

LEGISLATIVE ASSEMBLY OF MANITOBA

Friday, May 18, 1979

Time: 2:30 p.m.

MR. SPEAKER: The Honourable Acting Government House Leader.

MR. ENNS: Mr. Speaker, I wonder if by leave I would be permitted to make a brief statement, and this involves the rescinding of the evacuation order to the community of Morris, effective 3:00 o'clock today, this afternoon, and that, Mr. Speaker, means the last of the ring dike communities that were affected by the evacuation order are now getting back home to their homes, to their property that have been safeguarded by the dikes, and I know that the citizens of Morris have been anxiously waiting to do so. Thank you, Mr. Speaker.

BUDGET DEBATE CONT'D

MR. SPEAKER: The Honourable Member for Brandon East has nine minutes.

MR. EVANS: Thank you, Mr. Speaker. I'd like to conclude my contribution to the Budget Debate by continuing to summarize the state of the Manitoba economy in the past year and what is being predicted for us by the Conference Board in Canada. And as I was attempting to indicate before the lunch hour break, Mr. Speaker, we all recognize or should recognize in this House that Manitoba is affected by the national business cycle, so indeed there's no question that we are affected by national, and indeed international forces that are well beyond the jurisdiction of any provincial government in Manitoba, no matter which party is in power. But we must also recognize that the party in power does have some responsibility and the government indeed does have some measure of ability to affect the economic situation in the province. The \$64 question, as they used to say, the \$64 question, of course is, just to what extent can a provincial government for a province the size of Manitoba, to what extent can a provincial government effectively counteract any recessionary trends, to what effect can a provincial government stimulate private investment, to what extent can it offset unemployment? I maintain there is a degree of ability that's present to a provincial government if it wishes to exercise that capacity. But I can't say to what degree a provincial government in Manitoba can affect the total economic situation.

And that's a question I don't think anyone has the answer to. But what we've been told, Mr. Speaker, is that, given the economic policies of this government, you know, the Manitoba economy would indeed blossom forth, it would flourish, investment would rapidly rise and that we would begin to grow at a very rapid rate and so on. And without repeating all the numbers, I say the signs of the economic health of this province, unfortunately for Manitobans, would indicate that we are in a state of very slow growth. As a matter of fact I would say that we are in a state of economic stagnation, when you look at all the numbers. Now, as I said before, I recognize that there has been some growth in manufacturing, and I gave the reasons for that. But there are other very disturbing signs. As I indicated in the area of investment, we are not holding our own. It's less than inflation.

You could look at other statistics. You could look at other statistics; you could look at other signs. I know last year the government was bragging about the tremendous increase in housing starts in Manitoba. And indeed, Mr. Speaker, there was a phenomenal increase in residential housing construction in Manitoba. But the main stimulus for that residential housing construction was the possibility that the Capital Cost Allowance Program of the federal government was going to terminate, and, indeed, there was a possibility that it would terminate on December 31, 1977.

So what we had was a large number of developers — people interested in building in apartments, and wanting to get the tax advantages — rushing in, making commitments with contractors to build housing. And this is what we saw: massive commitments made in late 1977, translating into actual housing starts, and indeed all of that increase was apartment dwellings, apartment units, in the City of Winnipeg. 99 percent of the increase was there' and that was a response to a possibility of a termination of a federal tax credit plan.

As it turned out, the federal government, at the last moment, extended the Capital Allowance Program, but nevertheless, the commitments were made and the housing increased. But what we've

got now, of course, is a very soft situation, a reversal of the situation last year. The Conference Board in Canada is predicting a very bad year for Manitoba in terms of housing starts. Their prediction is that for the year 1979 there will be a reduction of 46 percent — minus 46 percent — in the level of housing activity in the Province of Manitoba.

And indeed, that's the forecast, and indeed it is. But already, the Central Mortgage and Housing Corporation, in its monthly bulletin, has indicated for the first three months of this year that the housing starts for the urban area — they don't have it for the total province yet — but for urban Manitoba, which makes up about the major centres, including Winnipeg, probably makes up about 65 - 70 percent of the population anyway — for urban Manitoba, the housing starts are already down by 69 percent from last year — minus 69 percent.

So there are a lot of disturbing signs about stagnation in our economy, and, going away from statistics, you could look at the removal of head offices; you could look at the transference of facilities such as Shaino's. I think that's very sad, but the reality is there is not the opportunity in Manitoba, compared to opportunities elsewhere, it seems, and therefore it made economic sense for the new owners of Shaino's Limited to move out of Manitoba to Vancouver, at a time when they even thought there might be an NDP government in B.C.

But saddest of all, the saddest of all, Mr. Speaker, is the fact that while our unemployment situation is still not that encouraging — some very bad news about unemployment a couple of days ago — while that is happening, the saddest part of all is the fact that we have lost approximately a net loss of nearly 10,500 people in the calendar year 1978 from the Province of Manitoba.

And I know the Minister of Finance likes to squirm out of it, talking about comparing the inflow and the outflow and so on, but the bottom line, the bottom line which my friends opposite are always talking about, the bottom line is that we lost 10,500 people approximately last year. And on page 15 of the Budget Speech the Minister of Finance says in criticizing us about population he recognizes the outward migration, but he says, "But while the destinations have been maybe changing the general trend, it's been a fact of life in this province far too long, and although we believe our policy should reverse the trend gradually, we aren't likely to see dramatic change in the near future."

I remind the members opposite that they had an opportunity to help alter this long-standing pattern. Well, Mr. Speaker, obviously, the Minister of Finance has not looked at the trends of population loss in this province because the fact is, from 1969 on, there was a steady reduction in the net loss of people from Manitoba. It was a fairly steady reduction. Our best year was in 1973 when we only lost — and I regret this — but we only lost 2,200 people. So there was a steady improvement and unfortunately, what we've seen in the first full year of Tory administration, is a rapid escalation in net loss of people. And there's no way you can get away from that. You can hide behind Health Service Commission statistics, you can look elsewhere if you will but on a comparable basis, using a source that everyone in Canada recognizes as a consistent solid source — Statistics Canada — the fact is that we've gone from a situation where in the middle of the NDP administration of a loss of only 2,200 — and it's been higher than that but it came down, it improved, and finally in 1977 it started to come upward rather significantly, but in 1978, we doubled our net lossage over 1977, and this is indeed regrettable. And I say this is completely indicative of the lack of economic opportunities particularly for our young people in this province.

So I say, Mr. Speaker, I'm not sure how much time I have left, but I would say, Mr. Speaker, that the overall economic indicator that we have which is a real domestic product, shows that for this year, Manitoba's expected to have a real growth rate of 1.6 percent, about the lowest in Canada; less than half of the Canadian average.

So I say, Mr. Speaker, we're going to see in the next budget probably a continuation of the deficits that we've seen in the last two years because inflation is going to continue unfortunately, therefore the cost to government is going to go up, government services are going to cost more. I maintain that our economy is going to continue to be sluggish and therefore, this government will not receive the tax revenues it needs to keep up with inflation and therefore it will have two options: Either to continue deficits or they do have an option, and that is to increase taxes, apart from the miscellaneous tax increases that we've seen such as nursing home rates, increase in student tuition fees, etc. Apart from those miscellaneous increases to the people of Manitoba, there is a possibility of a general sales tax increase or some such measure. So they have two options, Mr. Speaker, as I have indicated. So I would not be surprised if next year we come back and have another budgeted deficit for the Chamber, for the Legislative Assembly of Manitoba to look at. Thank you.

MR. SPEAKER: Order, order please. Before we proceed, I'd like some direction. I believe we have a school in the gallery, is this the Lakewood School? We have 70 students of Grade 5 standing from the Lakewood School under the direction of Mrs. Birch. This school is in the constituency

of Assiniboia, the Minister of Tourism and Cultural Affairs. On behalf of all members, we welcome you this afternoon.

The Honourable First Minister.

MR. LYON: Mr. Speaker, I welcome the opportunity to participate in this debate. The Budget Debate, of course, is one of the prime occasions for a parliamentary institution to debate what we are all here about. We are all here to debate and to question and to exchange ideas, sometimes in a controversial way, sometimes in an agreeable way, about the role of government as the trustee for the taxpayers of Manitoba. There is no role of parliament that is fundamentally more important than this debate because it is here where the government must give its accounting of its trusteeship during the previous year and it's here where the government must give its indications as to how it proposes to run the public affairs on behalf of the people whom it is elected to represent for the next ensuing fiscal year. I know that every parliamentary and constitutional authority that I have ever read has always indicated that the voting of Supply and the discussions of the Budget are the prime functions of parliament. That is fundamentally why we are here.

So I say that it is a pleasure to engage and participate in this debate because we are really dealing with the essence of parliament, the essence of parliamentary democracy, why we are elected as a group of 57 men and women and what this system is all about.

It leads me as well, Mr. Speaker, to make the preliminary comment that whenever I engage in this debate, and I know this feeling is shared on all sides of the House, I feel that added sense of respect for the institution that we represent in this Legislature, sometimes in an imperfect way and we represent it imperfectly on this side of the House just as much as our honourable friends on the other side of the House from time to time. But isn't it a great and a glorious and a grand thing that 57 people, freely elected by their constituents from all parts of this province, in this Year of Our Lord 1979, can gather together as we gather here, under no restrictions with respect to what we say except the usual laws of libel, slander, parliamentary usage and so on, and engage in this kind of a free-flowing debate at a time when virtually two-thirds of the world is in a position where it does not enjoy the kind of freedom that we have here. I think it is something that we should note from time to time, that we are a part of a longstanding and a vibrant parliamentary tradition which still acts as an example for many many millions of people throughout the length and breadth of this world, and that as we participate in this debate, we owe thanks to those of generations past who have preceded us, who fought for certain of the rights and principles that we cherish and that we utilize in this Assembly, and fought not only in wars of record but fought as well within such forums as parliament itself to ensure that the people who were elected were able to reflect and be responsive to the electors who put them there.

We've come a long way in parliamentary democracy not only from the one we inherited from the British mother of parliaments, but in the particular and peculiar adaptations that we have made to that institution in Canada.

There are those, I know, who would say that we are following the British model — I think that may well have been accurate in the early years of Confederation, and even prior to that in some of the earlier governments of Upper and Lower Canada where there was a much closer relationship between the British and the Canadian system as it was then followed.

But, Mr. Speaker, we have now been a nation for well in excess of 110 years, and we have developed in this country our own peculiar traditions based on our pluralistic society and based on our vast geography in this country, all of which have left their imprint on what we can now proudly call the Canadian parliamentary system, because it is unique.

There are some similarities with the Australian system, but there are equally differences; there are some similarities with the American system where they believe in the division of powers as between the executive and the legislative and the judicial; but, on the other hand our system remains unique. It has some similarities with the founding Parliamentary system in Great Britain, but of course, it is essentially unique again because of the federal nature of our democracy.

And as we sit here, and as we engage in the Debates as we do from time to time on Supply, and on the Throne Speech, on Budget, and all of the matters that are so important, I think it's important for all of us to recognize, each of us in our own individual way, that we are adding a new layer, if you will, I hope of wisdom and of skill and of efficiency to the parliamentary system, and that we are developing this in a very uniquely Canadian way, and it is something that I hope that all of us can say with clear conscience that we are handing on to those who will follow us, our sons and daughters, our grandsons and granddaughters, and those succeeding generations, an institution that is just as alive and vibrant and compellingly responsive to the suffrage to the electors of Manitoba as we can possibly make it.

We have universal suffrage; we're all people in excess of 18 years of age, so that we do live

in what is one of the greatest democracies in the parliamentary sense in the world.

And I take these few minutes at the outset of this speech, Mr. Speaker, to record that fact, which I think is shared by all of us on all sides of the House regardless of our political party identification and to say with thanks that we have the system, and to indicate again that each of us, from time to time, must pay some respect to the institution that we occupy and try to make it a better institution for all who will follow us.

And so, participating in a Budget debate is a great experience for all of us in this House. It gives us an opportunity, of course, because of the relaxation of rules and because of the wide scope of topics about which we can speak, to talk on interesting matters that are not necessarily totally relevant to the large, and I think, extremely good document which the Minister of Finance laid before us on Tuesday night last, The 1979 Manitoba Budget Address. So, if I stray from time to time to topics that are not strictly confined within the covers of that document it is because the rules of parliament say you can and it's because other speakers on other sides of the House have made reference, as indeed speakers on this side have, to events that are going on in our country at the present time. I think some have even had the temerity to talk about the federal election that is going on at the present time, and I might even talk about that for a while, Mr. Speaker, because there is no better opportunity than in this particular debate.

And so, before getting down to our own business, let's take a look, for a moment, at some of the national business that is transpiring before us, as our colleagues in the federal field are engaged in a supremely important national election, which is taking place next Tuesday, May 22nd, 1979.

It is trite, I know, to say that this election represents a watershed in the history of of this country, but I would think, Mr. Speaker, that most of us in our solemn moments of thought about the effect of this election would have to agree that, indeed, it does represent some form of a watershed. Because the compelling matters that lie before the Parliament of Canada, relating to national unity; relating to the state of the national economy; relating to future directions in which this country is going to take a lead with respect to international affairs, where other matters of great import are taking place concurrently, all of these are extremely important subjects and yet, during the course of the debates that we have heard, not only the Leader's Debate that most of us saw last Sunday but the campaign as it is mirrored to us by the members of the media, sometimes accurately, sometimes inaccurately, we find that not all of these topics have engaged the attention of the public of Canada today.

If I may talk about one small matter that I'm sure has engaged the attention of the public of Canada, it is the fact that we now have the federal parties — the Conservatives, the Liberals, the New Democratic Party — all with ads that are appearing on radio and television, some in newspapers and so on, and for the first time in Canada we are attempting a form of subsidy from the public taxpayers' revenues to enable political parties to pay for these ads. —(Interjection)— The Member for Elmwood says it's a good idea, and there are a number of people who share that view. I think that it's an idea that has to be looked at with some care because, of course, those who wish to look at this with a little bit of humour, which I think we should do in all things in politics and not take ourselves too terribly seriously, would find it rather interesting that a party such as the New Democratic Party, which receives only 16 percent of the popular vote in Canada, should have its, what is it — I don't know — million dollar ad campaign paid for out of taxes that come from 100 percent of the taxpayers, and they only represent 16 percent of it.

