

LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, 26 March, 1985.

Time — 2:00 p.m.

OPENING PRAYER by Mr. Speaker.

MR. SPEAKER, Hon. J. Walding: Presenting Petitions . . . Reading and Receiving Petitions . . . Presenting Reports by Standing and Special Committees . . .

MINISTERIAL STATEMENTS AND TABLING OF REPORTS

MR. SPEAKER: The Honourable Minister of Employment Services.

HON. L. EVANS: Mr. Speaker, it is my privilege and pleasure to table the First Annual Report of the Department of Employment Services and Economic Security for the calendar year 1984.

MR. SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: Mr. Speaker, I have a statement.

I'm pleased to be able to announce this afternoon the successful completion of another important measure related to the government's economic development strategy.

We have implemented policies to support, encourage, diversified economic activities in Manitoba. We have negotiated agreements with the Federal Government to provide infrastructure support in key industrial sectors of our economy, such as transportation, farming, mining.

We have created the Manitoba Jobs Fund for direct investment and, with the private sector, to support and encourage long-term jobs in Manitoba; and we have commenced a decade of hydro development activities starting with the construction of the Limestone Generating Station.

Mr. Speaker, to maximize Manitoba benefits associated with the construction activities related to Limestone, my government has stressed the importance of encouraging and promoting manufacturing technology growth throughout the province. To achieve this objective, I'm happy to announce that a Memorandum of Understanding has been signed with the Canadian General Electric Company, providing a comprehensive industrial benefits package in connection with a contract for the purchase of turbines and generators for the Limestone generating plant.

This agreement will provide a nucleus for the growth of new manufacturing enterprises throughout Manitoba, bringing benefits and investments for decades to come. Through the further orderly development of our tremendous hydro resource potential, we will build Manitoba's manufacturing sector and provide a more secure economic base for employment, for economic growth in the future.

I should indicate, Mr. Speaker, that this is the first time an agreement of this type has been negotiated successfully in Manitoba. Two previous governments

together with two previous Manitoba Hydro Boards began negotiations on an industrial benefits arrangement related to Limestone turbines and generator contract, but they were not completed. I am very pleased, Mr. Speaker, that this government has succeeded.

Before summarizing the Memorandum of Understanding, it is important to point out that as a result of favourable financial support in 1977 from the Government of Canada for the construction of hydro transmission facilities for the Nelson River, Manitoba signed an agreement in undertaking to make every reasonable effort to complete negotiations directly with Canadian suppliers of turbines and generators for the Limestone Generation Station.

We have been successful with CGE, Mr. Speaker, in part because we have had the advantage of dealing with a company that is very familiar with the Manitoba Hydro system and the circumstances that surround building a generating station on the Nelson River. Canadian General Electric and its turbine subsidiary division, Dominion Engineering Works, were the successful low bidders in an international tendering process for the turbines and generators used at the Long Spruce Generating Station, the last plant to be built on the Nelson River and there's a great deal of similarity in the specifications and design between the Long Spruce and the Limestone Generating Stations.

Furthermore, Mr. Speaker, CGE's involvement in Long Spruce has made it more familiar with Manitoba and the capabilities of Manitoba firms. As well, the scope of CGE's many industrial activities allows it to offer a significant and diverse industrial benefits package.

The Memorandum of Agreement states that Canadian General Electric will be awarded the contract to supply 10 hydraulic turbines, 10 generators for the Limestone Generating Station at a cost, in 1984 dollars, of approximately \$100 million.

Mr. Speaker, the result of this negotiated price means we will receive this equipment at a cost significantly under Manitoba Hydro's budget estimate for such a contract.

Since the contracts for Limestone turbines and generators are major contracts, second in magnitude only to the general civil contract. This is an important first step toward ensuring that the Limestone Generating Station can be built under the budget originally estimated by Manitoba Hydro officials.

Mr. Speaker, as members of this House are aware, there are no turbine or generator manufacturers located in the Province of Manitoba. Consequently, as a central focus of the industrial benefits or offset package, we have successfully negotiated with Canadian General Electric for a direct commitment that the employment to be created will be at least as much as if the turbines and generators were to be fully manufactured in Manitoba.

Taken together, this will mean the creation of a minimum of 1,000 person years of direct employment and an additional minimum of 1,300 person years of

indirect employment for a total of 2,300 person years of employment during the period of time in which the turbines and generators are being manufactured.

It is important to note that the original estimates on the employment generated by the Limestone project assumed basically little work being performed in Manitoba related to turbines and generators contract.

As a result of this successful negotiation, however, it is now estimated that the number of person years of employment will increase over 2,000 person years, from 17,000 person years of employment to over 19,000 person years of employment for the duration of the project.

Mr. Speaker, I would like now to outline for honourable members in more detail each of the five components of this industrial benefits package and to elaborate on some of the more outstanding highlights.

In the first component of the industrial benefits package, we have been successful in negotiating a commitment by CGE to ensure a minimum investment in Manitoba of \$10 million by the end of 1991. This investment will be directed to opportunities where CGE or its affiliated companies expect viable, long-term operations in Manitoba.

The second aspect of the industrial benefits package, Mr. Speaker, is the creation of a minimum of 100 new jobs in Manitoba's new high technology industries: for example, through additional purchases by CGE of aerospace components manufactured in Manitoba. These will be full-time jobs which will be put in place over the period from now to 1991.

