know, it's beyond us, and so be it, and . . ."

At any rate, talking about the electricity rates for a moment, there's no question that the people of Manitoba, not only in the next five years, but for the next generation, and indeed, well into the next century, into the 21st century, are going to benefit from the massive hydro-electric construction program that was put in place essentially during the New Democratic Party administration. The people of Manitoba will have, and do have, a great legacy, a great legacy guaranteeing the lowest electricity rates, not only in Canada, but I would say in 25 years from now that Manitoba will probably have the lowest electricity rates anywhere in the world.

And not only that, Mr. Speaker, because the NDP put all this hydro system in place, this province does not have to worry about any problem, any environmental problem from nuclear plants, . . . from development . . . We don't have to worry — there's many parts of this world unfortunately that will have to worry — about any nuclear environmental damage, and we've had plenty of that in the news recently with regard to the American experience. We have no need of the Three Mile Island episode. We will not have any danger of that here because we will be blessed, I would say, for 40 to 50 years with ample supplies of electricity, and particularly taking everything into consideration.

I would also say, Mr. Speaker, in the area of electricity, I would also commend the Minister of Finance for wanting to study the interprovincial grid system. I commend him for wanting to study it but I would say, very quickly, it's like motherhood. Because you want to study it, you may be studying it, but do you think that that idea arose in the last 18 months? Do you think that no one was ever concerned about an international, or an interprovincial national grid previously.

I can tell the Honourable First Minister, and other members across the way — and they know that — that this matter was considered by the NDP administration years ago. I recall being in discussions with Manitoba Hydro officials, Saskatchewan Power Corporation officials, plus ministers from Saskatchewan, plus former Premier Schreyer and myself, where we had serious discussions on even a linkup between Saskatchewan and Manitoba. At least that would be a start of an interprovincial grid.

Because we wanted an interprovincial grid. It's in the interests of Manitoba to have an interprovincial grid, because we have excess capacity. So who doesn't want an interprovincial grid? But I say, it's pie in the sky right now. It's pie in the sky. It's great, everybody would like the pie. Sure, I'd like the pie as well as you. But it's up there in the sky. It's just beyond the reach of the Premier of this Province, it's beyond the reach of this Conservative Government, and for some very down-to-earth practical reasons. And let's face it — look, when the Premier of this province went to the last Western First Ministers' Conference, he got nowhere with Alberta and Saskatchewan. They're not interested in an interprovincial grid. Sure, they'll help, they'll agree to study the thing. They will agree to study it, but let's fact the facts. The facts are that both Alberta and Saskatchewan are blessed with abundant supplies of energy within their own jurisdictions.

Saskatchewan has about 1,000 years supply of low-grade coal to manufacture thermal electricity, 1,000 years supply. That was the figure I heard at one time. But let's take half of that, let's take a tenth of that, a 100 year supply, at current rates of production and consumption of soft Saskatchewan coal, of the soft ii type of coal that you find in Saskatchewan lignite. The fact is that i they are blessed with energy. And obviously Alberta is blessed with energy. They have their own indigenous sources. Who's our other neighbour to the east? Ontario. What did Ontario do? They're in the planning stages — I don't know whether construction's already started — they're building a plant in northwestern Ontario, a thermal plant.

I mean, we have the electricity, why don't they buy it from Manitoba. That's a logical extension, they're our most immediate neighbour to the east. And I would say the fact that Ontario has gone ahead on its own and put in a plant is very bad news for any possibility of an interprovincial grid.

And the real cruncher is this, Mr. Speaker, the real cruncher is this, and that is, in order to have an effective operating interprovincial grid system, in order for it to work, for it to be meaningful, you have to have a national energy agency to control it. Somebody has to make the engineering and technical decisions on the distribution of power. And that cannot be done by any one single provincial electric utility. Which means, in effect, that the provinces are going to have to give up their control over their provincial electric power utilities.

And in fact, Mr. Speaker, what we're seeing is the reverse. The provinces wanting more and more power, particularly the Conservative-run provinces. They want more decentralization; they don't want centralization. But I say, the engineering circumstances, the engineering realities, require that the Province of Manitoba, the Province of Alberta, the Province of Saskatchewan, the Province of Ontario, have to give up their jurisdiction over their provincial utilities in order for an interprovincial

grid system to work ideally. And that I cannot see happening. Not, at least, in my time, and not in the time of anybody in this Legislature.

It's an ideal. Let's study the ideal, let's work towards it. I'm not knocking that. By all means, study it, pressure for it, try to obtain it. But I say, Mr. Speaker, for the Minister of Finance to get up and suggest that they're studying it, and this government's moving us closely in that direction, I say it's poppycock. It's just wishful thinking; it's simply another case of much ado about very little for the next 50 to 75 years.