I find that that's rather an ironical fact, but nonetheless it's a system that's worth trying and I'm sure that better minds than mine and others that are in this House will have an opportunity after the event to take a look at this system and see whether or not the Conservative Party, the Liberal Party, or the New Democratic Party should be funded out of tax dollars to put on their particular and sometimes peculiar ads. I don't think that my colleague mentions the "Rhinoceros Party", my heaven. What would happen if they got 16 percent of the vote? I think they'd have some of the best ads since Laugh In was on, because they are injecting a sense of humour into the campaign that all of us have to acknowledge is pretty robust.

But when we see these ads come on, Mr. Speaker, the thought occurred to me, again in an ironical and quite facetious way that following through on this thought that the taxpayers should subsidize the national parties of Canada for their ad campaign and as I say quite facetiously, there was a lady by the name of Judy LaMarsh a few years ago, who had a truth squad. And I am wondering if the next Parliament of Canada, in an unanimous way, probably shouldn't constitute a very neutral squad, and that truth squad would then have the ex post facto job of looking at all of the ads that were run by all of the parties — and I think this should apply universally, Mr. Speaker — run by all of the parties and then making a judgment as to the truth of the ads, and in relation — their finding would be nonappealable, by the way, Mr. Speaker — in relation to the degree of truth that they found from this barometer test, they would then remit to the party in question the

amount of rebate out of the taxpayer's purpose. In other words, truth would become the level of funding for the ads, not the amount that is being spent, and if that were the case, Mr. Speaker, I think we are then entitled to carry on in this facetious speculation. We'd be entitled to carry on and say to ourselves, well now where would Ed Broadbent and the New Democratic Party end up? As we see the noble leader of the New Democratic Party standing brilliantly before the people of Canada in front of an apples and oranges counter in God knows what supermarket, and saying we, in the best forensic style that he has, we in the NDP will keep the price of food down. It's a wonder he wasn't juggling oranges at the time.

I think that Mr. Broadbent is an intelligent man, Mr. Speaker, but it has perhaps escaped his intelligence that oranges are not grown in Canada. Apples at this time of year, to the best of my knowledge, are not grown in Canada. I haven't seen a head of lettuce since last September, grown domestically. I don't know that our asparagus right now is coming along too well in Canada — maybe some parts, hothouse. Hothouse products of course our friends in the New Democratic Party like hothouse things of all sorts, in any case, or bananas — they're not doing too well in Canada right now.

I would like Mr. Broadbent to explain to the people of Canada, perhaps before the 22nd of May, and I know it's not a crushing item for him, but perhaps he'd care to explain to the people of Canada how he is going to control the price of oranges and apples and bananas and coffee to the people of Canada, any more than he can control the price that the OPEC nations set on the oil that we import in this country. Wouldn't that be an interesting proposition for Mr. Broadbent to try to answer? And wouldn't it be interesting, Mr. Speaker, if that truth squad could come on even while these ads are being broadcast and say, well now, just a darn minute here Broadbent, why are you talking about the price of these imported things because you know you can't do a cursed thing about them, nor can the Liberals nor the Conservatives?

So let's face facts and get off that line of rot and get down to the subjects that government really can do something about. Mr. Speaker, I make this demur that of course with his kind of philosophy he might well think that he could do something about it because he might want to nationalize the banana plantations in some Nicaraguan plantation, I don't know. But really that kind of nonsense I find offensive to the intelligence of most Canadians and I hope that those ads will be looked at in that way.

But I find, Mr. Speaker, and I'm not going to be facetious now for a moment, I'm going to be deadly serious. What I find reprehensible about some of the NDP ads that I have seen on television with the game, different actors including Mr. Broadbent taking part in, is the line where they come on and say to the old people of Canada, "don't let the Liberals and the Conservatives take away your health benefits". Mr. Speaker, I find that reprehensible because it's a kind of scare tactic, it's a kind of intimidation that the NDP have all too often used to try to scare senior citizens into voting for them.

Mr. Speaker, my honourable friends across the way don't even demur because they realize full well that they used the same tactics in 1977 against the present government of Manitoba. Because they talked in 1977 that if you elect those Tories you're going to have Medicare premiums, you're going to have deterrent fees and they even went so far as to say that senior citizens would be out on the street. That's what they said, my friends across the way, in 1977 —(Interjection)—It was a shame, it was a shame, and that those tactics of intimidation, those scare tactics should be used particularly against senior citizens in this province, I think was a shame.

But I find it, Mr. Speaker, even more reprehensible that the national leader of the New Democratic Party or of the Socialist Party of Canada, should use the air waves of this country, or the actors that are hired, or the voices on radio, to mouth the words that were written by NDP ad writers, to use this kind of intimidation against the senior citizens of this country.

And, Mr. Speaker, the facetious point that I was making earlier begins to take on a different hue doesn't it when you realize that in turn the taxpayers of Canada are asked to subsidize that intimidation, and you can begin to see, Mr. Speaker, the kind of danger that this system can get you into to, and that's why I think quite seriously that the next Parliament of Canada will have to take a look at this system. And I don't know what answer they will arrive at. I can see advantages, obviously to some taxpayer participation in some aspects of political electioneering. I can see a great many disadvantages as well, Mr. Speaker, and at this stage I would have to make a preliminary judgment and say that I think the disadvantages outclass the advantages.

Well, Mr. Speaker, to return a bit to some of the humour surrounding this, if we were to have the truth squad look into Mr. Broadbent's ads, wouldn't it be opportune for the truth squad to say to Mr. Broadbent, now look you fellows with your particular kind of philosophy, even though it's an aberration right across Canada, it only represents 15-16 percent of the voters, you did form governments in British Columbia and Saskatchewan and in Manitoba. Now wouldn't it be a fairer thing if we looked at those governments to see what kind of husbandry you gave to public affairs in those provinces before we give you the responsibility, which you say you have a chance at, to

run the country, and wouldn't that be a wonderful occasion then, Mr. Speaker, to say in that context to Mr. Broadbent, what do you think Mr. Broadbent with your socialist ideas about the 2-½ times 1 formula — about restricting all incomes in Canada to two and a half times the industrial average? . Wouldn't that be an interesting question to hear Mr. Broadbent talk about? Because you know, our socialist friends, particularly on the national scene and here they've been muted for some time, but particularly on the national scene, like to follow the act that we all saw from movies in earlier times, Mr. Speaker, and we've seen paintings of this kind of action being taken by the then proud native citizens of North America who were very adept at hunting and so on. Do you remember one of the tactics that they used to use when they were trying to lay in wait for an adversary or lay in wait for an animal that they wanted to help feed the people in their family, and so on? They would set up a trap or they would set up an ambush, and as they walked backwards away from the trap or the ambush, they would have a piece of bush, and they would scurry the dust to cover up their tracks, so that no one could detect that they had really been there, and the ambush was complete. So that they could then spring with that kind of suddenness that they were so adept at, and attract their quarry or overcome their enemy, or whatever. Mr. Speaker, that was a very good tactic, a very good hunting tactic.

Mr. Speaker, I can't help but think of the same analogy when I see the Broadbents of the world come on, you know, in their pinstripe suits and say, look, we're just ordinary people; we're not Socialists. Aren't they covering up their tracks a bit, Mr. Speaker? Aren't they? And if elected Prime Minister of Canada, would the ambush take place with respect to two-and-a-half times one, with respect to more nationalization of the means of production in this country? I'm wondering, Mr. Speaker, if that wouldn't be a question that should be asked of the National Leader of the Socialist Party in Canada. Because, of course, he's just trying to come on as Mr. Nice Guy. Well, you know, the Toronto Star, there was a comment, I think, in the Free Press the other day that some people in Manitoba thought that the former leader of the NDP, back in 1969, was just another Mr. Nice Guy. You know, he really didn't believe in all of that Socialist nonsense. Why, he was just a nice guy who was leading a bunch of well-meaning people, who wasn't going to engage in any of the Socialist doctrine at all. No, that was in the Free Press the other day. I know, my friend from Flin Flon doesn't get that paper too often, but occasionally it says something that he should read, and again the analogy, Mr. Speaker, of the Mr. Nice Guy image of Mr. Broadbent coming on. You know, the —(Interjection)— I realize that the Member for Flin Flon would much prefer I talk about the Budget, because I think I'm hitting home, and when I come to the Budget he'll be even less comfortable.

But I want to say, Mr. Speaker, that this image of Mr. Nice Guy that we're having portrayed with all of the slickness of the advertising agencies and so on, of Mr. Broadbent. I think that perhaps we should be, the people of Canada should ask some of the fundamental questions. We saw what you did, your party, and we know that national politics or parties are sometimes different from provincial ones. But we saw what your parties did, particularly in B.C. and in Manitoba, where they took the economy to rack and ruin. —(Interjection)— I'll get around to Saskatchewan in a minute because it's more embarrassing for my honourable friends to talk about it than it is for me. They abolished the succession duty and my honourable friends are still hanging on to that doctrinaire crud in their attacks in this province.

But, Mr. Speaker, wouldn't it be fair to say to them: Do you intend, if you become the National Government of this country, which thank God, is not even a remote possibility, but what would you intend, what would you do about nationalizing the various industries that you've looked at so longingly over the years — the CPR, the mining industries and so on? Would you really go ahead with that? Have you heard Mr. Broadbent talk in his ads about that? Of course not, Mr. Speaker. We were accused this morning, Mr. Speaker, by one of the members on the other side, I think it was the Member for Inkster, for not following our philosophy. Mr. Speaker, we in this party don't tend to be doctrinaire. We try to do what we can in accordance with the best lights that God has given us. And we're not always right, Mr. Speaker, unlike my Socialist friends opposite we're not always right nor do we pretend to be. And we're very seldom doctrinaire about it.

But, Mr. Speaker, I return the question to the Member for Inkster this morning when he said, we weren't following our doctrine or our philosophy, whatever his interpretation of that may be in the Budget. I say to him, why doesn't his National Leader have the courage of his convictions to come out and say to the people of Canada, yes, we New Democrats believe in expropriating the means of production in this country. And why don't they, just as their friends in Britain did —(Interjection)— And why, Mr. Speaker, doesn't the Leader of the New Democratic Party, why isn't he required to answer the question: What do you believe about the state of the deficit in Canada? Would you increase the deficit or would you bring it down under controllable levels?

A MEMBER: Ask Joe Clark.

MR. LYON: Well, Mr. Speaker, we know what Joe Clark's going to do, but we sure don't know what the NDP are going to do, but we can look. We can look at what they did in B.C. and we can look at what they used to do in Saskatchewan before they got onto the right side of the ledger. And we can look at what they certainly did in Manitoba, and I'll be talking about those figures, which my honourable friends won't like to be reminded of, in just a few minutes.

So I think that would be a fair question. And what would he do with the levels of taxation in Canada? Have you heard Mr. Broadbent come on in an ad and talk about that? Not by a long shot because we know what Mr. Broadbent and his like would do with taxes. They'd raise them. They're kissing cousins you see, Mr. Speaker, of those people who put up red posters all over Winnipeg, which say, make the rich pay, you know, and they used to be like that in Great Britain. Why they even took a man like Denis Healey who was one of the reddest of the red, and they've made, at least The Economist has made out of him, sort of a tame Social Democrat.

But you know what really happened to Dennis Healey was this — that he had to pronounce the words once in his budget. And my honourable friends have heard me say this before — I only wish they would learn the lesson — that if the Labour Government in Britain, and this was speaking I think two-and-a-half to three years ago in his budget, if the Labour Government in Britain, Mr. Speaker, had expropriated 100 percent, all income in that country over about 12,000 pounds, every nickel of it, capital or everything else, they would have enough, I think it was, to run the Public Accounts of Britain for about four-and-a-half months.

A MEMBER: Four-and-a-half days.

MR. LYON: Well, my colleague says four-and-a-half days. I'll even give them the benefit of the doubt and say four-and-a-half months. He has a tendency to be right.

And that's what that policy would mean, Mr. Speaker, and yet in their envious hearts, my honourable friends opposite, when they see one of those signs, must warm up all over, because they think really that what Healey told the Socialists in Britain three years ago, well, you know, Healey must have been crazy. It must have been the International Monetary Fund who made him say it. God knows it was the International Monetary Fund, not the Labour Party of Britain that had to bring spending under control because Britain was going down the flue under the policies of the Labour Government.

I think it would be a fair comparison, Mr. Speaker, to ask if Mr. Broadbent, in his tax paid ads, by comparing what he would do with Canada with what his Socialist counterparts have done to Britain. And would he bring this nation to the state of economic degradation that that party has brought Great Britain to, and thank God, it's just been in time relieved from the burden of Socialism after far too many years.

But I come back, Mr. Speaker, to the intriguing announcement of some 10 days ago, where that great paragon of newspaper virtue in Toronto, the Toronto Star, came out and endorsed the New Democratic Party and its leader as the best choice for the people of Canada. Well, you know, fortunately, Mr. Speaker, the people of Canada haven't paid a devil of a lot of attention to the Toronto Star heretofore, and I think that after that kind of an aberration they're going to pay even less attention to them as years go by.

But, Mr. Speaker, it reminded me of a statement, the attribution for which I have no hesitation in giving credit for. The attribution being to Mr. Callaghan, at the time he was defeated a few weeks ago in the House of Commons in Britain, and he referred to the minority parties in these terms.

And it seemed to me that the Toronto Star's endorsement, Mr. Speaker, of the New Democratic Party, was something like the turkeys voting for an early Christmas, because if ever there was, Mr. Speaker, an implacable enemy of the free market economy system, which is what permits Beland Honderich and all of his shareholders to operate the Toronto Star, it's the very people that they endorsed to be the government of Canada. The very people that they endorsed who have the most antipathy toward the private system, toward entrepreneurship, toward the work ethic, toward all of the things that have made this country great. There they sit in this House and there they sit in Ottawa, the 16 or was it 17 lone souls under the leadership of that nice guy, Mr. Broadbent, that Beland Honderich now is going to endorse as the Prime Minister of Canada.

Well, Mr. Speaker, Beland Honderich and the Toronto Star remind me of another statement that a famous Britisher made. He said once, and it was Churchill, he said once that he didn't have any trouble telling the difference between the arsonist and the fireman. And Mr. Speaker, if the Toronto Star can't tell the difference in his country then God help them. But I think the rest of the people of Canada can. And the rest of the people are not going to vote for a bunch of fiscal

arsonists to come in to office in Canada and lay rampage to the public tax dollars the way their kissing cousins did, in particularly B. C. and Manitoba.

Mr. Speaker, I realize the sensitivity, Mr. Speaker, of my honourable friends opposite because this is has not been a good 18 months for socialists. You know, the Australians started it back in '75 and they gave them another kick in the recent federal election. New Zealand they did the same thing, because they had a little bit of a cancer going down there, but they eradicated it. They cut out the bad parts and have a decent government in office.

And then along came British Columbia, and this was the bright hope of my friends opposite and of the likes of Mr. Broadbent and so on. They moved in all of the labour organizers from all over Canada as they are wont to do, and that's their privilege, Mr. Speaker. That's their privilege. If they want all the CLC workers and God knows they had a legion of them in Manitoba in 1977 as well, and it still didn't do them any good. But Mr. Speaker, if they want to move in their shock troops, that's their business and that's fine. But they moved them all into B. C. and they were going to restore that great paragon of economic virtue, Dave Barrett to the premiership of British Columbia. And they worked and they slaved and they used misleading ads, some of which I've seen, as they did in Manitoba and as they are doing today in Canada. The only difference being that the taxpayers of B. C. weren't paying for them. And, Mr. Speaker, they lost. Now they got a gain on the popular vote and, you know, if you were to listen to some of the popular press you'd think that the NDP had won. It's the only time, you know, when a party can get fewer seats than the government party and still remain in opposition, yet many parts of the press across the country will say, "Wasn't that a wonderful victory? It was a wonderful victory, wasn't it?" And you see the NDPers coming on television smiling from ear to ear as though they had won something. They lost again, Mr. Speaker, thank God for the people of B. C. that they did. So that again they couldn't continue their kind of doctrinaire predations, predations upon the people of British Columbia. ;

So Mr. Speaker, it's been a bad year for socialists, a bad 18 months for socialists. I suggest, Mr. Speaker, and I hope that I'm right, that on May 22nd that syndrome is going to continue. It's going to continue to be a bad year for socialists. Because, Mr. Speaker, and I hope they learn a bit of a lesson from this; that misleading ads that try to intimidate people, particular senior citizens, on subjects that are so fundamental as health care and so on, that is not an acceptable way to run party politics in this country, and I hope that they learn that lesson. I hope that their colleagues in this province learn that lesson. I hope that my honourable friends opposite — I do believe, I'll give them credit, Mr. Speaker. I do believe they did learn that lesson in a very painful way in 1977, but I think it is a bit of a national shame that a party that presumes to call ' itself a national party, even though it has only 15 or 16 percent of the popular vote, should inflict that kind of errant nonsense, that kind of intimidation upon the people of this country.

Well, Mr. Speaker, enough of the preliminaries. Mr. Speaker, my honourable friends opposite, you know, as do many of us, they wear their feelings on their sleeves and since the beginning of this session, Mr. Speaker, I have to make the comment that I have never seen such a disorganized opposition in all of my 20 years in and out of this House. Never have I seen such a disorganized opposition. They're like a bunch of irregulars, we'll call them, who haven't had the drillmaster to get them in line and marching in order and so on. I make that in no sense as a critical comment of the leadership qualities of my friend the Member for Selkirk at all. But I think that they'd better get their act together. They've got to get their act together, not only in this province, but they've got to clean up their act in Canada and until they do they're not going to get any more than 10, 15, 20 percent of the national vote in this country and they will remain the kind of eccentric aberration that they are on the Canadian political scene at the present time.

So, Mr. Speaker, let's say to my honourable friends that while they won't obviously say anything too much in the Budget Speech about the election on Tuesday if it doesn't go too well, but if they get a one point increase in the popular vote, Mr. Speaker, let me make a prediction right here and now. If the NDP nationally get a one percent increase in their popular vote, you will have thought that they won the government of Canada because they will be up standing, preening their feathers and talking about what a wonderful thing it was that they got 18 rather than 16 seats or whatever the figure may be, and they will still, if they are lucky, remain the third party in Canada unless the Social Credit outnumber them, which is a real possibility in this country.

So, Mr. Speaker, that prediction — of course that very prediction by itself may cause my honourable friends to be a bit more circumspect in their words and their actions after the 22nd, we can't tell, but if they follow through with the usual practice of socialists, they will be preening their feathers about any increase at all.

So, Mr. Speaker, we move to the Budget Debate.

A MEMBER: How disappointing.

MR. LYON: Well, the Budget Debate from the Opposition so far has been extremely disappointing and I thank my honourable friend for reminding me of what was to be my first line. Their response to the Budget of Manitoba has been extremely disappointing, and judging by the quality of the speakers still left on the roster, I can't hope for much improvement.

Well, Mr. Speaker, what have we heard thus far? Let's take a look at my notes on the comments that were made yesterday by the Leader of the Opposition. Well, he pulled out some selective statistics from some odd sources. He said that there was no unanimity that he had been able to discover. I'm just paraphrasing him here and if I'm inaccurate Hansard will show me to be so and I'll be quite happy to correct it, but my notes say that there was no unanimity about the good effects of the budget, the fact that there was no tax increase, the fact that there were selective decreases in the sales tax in Manitoba, the fact that there were decreases in mining royalty taxes to make Manitoba once again competitive with all other provinces in Canada, and I'll have something to say about that, Mr. Speaker, in a few minutes. The fact that for the first time in the history of this province, a government had been forced to put a freeze on hydro rates in this province in order to protect the ratepayers, the consumers of Manitoba, from the predations of my honourable friends over the last eight years when they were in government.

Mr. Speaker, the accentuating the negative, which is, I suppose, in a time like this about all the Opposition can do. What else could they do? Because, really, all we have heard from across the way from the two major speakers thus far, the Leader of the Opposition and the Member for Inkster, is that we think, say they — and I'm paraphrasing again. The Leader of the Opposition, to be fair, didn't even go this far. The Member for Inkster did; he said, "This idea of freezing one of the fundamental necessities in the Province of Manitoba is a good idea. When are you going to do more of it?"

So my honourable friends, you know, Mr. Speaker, are going to have to figure out — I would imagine as soon as the next speaker — which side of this question they are going to take, and they're going to have to figure out sooner or later, Mr. Speaker, about how they are going to vote on this Budget Resolution. Because I haven't heard one of them across the way say yet that he disagrees with the freeze on Hydro rates for the people of Manitoba, after, in the five previous years, those rates went up on a compound basis over 150 percent.

Now, Mr. Speaker, the Leader of the Opposition then went on to say that the government was so miserly — miserly — that we weren't properly funding the programs that he would enumerate. I won't list them all here. And then he turned, Mr. Speaker, in almost the same paragraph and said, "But the deficit, on the other hand, is too large."

Well, I think that after eight years in government that the Member for Selkirk should have learned by now that if you increase expenditures and you haven't got enough revenue coming in to cover them all, they go into a deficit. Now, he can't have it both ways, and I suppose if I were to look for any key expression that would best typify the responses that we have heard from my honourable friends opposite it would be this, and it would be an injunction that they should learn: That they can't have it both ways.

They can't, on the one hand, complain about the size of the deficit and, on the other hand, complain that there aren't enough expenditures being made. They can complain about one, but they can't complain about the other. They have got to make a choice, and I wish they'd make up their minds as to which side of the ledger they're going to land up on because so far they have come out both ways.

And you know, Mr. Speaker, they're like the character from literature who got onto his horse and rode off in all directions. That's what my honourable friends are doing.

Mr. Speaker, my friend, the Leader of the Opposition, talked about such matters as the transit increase in the City of Winnipeg. I wasn't aware, Mr. Speaker, that the Province of Manitoba ran the transit of the City of Winnipeg. I know my honourable friends opposite tried to run everything, but I wasn't aware that the Province of Manitoba had that responsibility.

I am aware, Mr. Speaker, that this government of Manitoba did something that the City of Winnipeg had been asking for for some time, and that is to give block grants to the City of Winnipeg so that they could run their own affairs, without the heavy-handed intrusion of my honourable friends opposite, who wanted to run transit; who wanted to run city parks; who wanted to run everything when they were in office.

They got themselves into everybody's business, Mr. Speaker, with everybody's tax dollars, when they were in office. And what's the old saying? What is everybody's business becomes nobody's business, and that's the way some of them were run, as though nobody had any responsibility for them.

Well, we happen to think, Mr. Speaker, that the City of Winnipeg and the elected councillors in the City of Winnipeg represent an important forum, an important layer of the three-tier government that we have in this country. We happen to think that, to the extent that it is at all possible, as

one of the late colleagues of the members who sit opposite used to say — I am referring to the late Morris Gray — why don't you give the City of Winnipeg more home rule? y time after time in this House.

Mr. Speaker, what we did in this last few months was to give the City of Winnipeg more home rule in terms of running its fiscal affairs, than any government previously in the history of this province, and yet my honourable friends have the temerity to stand up and talk about transit rates and talk about the increases on the golf — was it? — on the golf courses that the City of Winnipeg and the province run. —(Interjection)— Yes, displaying thereby that great and that all-embracing social concern that they have for the poor and the weak and the disadvantaged in Manitoba. What sort of nonsense.

Mr. Speaker, I heard with disbelief the Leader of the Opposition talk about these trivialities and it occurred to me, Mr. Speaker, that he got down to almost everything about increases in the washettes that are open. I suppose somehow or other he could find some way to blame that on the government, too. Are the washers and dryers that are customarily available to the public . . . I think some of their fees went up. We use them occasionally and we now have to pay 50 cents where we used to pay 25 cents. I wonder why my honourable friend didn't blame the government for that. I understand that some of the public coin toilets have gone up. Why didn't he blame the government for that? I understand that even pinball machines have gone up. He might as well have talked about that, because it has no more relationship to the responsibilities of this government than the comments he was making.

Now, I really can't understand that kind of turn of mind; this kind of picayune nitpicking that fails to come to grips with the fundamental problems that face our national economy and face our provincial economy, with which we try to involve ourselves on this side of the House.

And I'm looking forward to more speeches such as that given by the Member for Inkster, because he did attempt to come to grips with some of the fundamental problems and to give, as he always does, in a forthright way, his beliefs as to how the public affairs of this province should be run in a different way, according to his doctrinaire beliefs. And that's the kind of debate that we should be having in this House.

Mr. Speaker, opposition by newspaper clipping is a poor substitute for original thinking on a Budget Debate, and that's what I'm afraid we got yesterday from the Leader of the Opposition.

Mr. Speaker, he touched barely on Hydro. He made some comment that the building of the Hydro plants by the NDP were responsible for the ability of this government to freeze the Hydro rates. Mr. Speaker, how could one miss the point so completely? Mr. Speaker, how could one even make that statement in a rational Legislature? That the reason this government had to freeze Hydro rates was because the other government made it responsible to do so by building extra Hydro plants. Mr. Speaker, the reason that the government of Manitoba had to step in and freeze Hydro rates is because of the unholy mess that we inherited, in terms of extra capital that was committed and the timing of that committing of capital, and the manner in which the money was borrowed for it and the currencies in which it was borrowed, and the general inflationary situation of the country at the time. Everyone with half a brain — I hope that includes everyone on the other side, Mr. Speaker — knows that. How the Leader of the Opposition could be heard to be making that kind of a statement, I really don't know.

Mining taxes — he talked. You know, when all else fails, trot out, of course, the old clichés that, you know, out of the old union halls and so on, helping the multi-nationals; make the rich pay; all of the sloganeering and the pamphleteering that my honourable friends were obviously nurtured on. Well, it doesn't do any good to solve the problems, Mr. Speaker.

And I'm going to talk, Mr. Speaker, in a few minutes, about the mining taxation. I'm going to talk, and I won't repeat myself when I do it, but I will say to my honourable friends quite openly because we have said it before, that we campaigned in this province on bringing taxes back into competitive levels with those of other provinces, and we specifically said that we would bring mining taxes into competition with those in other provinces because it was good for mining and, more important, it was good for the people of Manitoba. And that, Mr. Speaker, is what we are doing.

They can use all of their tired and shop-worn old slogans as long as they want and if it makes their socialist hearts feel a little warmer, fine and dandy, but don't try to pass that off as public policy, Mr. Speaker. That's just sheer sort of beer hall rhetoric, beer hall rhetoric, and I think that the Legislature of Manitoba deserves a little bit better than beer hall rhetoric when you come to discuss something as fundamentally important as jobs, the economy, and opportunity. So, all of this, Mr. Speaker, if it makes them feel better, they will keep on talking about helping the multinationals and so on and so forth, all of the time paying that kind of complete doctrinal obeisance to their particular and rather peculiar creed. But, Mr. Speaker, that is no substitute for policy.

But my honourable friends, have we heard one of them yet stand up and say what they would have done about Hydro rates? No. Have you heard one of them stand up, Mr. Speaker, and say what they would have done about the level of taxation in this province which in many categories was amongst the highest in all fields when we took over in 1977? No, you haven't heard a word about that because they don't like to talk any more than Mr. Broadbent does about such things as taxes and what they would do. We know what they would do in Manitoba. There are the 2-½ times 1 boys sitting over there. My colleague, the Minister of Consumer and Corporate Affairs still, I think, coined the best expression, that the socialist ladder of success in Manitoba had 2-½ rungs.

Well, Mr. Speaker, we don't need any more of that nonsense. Why don't they come out and tell us if they really believe in 2-½ times 1, have the courage of their convictions to stand up and say so. "This is what we would do if we had a budget to bring down before the people of Manitoba in 1979 before a federal election." Let the socialists say, We would stand up and stand firm and fast for 2-½ times 1 because God knows, Mr. Speaker, they believe in it. But you remember that Indian hunter with the brush, going through the desert covering up his tracks, they don't want to talk about it. They want to lay in ambush again so that they can spring on the unwary electorate again and ambush them with 2-½ times 1.