I was going to speak about property tax credits too, but I see my time is passing by very quickly, but let's recognize that there have been two or three elements in this Budget that the Minister wanted to highlight, and wanted to boast and brag to the people. We touched on the Hydro rates; my colleague talked about mineral taxation, and so on. But they certainly don't want to talk too loudly about the fact that they are now in the process of adding to the burden, to the real burden, of municipal ratepayers in Manitoba. That's what this Budget does, it adds taxes to the municipal taxpayers. Because we all know costs are going up; we all know that the municipalities need more revenue in order to pay for those increasing costs, because of inflation.

But here we have this government, who has for a second year in a row frozen assistance to the municipal ratepayer, frozen assistance to the municipalities, to the municipal taxpayee the second year in a row, so effectively — let's face it, they don't want to talk about it — but effectively, this government has caused an increase in the real burden on the municipal taxpayers in Manitoba. And there's no getting away from that whatsoever.

Mr. Speaker, I would like to turn for a few minutes to a subject which has been discussed in the Budget, in fact, probably the first half of the Budget Address the other night dealt with the subject of the economic performance within the province, and went on at length with regard to the great things that are presumably happening to the Manitoba economy — and that's where I come back to my earlier comments, that this Budget was filled with all kinds of slanted information, and all kinds of inconsistencies, and certainly filled with mythical notions about how the economy in Manitoba works.

For anyone to think that we're getting economic growth in Manitoba — and I'm going to stand up here and say, of course we've had some increase in jobs. The Statistics Canada Labour Force Survey showed that there's been an increase in jobs, particularly in the manufacturing sector, in the past year or so. And there's no question about that, there's no question about that.

But what I do object to is the Minister of Finance getting up, pretending that that job growth was the result of the policies of this government, because that's sheer nonsense. I say, Mr. Speaker, that we've had some growth in the manufacturing sector, in spite of the restriction policies of this Conservative administration. The fact is that the right-wing rhetoric of the Minister of Finance, that a reduction in government spending, a reduction of taxes, the fact that a Tory administration is in place, that this is going to bring about great investment in Manitoba?

The fact is, that this is a lot of rhetoric, and it's really not working. And we've had a year and a half, and next year we'll be here again, and we can again point to figures; we can again point to the realities, to show that it is not working, that any growth that we have has been as a result of factors beyond the jurisdiction of this government. And as I said, any growth that has occurred, has occurred in spite of the backward policies of the Minister of Finance, and the Conservative administration.

And what are these positive outside factors that we've had in the past year-and-a-half? We've been very blessed with, and this government I would say therefore has been very lucky in the fact that the Canadian dollar has devalued substantially, and we all know the story of the devaluation of the dollar. It's gone up a bit, but it's still a cheaper dollar than it was a year ago or a year-and-a-half ago. And this, of course, the devaluation of the dollar we all know has made Canadian goods more competitive so our manufacturing output did increase last year. But, Mr. Speaker, manufacturing increased all across Canada. It increased all over this country of ours, and the Prime Minister of Canada, Trudeau, is running around in this election campaign pointing to the fantastic growth in jobs in Canada. And he's right. There's been a fantastic growth in jobs because of the devaluation of the dollar.

And so as it has occurred in Canada, so it has occurred in Manitoba because the devaluation means that it's more expensive for Canadians to buy imported goods and at the same time it's easier for us to sell our goods abroad in foreign markets because it involves a cheaper Canadian dollar.

I don't know why I should have to make this point in this way in any great detail, but I would just very briefly mention to a commentator made on the devaluation of the dollar as it has a positive effect on manufacturing, in the Globe and Mail report on business of Saturday, April 14th. I'll read a couple of paragraphs because I think they're quite relevant, and I'm quoting, Mr. Speaker:

"Canadian manufacturers are smiling broadly these days. Two years ago, major parts of the

industry seemed to be facing ruin; costs were high; profits were down and operating rates were low and falling. A flood of cheaper imported goods was taking over the domestic market. Hard pressed manufacturers were cutting back on capital investment, and there was doubt that some important industries could survive." Now this is about Canada, it applied to Manitoba then too.

"The fall in the dollar has changed all that. While the economy as a whole may grow only modestly this year, the manufacturing sector has been caught up in a rapid expansion of production, job creation and investment in new plants and equipment.

Alex Gray, Chairman of the Ontario Division of the Canadian Manufacturers Association, said this week that he had talked to dozens of manufacturing executives during the past year, and almost unanimously they agreed with him that we are in the midst of a real manufacturing boom in Ontario. Mr. Gray, who is President and General Manager of Gray Tool Company of Canada Limited, was referring particularly to Industry Ontario, but manufacturing everywhere in Canada is benefitting from the 14 percent discount on the dollar."

Well, Mr. Speaker, that is the fact of the matter, and the job creation that we have seen — there's no question —(Interjection)— thanks, thanks to the devaluation —(Interjection)—

**MR. SPEAKER:** Order please. Let the Honourable Member for Brandon East continue his remarks.

**MR. EVANS:** Thank you, Mr. Speaker. I appreciate your efforts to maintain decorum in this Assembly. It's a difficult task, I realize, at times.