And Succession Duties. How many times have we said in this House and we still hear it across the way — we heard from the Member for Inkster this morning talking about Succession Duties to help all of those with estates over \$500,000.00. Mr. Speaker, he doesn't know yet that there are small business people, there are small entrepreneurs, there are farmers, there is every range of ordinary citizen of Manitoba who can scrape and save and buy insurance to try to look after their families and who could, under their punitive laws, have just gone over the edge of having a taxable estate because they, Mr. Speaker, imposed the most punitive Succession Laws in this country, the most punitive in this country.

Mr. Speaker, they didn't give too much attention to those people and they didn't give too much attention to the tens and the hundreds of millions of dollars of capital that that kind of punitive, doctrinaire approach cost the investment of the people of Manitoba, because they drove it out by the hundreds of millions. But that was fine, they were serving their own little doctrinal aberration. And every time they talk to us, Mr. Speaker, about Succession Duty, I ask two questions. Number one, and I ask them again and I hope they have the fortitude and the courage of their convictions and of their consciences to stand in this House and tell us, if they were re-elected to the government of this province, would they reimpose the Succession Duty and Gift Tax Act that we had to repeal? That's a very simple question. Would they do it?

Number two, Mr. Speaker, when the present administration of Manitoba took that law off the statute books of Manitoba, which was collecting what, \$4 million of \$5 million a year, Mr. Speaker, they turned around and said we were helping our millionaire friends. The second question: Did they say to Allan Blakeney in Saskatchewan and his NDP government, when they repealed The Succession Duty Act in Saskatchewan, that Allan Blakeney and his NDP government were helping their millionaire friends, because again, Mr. Speaker, they can't have it both ways. If they are going to put the brand of helping the millionaires on the Tories in Manitoba, then you've got to put the same brand on the Blakeney and the socialists in Saskatchewan because we followed their lead. We did it after they did. We did it after they did, Mr. Speaker.

My honourable friends may try to slither their way out of that but I say that they are two very forthright questions, two very interesting questions. If they have the courage of their convictions, before the 22nd of May, let them stand up in this House, this afternoon after I sit down, stand up in this House after I sit down, dummy . . . Mr. Speaker, I apologize, I was anticipating my colleague, the Minister of Economic Affairs. —(Interjection)— Mr. Speaker, my honourable friend should stop looking in a mirror when he makes such statements.

So there are two questions, Mr. Speaker, that my honourable friends should have the opportunity to answer and I think, Mr. Speaker, that they should send a telex off to their great national leader and ask him, ask the National Leader of the NDP if he wouldn't mind going on national TV and radio with the taxpayers' ads, and telling the people of Canada what he would do about Succession Duty and Gift Tax in Canada if that government, God forbid, or that Party, God forbid, were ever elected to government in Canada.

These are the fundamental questions that aren't being asked in the present federal campaign. You know, in B.C., Saskatchewan and Manitoba, we share a rare distinction in this country and I hope it remains a rare one — we are all in a position where we have had successor governments to the socialists and you know that that gives you a different outlook on public affairs because you can see the ravages that can take place when people who are so doctrinally positive in their ways that they can't see left or right, they've got sets of blinkers on them that would make trotters look like wide open girls.

Mr. Speaker, when they are so down the line in their doctrinal blinkers that they will ravage, they will ravage their trust, Mr. Speaker, as the temporary trustees of the public, for looking after their money, as they did in Manitoba, and that is my complaint that we are not hearing. We in Manitoba know better now. It will be a long time before the people of Manitoba will take a chance on socialism in this province again because they have seen the ravages that can occur. Mr. Speaker, I think it would be only fair for Mr. Broadbent and his party nationally to let the people of Canada know where he stands on some of these pet projects that my honourable friends always bring in when they come into office.

Well, Mr. Speaker, we heard some comment from the Member for Inkster about the metallic minerals royalty reforms and what did we hear? Well, I think, Mr. Speaker, to be fair to the Member for Inkster, what we heard was this, that a scheme that the Member for Inkster personally had had as one of his pet projects, probably all of his life time for all I know, and which he brought into this House in 1973 and which he had to withdraw because it was so mixed up that three Philadelphia lawyers and two Boston accountants couldn't figure it out, that he then brought back the famous two-tier system that he had sanctified by his socialist confreres, which was really going to stick it to the mining companies. That was his attitude and, of course, make it more possible for him to talk in a way that might make it more attractive for that government, using the taxpayers' money, to get into equity positions with some of the mines.

Do you remember the Kierans' report, and all of the nonsense that was going on then about

A MEMBER: Repatriating the mining industry in ten years.

MR. LYON: Yes, we were going to have to, in Manitoba, said Mr. Kierans, we should take over Inco and HBM and S and so on — and it got so bad, you know, that the then Premier had to stand up and deny that that was ever their intention, even though they were winking at it.

Well, Mr. Speaker, you remember too the attempts of that government when in office, I believe again under the leadership of the Member for Inkster when he was Minister of Mines and Resources, to inject the government of Manitoba, again using the taxpayers' dollars into an equity position with Abitibi, one of the big pulp producers in this province?

We remember all these things, Mr. Speaker, and so do the principals who were involved, because again it was an obeisance to this rather peculiar doctrine of theirs, which has never worked in any part of the world by the way, Mr. Speaker, never worked anywhere in the world, that government somehow or other, or the people as they prefer to call it, let's make the distinction — it's government; that government is better at running competitive enterprises than the private sector is.

I wish, Mr. Speaker, that they would stand up in the course of this debate and give us some examples of where government has run competitive enterprises better than the private sector. I'd really love to see the list, I'd really love to see the list. It would be about as long as an average toothpick, and half of the enterprises would probably be from behind the Iron Curtain, and I don't happen to buy what goes with that.

No, Mr. Speaker, that theory doesn't work, and I wish my honourable friends would accept that pragmatic fact of life, that governments running private businesses just hasn't worked; it didn't work for Tommy Douglas, and the box factory, and the fish plant, and all the nonsense that he got into back in 1945, the shoe factory; it didn't work for my honourable friends when they got into Saunders Aircraft, they got into the Chinese food business, they got into the cannery business, they got into the pleasure boat business, and need I go on, Mr. Speaker, need I go on? It doesn't work, and later in this debate, Mr. Speaker, I'm sure that the Minister of Economic Development is going to have some enlightening comments for my honourable friends opposite about what has happened to some of these companies, that they say the people owned, people, my neck; it was their Socialist bureaucrats who took them over with the people's money. People, huh. The people didn't want to own them.

But, Mr. Speaker, we're going to hear an interesting account, I think, from the Minister of Economic Development or other speakers about how some of those companies are faring now that they're back into private enterprise hands, with people who know how to run them.

I think, you know, without paying too much credit to our national leader, Joe Clark, that he was absolutely right when he made the comment about PetroCan, and about the ability of a government to run an oil company, when he said, "Do you want the same people who run the Post Office to run an oil company?" I don't, I sure don't. Well, maybe my honourable friends do, but I don't, I don't. Because we've seen everywhere on the face of the earth, Mr. Speaker' not only in Manitoba under the eight years of Socialism, but everywhere on the face of the earth where this marvellous 19th Century idea that was dreamed up by a chap who had to escape to Great Britain to save his life, where this theory has not worked. It hasn't worked for the last 125 years;

it isn't going to work, Mr. Speaker, and it has never worked really since the dawn of Christianity, and it isn't going to work, Mr. Speaker. So I wish that they would begin to reorient their thinking a little bit, and not only try to appear to be nice guys who don't believe in all of that nationalistic nonsense or nationalizing nonsense, but really, be nice guys and say, "yeah, we were wrong, because it hasn't worked anywhere, it didn't work for us." Saunders Aircraft at \$40 million of the taxpayers bucks, sure didn't work, Mr. Speaker. Can you imagine the government trying to build airplanes in Manitoba?

Well, Mr. Speaker, this anti-business approach to the mining industry is what we're seeing reflected in the comments of the Leader of the Opposition and the Member for Inkster. He said that resource taxation in Manitoba and Canada has had no impact on industry performance in recent years, and that the entire own-turn in industry performance was attributable to world market conditions; that statement is partially true, Mr. Speaker — that some of the performance of the mining industry in Canada has been, without any question, attributable to the world price of metals, but I suggest that the performance of the industry in Canada in relation to other countries has suffered as well by the double impact of bad, fuzzily thought-out taxation and royalty policies at both the federal and provincial levels in this country.

They should read, Mr. Speaker, a document, and I know my honourable friends don't like to read anything that contradicts their doctrine, but they should read a document that's in the Legislative Library at the present time — The Joint Federal-Provincial Resource Taxation Review presented to the First Ministers' Conference on the economy last November — it's in the Library, and my honourable friends have as much access to it as I do.

This is a serious study that was done by Federal and 10 Provincial Government officials on the impact of resource taxation in this country and how the mining industry could be improved in Canada.

Well, Mr. Speaker, I would like to take this opportunity to draw some of these facts from that study to their attention. There's a very interesting table on Page 31 which indicates that the overall burden of federal and provincial resource charges and income taxes — isn't it funny when my honourable friends opposite talk about royalty taxes, they always forget income taxes; they say that if a company is only paying so much royalty tax, you'd think that's all the company is paying. Well, you know, they have a nasty tendency to have to pay corporation taxes, and I believe in that, too, I think they should, but I only wish my honourable friends would acknowledge that fact once in a while. These taxes, the burden of federal and provincial resource charges and income taxes facing the industry have more than doubled between 1969 and 1975.

Furthermore, whereas the industry faced an appreciably lower effective tax and royalty rate than on manufacturing, than in 1969, in other words, they were taxed at a lower level than manufacturing, a preferential advantage of about 18 percentage points; by 1975, this had been replaced with an effective tax rate some 9 points higher than manufacturing, because again, of the impact of federal-provincial policies.

I would refer the honourable members, Mr. Speaker, to table 10 on Page 32 of that report that all provincial and federal officials participated in, which takes hypothetical mine model operations with uniform assumptions on costs of operations. In other words, it's one of the models that they set up, and compares the impact of the various taxation on royalty systems in effect in all of the provinces in Canada. And my honourable friends, I know, are already bracing their feet against their desks, because they know what the result of that study is going to show. That table clearly illustrated the oppressive impact of the incremental rate regime implemented by my honourable friends and his colleagues for a profitable and — the Member for Flin Flon, it's too bad, because he represents a mining community; it's too bad he's not here to hear this because we want to increase jobs in his constituency, and the mining industry is one of the great job creators in Flin Flon constituency.

But he's got to reorient his thinking a little bit if he wants to see more jobs created up there. For a profitable, integrated base metal open-pit operation, after tax rates of return over the life of the mine were computed, the rates of return were as follows: Newfoundland - 15.5 percent; Nova Scotia - 15.9 percent; New Brunswick - 15.5 percent; Quebec - 16.2 percent; Ontario - 15.8 percent; Saskatchewan - 16 percent; British Columbia - 15.3 percent; and where did Manitoba stand, Mr. Speaker, with the taxation policies imposed by my honourable friends opposite, with the most oppressive resource taxation system in all of Canada which was out of step with every other province in Canada, which reduced the rate of return on such a mine in Manitoba to 13.8 percent, a full 2.2 percentage points below the burden imposed by their Socialist friends in Saskatchewan, and the lowest effective rate of return after taxes of any system in Canada.

And of course, Mr. Speaker, now that we're changing that system and trying to make our system more competitive with every other province in Canada, we are accused of what? We are accused of lining the pockets of the multi-nationals.

Well, Mr. Speaker, again I make the point: Sloganeering is no answer for policy. Are you going to see the mining industry in Manitoba continue to slumber while other provinces go ahead, because of the kinds of punitive tax rates that my honourable friends opposite impose? No. And we said quite openly that we were going to change them. We have announced in this Budget that we are changing them. The Bill will be here and my honourable friends can vote against it, if they remain blind to the facts of economic life in this province. But we're going to go ahead with it, because we promised it and it's the right thing to do. And any reasonable thinking person, Mr. Speaker, could accept it.

Well, Mr. Speaker, the resource taxation review also contains information on a hypothetical profitable large mine-mill open-pit operation, and the results were very similar. The Manitoba system was the most oppressive and punitive. And, on the basis of comparative assumptions for all provinces, provided an internal rate of return of some 2.6 percentage points below that offered even by their Socialist friends in Saskatchewan. And, again, the lowest rate of return of any province in Canada.

How do you attract and how do you convince people and companies who are presently in Manitoba and have been long-time good corporate citizens of Manitoba and good employers in Manitoba, how do you convince them that they should invest more money and create more jobs and opportunities for our young people and contribute to the wealth of this province, the growing wealth, so that we can have a better base on which to support the social services that we all want to see for people in Manitoba? How can you do that if you've got the most punitive tax system in mining, which is one of the fundamentally important industries in this province? How can you continue blindly, Mr. Speaker, as my honourable friends apparently are prepared to do, to serve this alien doctrine of Socialism, of making the rich pay, of talking about multi-nationals and so on, when that works, Mr. Speaker, to the ultimate disadvantage of the weakest in our province? Because as the wealth of this province stands static, as it did from 1975 to 1977 under my honourable friends, there is less to distribute to the people who need it the most.

My honourable friends, in their hand-wringing and their writhing and their proclamations of concern for the poor and the disadvantaged, for the handicapped, for the elderly, for those that any human being from the depths of his heart would want to help the most — and that is not, Mr. Speaker, a compassion that is unique only to Socialists — my honourable friends, in all of their proclamations, follow a policy that is diametrically opposed to what is in the best interests of helping those people. And when are they going to come to see it? And when are they going to be prepared to abandon this doctrine so that they can truly get on with the job of building the wealth of this country, instead of Socialist sloganeering, which is all we've had thus far in this debate?

Well, Mr. Speaker, I suppose these facts, taken by themselves, might not be too great a concern for Socialists but they certainly were a concern for the industry in this province and they were a concern for the people of this province, as well. The simple fact of the matter is that investment decisions were based on the impact of this system over the life of a viable mine, and the simple fact of the matter is that the imposition of such a heavy and restrictive burden on the Manitoba industry, to the exclusion of all other industries in Canada, would lead rational planners to pay more attention to prospects elsewhere, anywhere but in Manitoba.