The other outside factor that has a positive influence on our economy, of course, is the quotas that have been placed by the federal government on foreign-made clothing. Clothing articles made in Asia, Africa or wherever have now to face a quota, and the fact that the quota has been put in place — and there's no question about this — has stimulated the garment trade in Montreal and in Winnipeg. Those two centres in particular have been the beneficiaries of that, and as a result there are all kinds of jobs for sewing machine operators, people who can run a sewing machine in a clothing factory, but thanks again to a federal policy of placing a quota on clothing imports. No thanks to this government — the Minister of Finance cannot, nor can the Premier, nor anyone on that side stand up and say, because of the Manitoba government the garment industry is doing well, because that is not the case.

The other factor I would mention, Mr. Speaker, and members opposite should appreciate this, and that is that there was a dramatic rise in farm cash receipts last year, but not because of any policies of the Conservative government of Manitoba, but because — and we should recognize this — because North American farm prices went up last year substantially. Throughout North America, prices went up, and therefore I would say you can look to all jurisdictions and see that farm cash receipts have increased substantially.

So what I'm doing, Mr. Speaker, is recognizing that there is a national business cycle at work, and we are affected by it, one way or the other. And you know, I'm not going to take all the time to quote all the statistics, but if you want to talk about job creation in the past; if you want to talk about investment in the past; I can point to many years of New Democratic Party administration where we had an even faster rate of employment increase; where we had a faster rate of private investment increase; where we had a faster rate of real domestic product growth. —(Interjection)—

Well, okay, you see the Premier of this province has said, "Any damn fool can do it," you see, when I say in some years past we've had some . . . and I say, "Any damn Conservative foolish administration can do it now too," because of the devaluation of the dollar and the import quotas on foreign clothing, and the increase in North American farm prices — that's the reason for what little bit of growth we've had. You know, it's like shooting fish in a barrel, that's what it's like for the First Minister. You take away the devaluation of that dollar, or you take away the import quota on foreign clothing and you'll see how quickly jobs shrink in this province.

And there are plenty of signs of economic decay, unfortunately, in our province. In spite of the positive factors external to this government, we still have, according to the private and public investment outlook published by Statistics Canada, the latest report, in 1979 Manitoba is forecast to have the lowest rate of total investment in Canada, in 1979. That's 2.4 percent. The Canadian rate is forecast to be 8.8 percent. And do you know what 2.4 percent is? 2.4 percent increase in current dollars means that we're going backwards, that means that there is going to be less real investment in '79 than there was in '78, because the rate of inflation is what? 8, 9, 10 percent? Double digit inflation almost, and when you have a rate of increase of investment of 2.4, and your prices are going up 9 or 10 percent, I say, Mr. Speaker, you are going to have less real investment take place in '79 under the Conservative government of Manitoba than you had in 1978. That's

total.

Now you are going to say, "But there's public in that, and that's not important." Well, I disagree that public investment is not important, it is important. But let's just look at private investment. Private investment, the forecast for Canada is a 9.3 percent increase in 1979, and Manitoba is expected to have a 5.2 percent increase in private investment. There are only two other provinces lower than Manitoba, both have Conservative administrations: Prince Edward Island at 4.1 percent, and New Brunswick at 4.5 percent. So here we have, despite the pronouncements of the Minister of Finance, despite the Tory administration for a year-and-a-half we have, in the private sector a rate of investment that is about what, which is about half of the national average, and again when it's running around 5 percent, it's not even keeping pace with inflation. So again, in the private sector we're not going to have as much private investment, real private investment, take place — machines, buildings, etc. — as we did in the year prior to that. —(Interjection)— Well, Mr. Speaker, that base on which the Minister makes his percentage calculations is so low, the level of investment in Manitoba is so low that you put a little bit . . . you know if you add a nickel to a nickel you get 100 percent increase, and that's your 20 odd percent increase, it's so low . . . the per capita investment in Manitoba is so low, it's about, I think it's even less than Newfoundland, the per capita investment. Well, do it on a per capita basis and see how you compare.

Mr. Speaker, what does the Conference Board in Canada estimate the retail trade to be in Manitoba next year? The increase for Canada is predicted to be 7.7 percent. That's the lowest of any province in Canada and that's according to their friendshere, Robert de Cotre was the former president, a good Conservative. Their latest estimate, and it's been confirmed for some months now, that we're going to have the lowest rate of retail sales increase . . . again, 7.7, that's less than inflation, therefore, there'll be less real physical volume of retail trade take place in '79 than in '78.

I might say, in 1978, for the information of the Minister of Economic Development, the figures show that we had the lowest rate of retail sales increase of any province in Canada, even lower than Newfoundland or Prince Edward Island.

**MR. SPEAKER:** Order please. The hour being 12:30, the honourable member will have nine minutes left to complete his remarks. I'm leaving the Chair to return at 2:30 this afternoon.