That's what that policy, that bland, doctrinaire policy, could have cost the people of Manitoba if they had kept it in. And I want every one of them to stand up on their hind legs, Mr. Speaker, and vote against this bill when it comes in, if they are still so doctrinaire in their view that they can't see what even Saskatchewan has seen. God help the Manitoba Socialists if they can't even see what their kissing cousins are doing in Saskatchewan to try to increase investment and opportunities and to create growth in the province. —(Interjection)— Well, there's a typically kind of brilliant riposte from the Member for Elmwood, which probably doesn't do much to enhance what I was saying before about the position of parliament, but his kind have always been with us. The Bible refers to them in other terms.

Well, Mr. Speaker, our concern in proposing the major reforms to the metallic minerals royalty legislation has been to assure the industry of a reasonably coetitive taxation environment in this province, relative to other provinces. The matter of restoring the overall coetitive position of the Canadian industry in the overall world environment is one that the federal government is going to have to deal with, and deal with quickly, and we will be participating in those discussions as well. We are confident that the reforms proposed in the taxation of metal mining in Manitoba will assure the Manitoba industry of an overall taxation environment that is competitive with that of other provinces.

Mr. Speaker, I commend to my honourable friends opposite this reform. It's a reform which is a major initiative, required simply to place Manitoba industry on a comparable footing with the mining industry in other provinces. I think even my honourable friends should be able to understand that,

and I commend to them as well, Mr. Speaker, some reference to this document, which is in the Provincial Library, the discussion paper "The First Minister's Conference on the Economy, November 27 to 29, 1978. The Federal-Provincial Resource Taxation Review: A joint report by federal and provincial officials to Finance Ministers and Resource Ministers."

Let them read the report. Let them hear from the administrators of Canada that our tax system, under the kind of two-tier system that my honourable friends brought in, was too confusing and was driving investment away from our province and from this country. Let them read that. Let them pull, as I've said so often, the doctrinaire film from their eyes, so that they can see what goes on in the real world.

So, Mr. Speaker, I commend all of these matters in metallic minerals changes to my honourable friends. I hope they will have the advantage to read those reports before the vote takes place on this Resolution. I hope, as well, that they will read it with an eye not to their own doctrine but with an eye to trying to do something that's in the public interest, because they will find, Mr. Speaker, in many, many cases that slavish adherence to their doctrine runs contrary to the public interest, that the public interest is ill-served by the kind of slavish adherence that they give to Socialism.

Mr. Speaker, there was comment by the Member for Inkster about the state of the economy in Manitoba. You know, they have been doomsdaying ever since Day One, conveniently overlooking and ignoring the statements that have been printed by Stats. Can. and by all of the other reputable statistical sources in this country, that the real output in Manitoba last year was 3 percent, if not close to 3 percent, as opposed to .6 percent in the last year they were in office. But they try to say, Mr. Speaker, that we're in a no-growth economy, that employment statistics in Manitoba have increased dramatically over what they did under their administration, and so on.

But my honourable friend, the Minister of Finance, used in his Budget statement, a statement that they don't like to hear because it's an ex post facto judgment on the husbandry and on the control of the economy that my honourable friends gave during the late-lamented last three years of their time in office. And he read it in the Budget the other day, and it said that Manitoba effectively had been in a state of depression from 1975 to 1977.

I give them another quote. During the first four months of this year — and this is from the Conference Board, again, from the quarterly statement — as more data became available on developments in Manitoba during 1978, the Conference Board became even firmer in their conclusions on developments in Manitoba. In their April forecast the Conference Board said, and here I quote, "Since mid-1978 there have been some indications that Manitoba has emerged from the protracted 1975 to 1977 economic slowdown." —(Interjection)— No, that's Conference Board.

". . . protracted 1975 to 1977 economic slow-down." When did we hear about that from my honourable friends? Never, no, because they were just the nice guys, who were doing all the nice things and spending all the nice money of somebody else. —(Interjection)— Yes, as my colleague, the Minister of Government Services, reminded me — and it's a pleasure that he's in the House — the Member for Elmwood, who was secretly becoming the new Albert Speer of Manitoba and was going to build towers all over the place and have grand concrete and marble entrances to the Legislative Buildings and sunken pools, and bridges across the river to connect to the next bureaucratic maze of buildings; this was the Socialist planning that was going on. The superstate was going to take over. The whole of the property to the west of us, the Great-West Life property, more towers, more glass, more concrete, more marble. Oh, just like a five-year-old in a toy shop throwing the candies around; can't you see it, Mr. Speaker? My guff.

The Provincial Garage is not the tip of the iceberg; that's only an icecube as to what was coming. We'd have had these Speer-like towers all over Manitoba if they'd been given another four years.

Well, Mr. Speaker, let's turn from the ridiculous to the sublime. —(Interjection)— Because I'm looking at it.

Mr. Speaker, the second major point that the Member for Inkster made this morning was with respect to Hydro rate stabilization. —(Interjection)—

Mr. Speaker, my honourable friends have had a good hour and a half to go out and get him, and I'd sure love to have him here anytime. Bring in the whole crew. You know, you could all stand the education.

Mr. Speaker, it was interesting to see how the Leader of the Opposition tried to sort of fuzz over the major initiative of the Budget, the five-year freeze on Hydro rates. Mr. Speaker, he even attempted to take some credit for it. And as I mentioned before, you know, I have heard a lot of convoluted debate in this House but I have never heard an arsonist trying to take credit for a fire before, and that's what we heard from the Leader of the Opposition. He said that we wouldn't have been in a position to do what we are doing without the expansion which took place between

1970 and 1971. Mr. Speaker, the simple fact of life is, of course, that we wouldn't have had to do what we are doing if it weren't for the poorly-planned expansion and the foreign debt load, which financed it, and the timing and a number of other factors, during that period.

And, Mr. Speaker, I hesitate to say anything more because a Royal Commission is already looking into that period and my honourable friends, I know, are waiting with some interest the result of that report, as indeed the people of Manitoba are. But we couldn't wait for that report because we had to give, Mr. Speaker, the people of Manitoba the kind of guarantee that we did in this Budget that we would freeze one of the main components of high-escalating cost to all sectors of our economy, namely Hydro rates. And we've done it, and, Mr. Speaker, there will be a Bill, unless I am mistaken, a Rate Stabilization Bill.

So I would very, very much like to see — and I think they will have the opportunity when that Bill comes to Second Reading — how my honourable friends opposite are going to vote on that Bill. And I think we will give them full opportunity to display their customary fortitude, and let them stand up and see if they are going to vote for or against the Hydro Rate Stabilization Bill. I hope I am around that day to call for Yeas and Nays myself. Because, Mr. Speaker, all we heard on this topic from the Leader of the Opposition was a lot of nonsense. The member talked about economic disparities in the country and questioned whether the Alberta Heritage Fund was fair in the national context. Did you hear that, Mr. Speaker? Of course he didn't talk about the fact that his fellow Socialists in Saskatchewan also have a Heritage Fund. Isn't that funny? He wouldn't talk about that.

I happen to have a copy of the most recent Heritage Fund Report from Saskatchewan, and I think, in this case, it might be worth, Mr. Speaker, reading a section from the introduction, by the Minister of Finance, the Honourable Walter Smishek. And here is what he said from dear old Socialist Saskatchewan about a Heritage Fund, and I quote, "I believe the creation of the Saskatchewan Heritage Fund will be recognized as a turning point for our province. . . Our entire history has been characterized by a search for economic stability. A search which earned us the name, 'Next year country'. The creation of the Fund signals that next year 'is here. Not only because of our rapid mineral development but also because it promises us the financial resources to help diversify our economy."

Well that's what the socialists in Saskatchewan think of a Heritage Fund. Mr. Speaker, if it hadn't been for the wanton mismanagement of my honourable friends opposite, we might have a Heritage Fund of some sorts going here on the basis of returns from Manitoba Hydro, another resource item that could generate growth in our economy.

But we are making a start now. We're trying to repair the damage of their mismanagement over 8 years and one of the most important elements in that start is our decision to stabilize Hydro rates for the poor people, for the small people in Manitoba, whom my honourable friends claim to have the only concern for, and as well for tourism, for attracting industry, and for all of the things that will make this province grow. And if my honourable friends, Mr. Speaker, don't understand the dramatic impact of that policy let them go out and speak to the people of Manitoba who understand it very very clearly, and who've been waiting for it for years after having gone through the experience of seeing their Hydro rates, which from the beginning of Hydro until 1968 it had only one increase and that was only a 6 percent increase in 1968, and then under my honourable friends as a result of their policies went through compound increases of 150 percent — 150 percent in 5 years.

Mr. Speaker, can't you see the hunter again, with the brush, trying to cover up his tracks on the Hydro thing. Well they're not going to be allowed to cover up their tracks in Hydro. They're not going to be allowed to cover up their tracks in Hydro, Mr. Speaker. They will carry that. They will carry that as a testament of their ill-managed husbandry of one of the major resources of this province for so long as the socialist draws breath in this province.

So, Mr. Speaker, freezing Hydro rates and putting utility back on a sound financial position, we are investing in the heritage of Manitoba to encourage industrial expansion, the same objective that both Alberta and Saskatchewan share in their heritage investments.

So I commend to my honourable friends a little bit of visiting with their friends in Saskatchewan just to keep up to date on what's going on in Hydro rates, what's going on in Heritage Funds, what's going on in mineral taxation. My honourable friends are living in the past. They're not up to date with what the only socialist government in Canada is doing, and I think it shows in the quality of their response, Mr. Speaker.

They had a word to say, Mr. Speaker, if you can imagine socialists ever talking about tax increases, they had a word in their bravery to talk about tax increases. The Member for Inkster, this morning, suggested that the increase in metallic minerals royalty revenues estimated for 1979-80 is in itself an indication that the tax burden on the industry is increasing. Well we don't accept the logic of the honourable member and would note that the overall impact of the new system

is to reduce the effective tax rate facing the industry, but, Mr. Speaker, to increase the return to the province.

But let's talk about personal income taxes because here is where my honourable friends really established a record that we'd like to hear Mr. Broadbent talk about but I guess we won't have that opportunity. When they came to office in 1969 the personal income tax rate facing Manitobans was 33 points. Among their first actions was to increase the personal rate from 33 to 39 of federal basic tax, an increase of 18 percent and the highest in the country. And later this 39 became 42-½ in 1972. And later when those figures were mutated into the present system to 56 points, the highest in the country, and in 1976 they added the so-called antiinflation surtax to make Manitoba's personal income tax among the highest in the country even though they did a cosmetic reduction on the rate in 1977's Budget.

They increased the corporation income tax rate facing Manitoba businesses large and small alike, from 11 percent when they came into office to 13 percent in 1970, an 18 percent increase in the tax burden facing these small businesses, which they still protest they wanted to help in Manitoba, and they tied Manitoba with Newfoundland as the highest taxing province in the country.

These are the people who dare to talk to us about taxation, Mr. Speaker, who inflicted a taxation regime upon the people of Manitoba, the highest that they've ever seen in their history, and they have the effrontery to talk to this government about a taxation regime. In 1976 they increased these taxes by a further 15.4 percent through the introduction of a corporation surtax on large businesses.

On the mining taxation the rates of 6, 9, and 11 percent, which the industry faced in 1969, were escalated in a series of moves to the most punitive and incentive destroying taxes in the country by the time they left office — 15 percent and 35 percent.

And they want to talk to us about high taxes in Manitoba. What we are trying to do, Mr. Speaker, is to repair the damage that was done by these blind, doctrinaire socialist approaches drawing their vitality from the sloganeering — make the rich pay and so on and to devil with the poor, because that's really what the effect of their policy was — make the rich pay, make the large multinationals pay, we don't care if you settle here or create jobs, we just want to have the reputation of having the most punitive taxes. That makes us feel very warm in our hearts when we snuggle into our little beds, into our little red beds at night. Well, Mr. Speaker, that's changing and the world knows it's changing.

Mr. Speaker, we could go on — major increases in sales taxation they withdrew. You know, you don't hear them talking about this. They withdrew the major exemptions of production, machinery and equipment, and forced the sales tax onto that in a province which needs industry. A direct tax increase of the kind of productive activity which Manitoba so acutely needs and still needs after their years in office, and Mr. Speaker, we want to get rid of that tax. We want to minimize the effect of it and if we hadn't been left with the kind of overbearing burden of deficit that they left, we probably would have touched it before now, but we certainly do want to get rid of it. And it's another legacy from 8 years of socialism and they talk to us about taxes, Mr. Speaker.

In 1972 they brought in succession duties and gift taxes. I've already mentioned them. Of course they were the most punitive in Canada. Sure, their leader in 1977, in the heat of the election campaign said, "Well I think we've got to think about this one. We might have to repeal it." —(Interjection)— Yes, he said that up in Gimli or in one of the seats that he lost. But my honourable friends still doggedly hang onto it, you know — tax the rich, make the rich pay, when it's not the rich who were paying, it was a lot of average people in Manitoba, the same as average people in Saskatchewan, and that's why Blakeney got rid of it in Saskatchewan as well.

In 1976 they introduced a corporation capital tax to further increase the tax load and discourage business activity in this province. We've already made some sizable amendments to that tax to try to cut down the bureaucratic and to some extent the dollar effect of it as well.

They increased the gasoline tax from 17 cents a gallon when they came to office to 18. Then they peeled off 2 cents, this is where, you know, the socialists' beak always comes in. You know they do look at the world through the wrong end of the sewer pipe and it reflects in their language. They took 2 cents off the gas tax and gave that as a direct subsidy to Autopac, and yet I heard this morning, I think it was the Member for Inkster say, that we had increased the gasoline tax on this side of the House by 2 cents. Mr. Speaker, the gasoline tax, to my recollection, in Manitoba has been 18 cents ever since the NDP raised it from 17 cents. It's been 18 cents it is 18 cents today. What they did was to take 2 cents of that tax and give it as a direct subsidy to their little socialist plaything called Autopac. And when we came into office we said, "Look, the premiums should look after Autopac. Let's take that subsidy out and put it back into general revenue where it is supposed to be." We didn't raise the tax, but my honourable friends with their socialist beak would have people believe that this government some how or other raised the tax. We didn't raise it at all but it's the same kind of awkward mentality, if I may use that expression, Mr. Speaker,

that causes them to intimidate senior citizens about Medicare and health care and so on. It's the same kind of distorted mentality that causes them to do that when they come to such simple things as gas tax.

And despite all of these specific and discretionary tax increases their government's profligate expenditures, tendencies and lack of accountability or reasonable fiscal arrangements, resulted in the people of Manitoba facing increasing deficits to record levels, and increased the public debt of such magnitude that by October 11th, 1977, the people of Manitoba delivered their verdict and turfed them out of office and may they stay there for a long time and, Mr. Speaker, in biblical words, may they muse well upon their sins of omission and commission as they sit in the wilderness, and not return from the mountain until they've cleansed themselves and are ready again to face the people of Manitoba with cleansed souls.

Mr. Speaker, the Member for Inkster, this morning had something to say about deficits. Well he ought to, because he should be a past master at them because there is no government in the history of this province that ever rolled up bigger ones than the socialists when they were in office. And I've never heard perhaps a more spurious argument and I don't expect, Mr. Speaker, I wish he were here to hear this, I don't expect spurious arguments from the Member for Inkster because he is one of the best debaters in this House, and he treated us to some pretty watered-down milk in his discussions about deficit. And I only wish that he were here but I'll make sure that he gets a copy of Hansard because if he were here we could have some fun on this one. The Leader of the Opposition, first of all and then the Member for Inkster, because they were talking about the combined sizes of the deficits for 1978-79 and they were saying that our government is not managing the province's finances effectively.

Again, Churchill, "I know the difference," Mr. Speaker, "between the fireman and the arsonist," and so do the people of Manitoba and I don't think that they're going to look to the arsonists across the way to give them advice on fiscal management. What did we say in 1977? — like putting the fox to look after the chicken coop. What has another speaker said? — to expect fiscal prudence from a socialist is like asking a vulture to say grace, and you don't see that happen too often.

Well, Mr. Speaker, this is from the same group of people, who argue that we should be increasing the deficit by spending more on a broad range of services and by implementing a series of make-work programs. That's what they say on the one hand and then they come and complain about the size of the deficit on the other. Well, the fact is that during the last five years that they were in government, the accounts that were put together in a different way at that time, there was a current account and a capital account but the deficits were still apparent even though they weren't done on the combined basis as we do them at the present time. Even though the auditor, Mr. Speaker, the Provincial Auditor of Manitoba, during all of those years, when the Member for Seven Oaks, and the Member for St. Johns were Minister of Finance, was in print pleading with the government of the day to go onto a combined accounts system, so that he could truly reflect to the people of Manitoba the difference between capital and the difference between current spending, because he was finding out that paper clips were becoming capital expenditures, and the ordinary operating expenses of government, and under that former system of accounting there was not the integrity to it that there should have been. And I don't say that in a personal sense about my friend from Seven Oaks or the Member for St. Johns, but it was just not subject to the tests of integrity that the combined accounting system is. That's why one of the first actions we took was to exceed to the oft-voiced requisitions and requirements of the Provincial Auditor and put our accounts on a combined basis.

But, Mr. Speaker, what were the deficits that were run up even on the old system of accounting by my honourable friends in the years in which they had responsibility for government in this province? Well, according to the figures that we have in 1973-74 it was \$8 million. In 1974-75 it was \$56 million. In 1975-76 it was \$98 million. In 1976-77 it was \$82 million. In 1977-78 it was \$191 million and that's on the combined system of accounting, and it would have been a great deal higher if we hadn't come into office in October of 1977 and introduced special emergency freezes on all government expenditure to prevent it from going even higher. The estimate was made that it could have gone over \$300 million if my honourable friends had come into office again and had continued their sloppy management of public affairs.

Members will recall that the projected deficit after six months was \$225 million and those weren't Tory figures, Mr. Speaker. Those were figures — let me mention this point again, that were given to me when I was still Leader of the Opposition awaiting the retirement of the former government, awaiting to be sworn in, given to me by the finance officers of the government of Manitoba who were still serving the NDP Ministers opposite. Those were the figures they gave me.

So, Mr. Speaker, with a growing gap between revenues and expenditures of that size, our government has made dramatic progress in reducing the deficit since we have been in office. As

the Minister of Finance said in the Budget Speech, the 1978-79 year-end figure is projected. It is only a projection at this stage of \$83 million, 57 percent lower than the year before. The initial estimate for 1979-80 is around \$91 million, without the cost of hydro stabilization, and \$122 million if that cost is included. And that is still only a projected figure because of course a number of factors such as flood compensation and other contingency items could increase it and the extent of lapsing, of course, which could decrease it.

So I should emphasize that the deficits and figures that I'm talking about are based on combined current and capital totals. Our friends opposite, as I have mentioned, refuse to concede that the current and budgetary capital totals had to be combined to ensure a meaningful comparison. In fact, our friends opposite frequently talked about balancing the budget on current account and they claimed surpluses, conveniently forgetting that they were borrowing to finance dead-weight, general purposes capital expenditures. A classic example of this kind of bookkeeping, some less kind than me might call it book juggling, occurred in the spring of 1977 when the government claimed virtually a balanced budget for 1977-78. Remember, that's the same fall that we came in and found a projected deficit of \$225 million. And then they added a Special Employment Program worth about \$33 million but only put half of the cost into the current estimates and placed the other half in capital so it wouldn't affect the bottom line. That's what used to go on under the old system, Mr. Speaker, but we don't hear my honourable friends talk about that, do we? No, no.

You can see again the brave warrior covering his tracks, because they don't talk about those things, any more than they talk about the 150 percent-plus increase in hydro rates, any more than they talk about raising the per capita debt in this province to the second-highest level of any province in Canada. And the man who used to stand in my place when they were in government, stood in this seat one day and said that when I made that pronouncement that my figures were out by a factor of ten. You don't hear any talk about that any more do you, Mr. Speaker, because the figures were right.

Well, Mr. Speaker, there are a lot of things that my honourable friends opposite may not like to hear about but they are going to continue to hear about them, because we remember them. Some of the policies that we are implementing now are meant to heal up the wounds that were caused by that kind of mismanagement over so many years.

I would be very interested, Mr. Speaker, in knowing whether my honourable friends opposite, as we talk about deficits, are in fact now arguing that we should have a balanced budget immediately. Are they suggesting that? If that's what they are saying, then let them make that clear and stop talking about the need for more and more expenditure because again they can't, Mr. Speaker, have it both ways. The Member for Inkster even got into some trouble with his arithmetic, Mr. Speaker, because he was adding up estimated budgeted figures and didn't quite get around to looking at what the real figures were.

Well, Mr. Speaker, what makes the argument so spurious, as I said at the beginning, is that the reason we have a deficit still is because of the gross incompetence and the total irresponsible mismanagement that was conducted in this province by the then government from 1969 to 1977. We have established in the last two years, Mr. Speaker, a balanced budget on combined account as our objective, but we have never expected to be able to reach it in the initial years of the administration and the Minister of Finance has said that many times.

But let me tell my honourable friends, Mr. Speaker, one other fact that they don't like to hear, that in that deficit that we inherited of some 191 million on the combined basis, 214 on the old basis, 125 million, as I recall, was on current account, \$125 million, Mr. Speaker, of money that the government had to go out and borrow to pay for current operating expenses. My honourable friends don't like that distinction to be made either, but that's the truth, and what we can say in the last two years is that, yes, we have reduced the deficit in the first year by 57 percent and one thing further, that that deficit, now estimated at about 83 million in the preliminary year-end figures by the Minister of Finance, that deficit is all for capital; we're not borrowing money any more, Mr. Speaker, to pay current operating expenditures the way my honourable friends here. That's why I would dearly love to hear Mr. Broadbent and their colleagues nationally expound on the kind of strong fiscal management that the NDP could give to the national affairs of our country. Wouldn't that be a wonderful speech to hear some time between now and the 22nd of May, striking as his example, if he could, the great management techniques carried on by his colleagues in the Province of Manitoba, his erstwhile colleagues when they were in government.

Well, Mr. Speaker, perhaps he can take Vice-Regal instruction in Ottawa on that topic.

A MEMBER: Be careful.

MR. LYON: Mr. Speaker, I don't have to be careful; I didn't make any appointments.

Mr. Speaker, my honourable friends talked about a number of other topics that time probably

would permit me to talk about but I really don't think that it's worth taking up the extra time of the members of the House. They talked about employment — I'll take a few words on that because of course in their doomsaying, which is picked up and echoed by some members of the media from time to time. In their attempts to denounce the progress that is taking place in the economy in Manitoba, even though it is modest and we never try to portray it as being anything more than modest, but it is moving in the right direction, Mr. Speaker, after three years of stagnation, three years of sitting on the shelf, three years of being shackled by the doctrinal chains of my honourable friends opposite. It is moving in the right direction; we'd like to see it move faster. We would like to see more jobs and opportunities, but they are coming. They are coming in Manitoba and the figures all point in that direction. This province has seen in the last 18 months, Mr. Speaker, renewed growth in the private sector employment opportunities, growth which didn't occur at all in the last years of the previous administration. I wonder if they like to be reminded of that one, Mr. Speaker.

The record of job creation in Manitoba during the Seventies, I think that situation is clear to any Manitoban who tried to look for a job, particularly in the private sector. You know, there were lots of jobs in the Civil Service in those days, Mr. Speaker, lots of jobs particularly if you carried the right kind of a Party card and that's why I find it rather interesting for my honourable friends ever to utter the word patronage in this House, when I consider the depredation that they caused to the Civil Service of this province, a depredation that was confirmed, Mr. Speaker, in conversations with then leaders of the Manitoba Government Employees' Association.

I wonder how they can ever stand up in this House and talk about patronage, after what they did to the Civil Service of this province, which we are only again repairing and bringing to a position where it is a Civil Service Commission that has power and authority and can rely on the merit principle once again and doesn't have defeated NDP candidates on its board any more carrying out the will of the government. But my honourable friends dare to talk to this government about patronage when they would take party supporters, former candidates, make Deputy Ministers out of them, give them high-paying jobs in the Civil Service, and then my honourable friends turn around and talk to us because we put some people who happen to be Conservatives — and we make no apologies for it because 49 percent of the people of Manitoba are — put them on boards and commissions. We are not stacking the Civil Service the way my honourable friends were. That's what they were doing in their years in office, stacking the Civil Service. I've said before that old line from Pinafore: "Their sisters and their cousins whom they reckoned up by dczens, and their aunts," there's room for all of them under their system. Don't ever let my honourable friends in my hearing talk to me or talk to this government about patronage because I've got a bookful, I've got a litany of their appointments which I'll be happy to give them any sweet time they want it. And, Mr. Speaker, their record with respect to the Civil Service Commission and Civil Service appointments in this province was a shameful record and they don't ever have to think that like the wary warrior, they can cover up their tracks in that regard or in that respect. —(Interjection)— No, Mr. Speaker. Somebody there said, "Two more years." What, two more years until they could open up the gravy train in the Civil Service to their friends again? That's what it was, and I'm talking about employment. If you wanted an employment opportunity in this province, my honourable friends know it, if you showed the Party card, you had a pretty good chance of getting into the Civil Service. That's the way it was. That's the kind of respect they had for the merit principle in the Civil Service — none whatsoever. Talk about a gravy train, they didn't put a spoon into it, they got into it and wallowed in it. It's a wonder they didn't drown, some of them.

Mr. Speaker, my honourable friend who has a law degree presumes to talk about legal niceties. I'm talking about the morality of what they did. My honourable friend may understand something about the law, I wonder what he understands about the integrity and morality of what he and his colleagues did to the Civil Service in their years in government.

Mr. Speaker, in the entire eight years from 1969 to 1977, the total number of new jobs in Manitoba increased by less than 16 percent. This was an annual average rate of growth in employment of 1.8 percent. At the same time, Mr. Speaker, the number of unemployed increased by 125 percent, or at an annual rate of some 10.7 percent. Well, these figures were bad enough, Mr. Speaker, but they would have been even worse had the former administration not padded the public sector payroll in an attempt to cover the fact that their policies were squeezing out private sector employment growth. From 1975, and 1975 is the first year for which Stats. Can. provides the figures, 1975 to 1977, the increase in the size of the public service resulted in a reduction in the share of private sector jobs in Manitoba from 78 percent to 76 percent. My honourable friends say they weren't fattening up the size of the bureaucracy? Of course they were. They had at one stage 1,800 people on contract employment so they could circumvent what was left of the Civil Service Commission and appoint their friends into high-paying jobs — 1,800 people. We've got that down to about what, 200 people now, and the MGEA are thankful for it because it indicates again that there is some

respect for the Civil Service Commission.

Don't let my honourable friends, Mr. Speaker, ever talk to me about integrity in the Civil Service Commission. I worked as a civil servant years and years ago in this province and during all of the governments that I have had the privilege of being associated with, the Campbell Government, the Roblin Government, the Weir Government, and this government now again, never could it be said that there was the kind of finagling that went on with the Civil Service that there was in the government to which my honourable friends belong. It was scandalous, nothing short of it, and they know it, Mr. Speaker.

So, Mr. Speaker, there was no growth whatsoever in the number of private sector jobs in the Manitoba economy from 1975 to 1977. Private sector employment stood at 326,000 in '75; it increased marginally to 327,000 in 1976; and then was squeezed back to 326,000 in 1977.

The improvement in that picture during 1978 and the early part of 1979 is well known to all except my honourable friends opposite. In 1978 there were an average 11,000 more Manitobans employed than in 1977, and in April 1979, there were 10,000 more jobs than in April of 1978. The truly significant point about this employment growth is that it has taken place entirely, Mr. Speaker, in the private sector of the economy, not out of the taxpayers' pockets.

In 1978 the private sector gained back 1.3 percentage points of total employment, and that's the way it should be in Manitoba; that's the way it should be in most provinces and federal employment areas in Canada.

Mr. Speaker, the private share of employment in this province increased to 77.3 percent of total employment last year from 76 percent in 1977. The number of private sector jobs in the economy reached 340,000 last year, an increase of 4.3 percent following three years of stagnation. And this is what my honourable friends presume to call the stagnant economy that we have in Manitoba? How can they do that because they must realize again that their doctrine gets them into the problem. But if the jobs aren't government jobs, then they are really not jobs, because of their hostility to the private sector, to small business, medium sized, large sized, they just think they can do it better than anybody else, and they don't appreciate jobs in the private sector. When they talk about unemployment, their elephant tears are not about the people who are unemployed, not at all. They say the way to make that up is to hire them into government.

A MEMBER: Albert will build the buildings, and we'll fill them up,

MR. LYON: They'll build some more government towers and fill them up with civil servants. That's their idea of a productive economy. Well, Mr. Speaker, that kind of an economy doesn't work. So I say to my honourable friends opposite again, get up to date, get in tune with what all governments of Canada, including the federal, said in February of 1978, that the main engine of growth for Canada — that includes the main engine of growth is the Manitoba and Saskatchewan as well — private sector, and the governments have got to start getting out of the road of the private sector having competitive mining taxation, personal income taxation, corporate taxation, taxation of sales tax, all kinds of competitive taxation in this country to attract the investment capital that we need, to create the jobs and the growth, and the opportunities that our young people so dearly need in this country.

So, Mr. Speaker, I have no trouble whatsoever endorsing those general statements. I will not go into the, again, rather odd arguments that my honourable friend, the Member for Inkster, was talking about this morning, with respect to individual income taxes having increased in Manitoba. He didn't seem to understand that the rate of taxation has decreased, and the amount of taxation has gone up, and that's what happens in a growing economy. My honourable friends used to increase the quantum of the taxation by raising the rate. We would sooner lower the rate and see the quantum go up, because that's the sign of a healthier economy.

And we have embarked on a reduction of the regime of taxes that my honourable friends imposed and hung around the necks of the people of this province for eight years. We haven't gone as far, Mr. Speaker, as we would like to do. Mr. Speaker, in this Budget that my colleague, the Minister of Finance, brought down, we have dedicated some \$31 million to rate stabilization for Hydro users in Manitoba. It's entirely possible — one can only engage in conjecture on this point — that if we had not had to engage in Hydro rate stabilization, that it might have been possible to look at other tax reduction areas. That's entirely possible. But we were left with another mess by my honourable friends. And we decided that it was in the long term interest of the people of this province, the poor in particular, and in the long term interest of attracting and keeping industry here, that we should have fixed stable Hydro rates for a guaranteed period of five years. And that's why we have determined to make that come about by the Budget policy that was announced by the Minister of Finance.

Well, Mr. Speaker, we have before us a resolution, which says that the financial principles that are being followed by this government are supported by the House. We have not heard from my honourable friends opposite what their attitude will be. Do they support the sales tax reductions that we have brought in, limited as they may be? Do they support the fact that there is to be no tax increase in Manitoba? Do they support the fact that the Hydro rates in Manitoba are going to be stabilized for five years? Because those are the principle matters that lie before us. And so, I say to my honourable friends unabashedly, Mr. Speaker, I am going to support that resolution, and I think that the vast majority of the people of Manitoba will support that resolution, and the policies that it contains. I ask my honourable friends to join with the majority of the people of Manitoba, and show their interest in the public interest of this province.

MR. SPEAKER: Are you ready for the question? The Honourable Member for Elmwood.

MR. RUSSELL DOERN: Mr. Speaker, it's a tough act to follow. Mr. Speaker, I suppose the First Minister is going to run from the Chamber as he always does. He goes into his two-hour attack and then he runs away, because he's not man enough to take the response, not man enough, a mental midget, Mr. Speaker. Mr. Speaker, in the few minutes that I made a few notes on what the First Minister said about the level of debate, the tone of debate, You know, if ever I heard cliches, and if ever I heard an attempt to first of all smear the New Democratic Party and smear the Federal Leader of the New Democratic Party, on the eve of the election, Mr. Speaker, that is the intent of that speech by the First Minister, He didn't deal with the Budget, he dealt with the Leader of the New Democratic Party, Ed Broadbent. And his government has been trying, ever since they got elected, Mr. Speaker, not just today, not the last couple of hours, from the first moment that this government got elected, they have tried to help the Federal Conservative Party. Whether it was at a Federal-Dominion-Provincial meeting, whether it was during a flood, whether it was with plaques for Duff Roblin, no matter what, anything that they could do, and I intend to enumerate them. They have been trying to aid and abet the cause of a feeble man named Joe Clark.

Mr. Speaker, I'm going to enumerate those points because I have a list of about a dozen of them. But I want to talk briefly about the level of debate, and I want to give you a list of words used by the First Minister in the last five minutes of his speech, as an example of the level of debate. When this man walks into the Chamber, the level of debate is lowered, Mr. Speaker. Here's the kind of words that we get in this Chamber: Standing on their hind legs, writhing, slippery, doomsaying, slavish adherence, sloganeering, the wrong end of the sewer pipe — boy, is that a level of debate? Is that a high level of debate, or is that a low level of debate? Mr. Speaker, I think it's very easy to see what we're dealing with. We're dealing with McCarthyism. We're dealing with name-calling. That's the kind of activity that we're getting into this particular House.

Mr. Speaker, I'm going to deal with the points, the kind of points that this government has been trying to make on behalf of their faltering big brothers in Ottawa, on the very eve of the federal election, on this the last moment, the First Minister attempts to run out the clock, to preclude anyone else speaking from the opposition, so that in his last breath, in his dying moments he can attack and smear the Federal New Democratic Party. Well, you know, Mr. Speaker, I ask you to consider the following.

I ask you to consider the fact that this speech, first of all, is proof-positive of an attempt by the Conservative leader and the Conservative Party in Manitoba, to help their federal colleagues. I ask you to look at the performance of the First Minister at Federal-Provincial conferences, when he stood up, and in effect in my words, spit in the face of the Prime Minister. In the words of journalists in Eastern Canada, he's a man who believes in the need to the growing school of political rhetoric, and political behaviour. Mr. Speaker, in the last week alone, —(Interjection)— a gutter fighter, you better believe that he's a gutter fighter, that's his forte. Mr. Speaker, in the last week alone we've had some very interesting little things that just happened to occur in the Province of Manitoba.

The Chamber of Commerce decided to bring a plaque to honour Duff Roblin. Now, you know, wasn't that timing fortunate. You know, they could have done that before. They could have waited until the election was over. They could have honoured Mr. Roblin anywhere in the next decade. No. They had to do it now. Why? Got to get it in. —(Interjection)— Right. Got to get it in right now. So that you can remind people about Duff Roblin's role, so that Duff Roblin can go out and campaign on behalf of Sid Spivak, so that we can have photographs of the former Premier of Manitoba, helping out people and particularly standing there with this plaque.

Now, I'm not going to take anything away from Mr. Roblin and the floodway. I'm not going to take anything away from him, but I am going to question, Mr. Speaker, the fact that the Chamber saw fit at this delicate moment, to trump it, and to make a big thing out of the fact that a former

premier had done something. Well, you know, we could also have another plaque to the former premier. We could have a sales tax plaque, that could go right beside it — maybe it wouldn't be as expensive, maybe it would just be in plywood, but it's also a tribute to the record of the Conservative Party.

Mr. Speaker, in the last few weeks the Diefenbaker Museum, this government which doesn't have enough money to help the ailing cultural groups in Manitoba, had to donate \$50,000 to the Diefenbaker Museum in Saskatchewan. You know, Mr. Speaker, that I believe again, was an attempt to highlight the role of Conservative politicians at the federal or the provincial level, at a delicate moment.

The Minister of Health, I'm listening to the radio a couple of days ago, CBC, the Minister of Health is phoning in on radio shows in the last couple of days of the federal election campaign, to take on Monique Begin. He wants to get in a comment. He doesn't want to be left out of the picture. So he dials into the CBC to make sure that in this last week, whatever little bit they can do, however they can structure things, whether it's announcing Hydro rate freeze, which is a phony issue, Mr. Speaker, a phony approach, a phony attempt to run in front of Hydro and claim credit for something that was either accrued to the credit of Manitoba Hydro itself, or accrued to the credit of the New Democratic administration, which operated Hydro, developed the plans and could have done the same itself. At this point in time there is no doubt that our administration could have held the rates just as easily as this administration, because it simply worked out that way, Mr. Speaker, and I'll deal with that point in detail.

Now, the other thing that I find very interesting, Mr. Speaker, is the flood. You know, here's the flood, a campaign of all kinds of organizations, all sorts of volunteers in Manitoba, municipal governments, the Army, the Armed Forces, individual citizens, etc. This was the record of the flood. A co-operative effort to stem the tide of the Red River. Well, what impression did we get from the papers. Every day the Minister for EMO had a press conference, a televised press conference. And every time we picked up the paper, there he was flying off into the wild blue yonder, with the First Minister. You know, I saw so many pictures on television of that man flying off in a helicopter, Mr. Speaker, when I look at him I expect to see a couple of propellers on a beanie, spinning around on top of his head. Because I can't, try as I may, Mr. Speaker, I cannot disassociate propellers spinning on top of the Minister of Highways head.

A MEMBER: Nothing below.

MR. DOERN: Nothing below, but something up above. And there's the First Minister, you know, standing on the front page of the Winnipeg Tribune, in colour, in technicolour, wearing his immaculate flood-fighting suit. Mr. Speaker, I know where he got it from. I recognize the garments — brand new, freshly dry cleaned, beige, rubber boots, not a speck of dirt — Malabar's rents that for \$15.95, Mr. Speaker. I mean if you get a list — I don't have their program here, but if you get a list of what they offer — they have their flood fighter's costume, \$15.95.

And the Premier rented that, and he went out there on his helicopter and walked around a little bit. And the Minister of Highways was out — (Interjection) — no, he didn't. Oh, he didn't get off the helicopter. Oh, he didn't rent the outfit. Well, that's my information.

Mr. Speaker, the Minister of Highways, you know, when he went out with Joe Clark and they went there on a little entourage with the media down there in Morris, and you know, Joe Clark doesn't know the Minister of Highways very well; I don't know if he has ever seen him before. So when they got down there, there was nobody around for Joe Clark to buttonhole and I read the papers and it said Joe Clark found one citizen in Morris, one man walking the street. It was probably the Minister of Highways coming the other way and he probably said, "Hi, I'm Joe Clark." And the Minister of Highways has a good sense of humour, said, "Joe who?" And said, "Oh, Joe Clark, well, I'm going to vote for you, Mr. Clark." And Joe went on and encouraged him and we got a story out of that, that Joe Clark met at least one, one only, but at least one citizen of Morris. Well, we have our suspicions about that, Mr. Speaker.

When the First Minister went down to Brandon, I got a big kick out of that, at the Winter Games. There he was with Prime Minister Pierre Trudeau and it said that he made the most — I don't know if my colleagues sa this, this was in Macleans Magazine a couple w of weeks ago: "Playing Games in Lyon's Den." This is a good article on the Brandon Winter Games, the Canada Games. "Led by Prime Minister Pierre Trudeau, politicians made the most of their moments at the podiums. Manitoba Premier Sterling Lyon scored opening points by praying that the games' spotlight would fall on athletes and not politicians." A humble man, a humble man.

He was less humble the following day while officially opening the boxing competition in the Centennial Auditorium. Spotting a cartoon poster of Brandy Bison, the games' mascot, Lyon mistook it for a lion and launched into what he thought was a witty speech on the considerateness of games'

planners in using his namesake. His attempt to lyonize the occasion faltered as an amazed audience snickered and Lyon's wife pointedly nudged him, whispering that the little beast in question had horns. We might say something about that, but we'll pass. "Lyon, blushing to the roots of his own sandy mane, fell into sheepish silence."

Well, there he was, trying to score points.

A MEMBER: Where was that, the Commonwealth . . . ?

MR. DOERN: That was at the Brandon Winter Games. No, not the Commonwealth. The Commonwealth, incidentally, the First Minister said that the Montreal Star was the only paper that endorsed the New Democratic Party. I want to correct that. There were three papers: One was the Montreal Star; two was the Manitoba New Democratic; and three, the Commonwealth from Regina. So there are at least three papers.

Mr. Speaker, the other thing I wanted to mention was a phony little deal again, cooked up by the Conservatives — my colleagues are probably not aware of this — if you get ahold of a pamphlet by the Honourable Former Minister of Industry and Commerce, Sidney Spivak, he has an interesting current pamphlet in which he — this is again trying to capitalize on the flood — he wrote a letter to Bill Norrie, the Deputy Mayor, trying to volunteer — he said he was going to volunteer his workers to attack the flood. Never mind the federal election campaign, that doesn't matter. I mean, you know, we've got to put politics behind us. All those Spivak men, true and blue, were going to hit the dikes; they were going to go out there and lift those sandbags and tote those bales, shovel, which they are very good at, shovel onto the dikes. —(Interjection)— Well, exactly. My colleague from Burrows pointed out, they didn't have enough costumes. They put in an order, they were willing to buy X times \$15.95 — they didn't have enough costumes, Mr. Speaker.

But seriously, he went and wrote a letter to Bill Norrie and said we're going to send our workforces into the dikes and we're going to combat the flood. To hell with the federal election, we don't care whether Spivak or Axworthy or Rachlis wins, we're going to fight the flood. Well, he got a letter back, Mr. Speaker, which is printed, printed big in the pamphlet of Syd Spivak and it says as follows, and it's a classic. It's quite funny. I didn't know that the Deputy-Mayor had a sense of humour. He said thank you very much for your offer of sending all your volunteers to fight the floods in Winnipeg and to work on the dykes. He said unfortunately we couldn't work it out. I'm paraphrasing, Mr. Speaker, but I tell you I'm serious when I say this. He said, we couldn't make arrangements for them to work out but I'm sure that many of your workers were working on the dikes and then he wrote the following paragraph. He said on behalf of the city I want to thank all the Syd Spivak election campaign workers and other citizens who were combating the flood. It turned out into from what was a hypothetical possibility, which the Deputy-Mayor is guessing at, it turns out that this was the biggest, the most incredible contribution of all and he thanked the honourable Syd Spivak for his generous donation (assuming there was a donation in the first place).

So, Mr. Speaker, those are some of the points that I have noticed. I'm sure there are more. I'm sure that some have escaped my attention, but those certainly are some, and it's an attempt by the government, by the First Minister, and by his Ministers and by his administration to do whatever they can to help out in terms of assisting Joe Clark. You know why? Because by God, Mr. Speaker, if anybody needs help, it's Joe Clark. I mean, you know, if it's a question of leadership then the Tories are dead. We know that they are going to do well in this election and we know that the New Democratic Party is going to do well in this election. But let me tell you, our leader has done well in this election but their leader has been a dismal failure and that is something that they are trying to correct. That is something that they are doing their very best to combat.

Mr. Speaker, I can't let this opportunity go by while the Minister of Economic Development is still here to address a few words to him before I deal with the Budget. There is probably the weakest Minister in the entire administration. —(Interjection)— Well I think it's true. If you were to rate them I think you are going to find out that he is the weakest Minister on the front bench. And, Mr. Speaker, I just want to say one thing to him in passing and that is this, that he has turned his entire attention this Session to the birds. He's so hung up on that particular issue and my colleague the Member for Transcona raised another one the other day. He's giving grants to Dickie Dee. So it's either going to be Dickie Dee or Dickie bird — one or the other. This is the direction that that particular Minister has come up with in terms of economic development. And he's a man with limited, limited mental capacity, Mr. Speaker, because he only has a vocabulary of two words that I'm aware of or at least maybe three words in this particular Session, one is dummy. That's his retort to the opposition benches at all time — dummy, dummy, dummy, dummy. He's got a one line and you know it sounds like a broken record, and the other one is free enterprise.

But, Mr. Speaker, when he gets beyond that I want to caution him because he has used some words in this Chamber which may be unparliamentary, and I just want to give him a bit of advice.

When he gets beyond words of that scope he better watch it because he's used a word here that I think you should take a look at, and he's used it repeatedly, and that word is analysis. You know, Mr. Speaker, I'm not sure what he means by that but I think the word is analysis but he's using that word and I want to caution him about that because given the announcements and the breakups and the findings of all these homosexual rings, I think he'd be warranted, well advised to stay away from any words like that.

Mr. Speaker, I want to deal with the budget. I want to make a few remarks about the direction that this government says that it's going in and one of the things that I think hasn't been brought out, and my colleague from Inkster, I think, Mr. Speaker, you'll agree with me, made one of the finest speeches ever in this Legislature. I can think back over 13 years. I think that speech this morning was one of his best and was certainly one of the finest speeches ever made in this Chamber. Mr. Speaker, he pointed out a few things about how the government hooked itself in this particular budget and how they failed on their own terms.

You know, Mr. Speaker, one of the things that they did, a trap that they fell into was as follows. They were trying to be clever and trying to be cute and Mr. Speaker, they fell into their own trap, and that's on the combined deficit. You know we used to have a Capital Budget. We used to have a capital account and then we had the current account, and those were held separate. So when we talked about deficits we always dealt with them individually. But this government in an attempt to discredit the New Democratic Party has combined the budgets because they wanted to make it look worse when they took over. That was their whole point. They wanted to make things look worse than they were so they combined them and they gave the public a big figure and they said look at this. What a horrendous situation we're in. You know, they're still talking about that, Mr. Speaker. They can't shake the fact that they were in Opposition for 8 years and they can't accept the responsibility for being the government. I wish they would. I wish they would stand up and say we're the government, we're responsible for running the province, instead of you made a mess, you left a mess, things are terrible, all that saying, we do is try to correct what you did and so on. You know I hate to tell you this gentlemen, but you're the government. It's your ball game. You can do anything you want. If you want to balance the Budget, go ahead. What's holding you back? You know they have combined the deficit and now as a result of that it's hurting them because over the past couple of years we're running deficits of \$100 million plus and they can't shake that albatross from around their neck.

Mr. Speaker, when we look at this particular Budget, I call this a zero Budget, a big zero. Because in terms of its impact on the province, it has absolutely no effect.

If you look at the fact that there were reductions in sales tax, I mean, this is what they have given to the people of Manitoba — second-hand clothes, second-hand shoes, hand-me-downs, second-hand Rose as Barbra Streisand used to sing it, and you know, maybe that's necessary. Someone said to me, "you know, that's probably a very good thing, because people are getting so poor and beginning to get so ragged as a result of this administration, that maybe they're helping people out in that regard." —(Interjection)—

A MEMBER: Maybe they're going to give out grants to second-hand store dealers.

MR. DOERN: Well, I think that's coming, that's going to be one of the more exciting programs of the Minister of Economic Development.

A MEMBER: Most people will leave before then.

MR. DOERN: Mr. Speaker, you give second-hand clothing exemptions; we voted in here on restaurant food bills, we voted in here — everybody on that side stood up, we had a resolution from the Member for Wolseley from \$3.00 to \$5.00 — well, what happened to that? They voted for it, they're the government, oh they could only put it in up to \$4.00; the Member for Crescentwood got up, didn't he, and he said, "Well, it'll cost so much and so much." He read the official government statement in support of the bill, but they could only move it up a dollar. So, I say, when you look at the budget, they have sort of given, they have sort of rearranged, there has been a redistribution to the extent of \$2 million — \$2.00, Mr. Speaker, for each man, woman and child in Manitoba — the two buck boys, that's their budget — two bucks apiece; here it is, don't spend it all at one time; don't save it, spend it because you know, this is all that you're getting from the Conservative Government of Manitoba and my colleague hands me the speech of the Member for Crescentwood when he said that staff advised him about the sales tax exemption regarding meals, if it was increased to \$4.00, it is estimated that the revenues would be reduced by approximately \$800,000 per year.

So that was the government line — well, what happened? What happened in Cabinet — maybe

the House Leader can tell us later on why they couldn't go a little further.

And when it came to the minimum wage, what did they give people on the minimum wage, people who are working, not on Welfare or unemployment? What did they give those people? 10 cents. You know brother, can you spare a dime? Send it up by 10 cents; that's the kind of attitude and the kind of thinking we have in regard to the minimum wage and to helping people in our province. Give them second-hand clothing deductions, give them another buck on their meals, and give them 10 cents an hour.

Mr. Speaker, I just want to say one thing on Hydro in passing. I believe that this is an attempt by the government to push Manitoba Hydro out of the way — it's a straight arm in the face like in football — get them out of the way, because it wasn't necessary; over the next few years, given all the Capital write-offs, given the potential market in the United States, I think it was just quite obvious to everybody that there was no further need of rate increases, and it was also because of the rate increases in the past 5 or 6 years that Manitoba Hydro was in a good, strong fiscal position. So, to me, you know, this is a little bit like somebody buying a car for \$8,000 then making the payments for 5 years, and paying it off to the tune of \$7,500, and then for some reason, being unable to continue and someone picks up that car, pays \$500, and says, look how good I am; I got this car for \$500 — that guy paid \$7,500.00. That is the same type of parallel, Mr. Speaker. The big investments were made under our administration, the big rate increases were made under our administration, the big power sales were made under our administration, the big planning was made under our administration, and now, the rewards have come back, now the rewards are accruing to the people of Manitoba and if those gentlemen want to take credit — if they want to take credit, it works both ways.

We want to take credit for the fact that rates can be stabilized in Manitoba today because we made the investment. Now, if you want to take credit, and I say this to the Member for St. James who is one of the more intelligent members in this House, certainly one of the more intelligent Conservatives I want to say to him that if he wants to take credit for the freeze on rates or the constant rates, then he's also going to have to accept the planning the investment, and the rate structure and the sales to the United States that enabled us to get to this point. That didn't fall out of the clouds — it didn't fall out of the clouds. —(Interjection)—. Yes, there have been rate increases, and if we had lower rate increases when we were in office, you'd have to have higher rate increases. Those came up at the front end, Mr. Speaker; those investments and those rate increases were made in the first part, and now they're paying off, and now the profits are coming to the people of this particular province.

Mr. Speaker, I want to talk briefly about omissions — omissions from this Budget, because I say the Hydro thing would have happened on its own; the Hydro thing was in the cards, was in the nature of things, it is now working and the universe is unfolding as it should.

If you hold that aside, all you get are some readjustments in the Sales Tax —(Interjection)— Mickey Mouse — I have stronger language than that, but I won't raise it.

Mr. Speaker, I recall before, Gurney Evans sitting there saying, as Minister of Finance in the Roblin government, he could understand and he could appreciate every single exemption proposed to him as Minister of Finance in regard to the Sales Tax.

So you know, if my honourable friends want to extend exemptions in the Sales Tax, be my guest, keep making exemptions, keep it up; eventually you know, you might cut out \$200 million worth of revenue, that's a problem and you might have to jack it up a couple of points. I know how sensitive they are on that point; we all know that it was the Sales Tax, it wasn't the floodway that killed the Roblin government, it was the Sales Tax that killed the Roblin government.

So if they want to make more and more reductions, then sooner or later, Mr. Speaker, they're going to have to jack up the sales tax to 8 percent. That's a direction that they're going to have to go in, because they won't have the fiscal resources to run the government programs.

Mr. Speaker, in terms of the City of Winnipeg, this is one main area that I want to deal with.

What is there in this Budget for the people of Winnipeg, for the capital city? You know, we've heard in the last few days — my colleague for Seven Oaks spoke on a bill to eliminate transit grants; that's now going to be a thing of the past. There is a continual reduction of services going on in the City of Winnipeg, and those of us who love this city and live in this city watch as day by day people leave the city, and leave the province, and go to places like Calgary and Edmonton and Vancouver and Toronto.

This is a serious concern and my colleague from Flin Flon correctly points out Saskatchewan; people are going to Regina and Saskatoon in increasing numbers because that economy is booming and those cities are growing, in particular, the capital city of Regina.

Mr. Speaker, what is being done for Winnipeg? Well, you know, the Hydro shift is more interesting there — I think it's a little more interesting there, because Hydro profits were being put into the

Treasury. You had there, Mr. Speaker, last year \$5 million coming from Hydro and going into general revenues, and now there's going to be a loss of revenue. And it will hit the taxpayers of Winnipeg hardest because there will either be, Mr. Speaker, a reduction of services to maintain general services in the city or there will be municipal tax, property tax, increases to offset that particular loss in revenue.

I'm curious as to what they're going to do about that — what they're going to do about block funding, whether they're going to throw in another \$5 million into the kitty to help the city out.

So, Mr. Speaker, when you look at the city, all you see is rising property taxes; no guarantee that there's going to be a higher property tax rebate to the citizens of Winnipeg. There won't be any, as my colleague says. That's for the past couple of years. Look at the tax tables; look at the education taxes. Broken promises all over the place.

My colleague across the way, the Minister of Education you know' where is that big election promise, 80 percent provincial funding of education, what happened to that? That's sinking every day, and it's being shown in terms of the deterioration of services, and the deterioration of education.

Property tax increases — here's a headline from the Free Press, March 22nd: \$20 to \$57 in the City of Winnipeg.

So Mr. Speaker, when you deal with the City of Winnipeg and you look at the budget, I think that you see, in terms of the city itself, a reduction in revenue, that's what you see. There's nothing in that budget for the people of Winnipeg; there's nothing in that budget for the Council of Winnipeg.

The other points, Mr. Speaker, and I know it's a long day and we've heard a lot of speeches today, but I want to deal very briefly with unemployment. You know, surely in 1979, when you look at the two main problems in Canada, I suppose there would be a difference of opinion as to what those main problems are, Mr. Speaker, some say national unity, but most say unemployment, and most say inflation.

The political parties have been dealing with some of those questions. Some have been shadow boxing; some have talked a lot about unemployment and inflation. Certainly the Leader of the New Democratic Party has talked a great deal about those particular issues.

I don't know what Joe Clark has been talking about, because it's very hard to understand what he is saying, Mr. Speaker. We hear the words, but we really don't know what he means.

The Prime Minister tries to put an umbrella over everything and talk about national unity. He says that that is the primary issue. Well, I say that the primary issue in this nation is economic, and certainly some of the Conservatives in this House and in the federal House would agree with that, that unemployment and inflation are the problems.

If those are the problems, and if we cannot do anything about inflation in Manitoba — we can do something but not a great deal — we certainly can do something about unemployment. So there is our opportunity to do something, and we can either rely entirely on the private sector or we can try to do something with the public sector.

Now, the government has put all its eggs in one basket, it's put all its chips on the private sector and, Mr. Speaker, it has not worked, it has not worked. 30,000 people unemployed 30 percent and better unemployment in the construction industry; 10,000 people leaving Manitoba.

And the Minister of Economic Development, when he makes his speech, I'd be very interested for him to enumerate — give us a comparative list. He has the people in his department, let him list those firms which have come to Manitoba in his term, and in his government's term, and those firms that have left. Let him list the number of employees who have the new jobs that are created and compare them to the out-migration and so on. Let's have a parallel structure.

So I say, Mr. Speaker, we have our approach to stimulating the economy; we believe that the public sector in Manitoba has a major role to play in getting the economy going, and I say that without that, the whole economy of Manitoba will grind down. And that's one reason why, in the old days, they went after a thing called CFI — it didn't work out, but that was a concept. They were willing to pour \$100 million in to give it to anybody who applied for it, to try to do something about jobs.

And they have done things that are in the public sphere. Building a floodway, that is public enterprise, Mr. Speaker, that isn't private enterprise; and they built up the school system in Manitoba. And those are the kind of things that were done in the past, Mr. Speaker, and those are the kind of things that have to be done in the future. It must be a twin approach; it must be a combination of private and public enterprise.

MR. SPEAKER: Are you ready for the question? The Honourable Member for St. James.

Friday, May 18, 1979

MR. GEORGE MINAKER: Mr. Speaker, I beg to move, seconded by the Honourable Member for Rhineland, that debate be adjourned.

MOTION presented and carried.

MR. SPEAKER: The Honourable Minister of Economic Development.

MR. JOHNSTON: Mr. Speaker, I move that the House do now adjourn, seconded by the Member for Springfield.

MOTION presented and carried.

MR. SPEAKER: The House is accordingly adjourned and stands adjourned until 2:30 p.m. on Tuesday.