Thirdly, Mr. Speaker, Canadian General Electric will fund two research projects for two years beginning by 1986, at the level of \$100,000 each. This research will be in the realm of high-voltage direct current transmission through the Manitoba HVDC Research Centre at the University of Manitoba. This is a field in which both Canadian General Electric and Manitoba Hydro are recognized worldwide as being pioneers and at the leading edge. The other research project will be carried out at the Manitoba Micro-Electronics Centre to further provincial research in this area.

Fourthly, Mr. Speaker, Canadian General Electric will ensure that a minimum of 15 percent of the estimated labour content of the turbines and generators will be sourced in Manitoba as a result of in-province production of components. This will be double what was achieved at Long Spruce. In connection with this undertaking, and in order to promote further the growth of Manitoba's manufacturing sector, CGE will work with Manitoba's Department of Industry, Trade and Technology to develop and implement a program of technical and management assistance to Manitoba firms. Through capitalizing on CGE's extensive experience, Manitoba's manufacturing sector will have an opportunity to position itself competently in the international marketplace as well as being in an advantageous position to supply components to hydro projects in Manitoba.

And finally, Mr. Speaker, CGE will initiate a program of economic development opportunities for Northern Natives to begin in 1985 and to be completed by the end of 1984 — (Interjection) — sorry, 1994. — (Interjection) — Mr. Speaker, I'm delighted - we've now got honourable members to smile. I knew, Mr. Speaker, there was something I could do to get honourable members to smile and to laugh.

This will entail total expenditures of \$2 million by CGE, aimed at supporting the establishment of Native-owned and operated businesses in Northern Manitoba. These will be in areas of activity familiar to CGE, where their business experience and expertise will provide solid support to new ventures.

The package I have just announced will create a natural avenue of activity generating benefits far beyond the construction of Limestone. This is a significant stride forward in our development of stable and steady economic growth. It is solid substantial evidence of this government's commitment to the orderly development of our province's abundant renewable natural resource and of this government's commitment to ensure that we use this development to build a diversified and stable economy.

Mr. Speaker, I would like to commend my colleague, the Honourable Wilson Parasiuk, and his people for their hard work and their successful negotiations in bringing this contract and its industrial benefits package to an expeditious and to a successful conclusion.

I say through you, Mr. Speaker, and to the people of Manitoba, that the orderly development of Limestone Generating Station, as promised by me during the 1981 election campaign, is happening. A commitment is being fulfilled with immense, immediate and long term benefits for Manitoba.

Mr. Speaker, you have the statement, you have the Memorandum of Understanding, which has already been tabled for honourable members, between Manitoba and the Canadian General Electric.

Thank you very much.

MR. SPEAKER: Order please, order please.
The Honourable Leader of the Opposition.

MR. G. FILMON: Thank you very much, Mr. Speaker. We, on this side are always pleased when there are announcements that involve jobs for Manitobans. Mr. Speaker, when one considers that since this government has been elected that there are 20,000 more people unemployed in Manitoba, people in Manitoba are understandably desperate for any news that there might be jobs created. Mr. Speaker, far be it from us to be critical - obviously, we are pleased to see anything that this government does that might result in some jobs in the future.

Mr. Speaker, in particular, it addresses an area of major weakness. In the Conference Board's recent announcement about Manitoba's future prospects . . .

SOME HONOURABLE MEMBERS: Oh, oh!

MR. SPEAKER: Order please.

MR. G. FILMON: Mr. Speaker, I can wait for the Minister of Finance to overcome his enthusiasm and relax for a bit.

Mr. Speaker, as all of us know, the recent analysis of Manitoba's future prospects by the Conference Board show that the greatest weakness that we are facing is, of course, the problem that we have in employment in the manufacturing sector, and as I indicated last Friday, we now have 10,000 fewer people employed in manufacturing in Manitoba since this NDP

administration took office. We have more than 200 firms who have gone out of business in manufacturing, and so when we are told that we are going to be adding 200 jobs on average for the next five years and 260 spinoff jobs on average for the next five years, that will go a very small distance towards making up for that 10,000 loss in manufacturing jobs in Manitoba. But nevertheless, any progress, however small, obviously has to be greeted with enthusiasm, because it's an indication, Mr. Speaker, that perhaps there is something out there that people can look towards on the positive side. Heaven knows, there was very little positive came out of the Budget Speech last Thursday evening.

Mr. Speaker, we're glad to acknowledge the Premier's announcement to say that they have entered into an agreement that will see some of the manufacturing jobs created here. We on this side, of course, were very critical in the '70s when the NDP administration contracted out the turbines to the Russians and saw the jobs not only go out of the country, but right across to another continent.

Mr. Speaker, it's encouraging to see that this administration has learned from past mistakes, because those turbines were a problem. They were a problem in installation, they were a problem in operation, and they continue to plague Manitoba Hydro.

So, Mr. Speaker, to hear that this administration has entered into an agreement that will see some of the manufacturing take place here is encouraging. It's something that was being worked on. In fact, I recall that CGE made a similar offer in the '70s, a similar offer that was saying that they could locate in Manitoba and create jobs if given the opportunity on those contracts, but they were rejected. They were rejected, Mr. Speaker, so it's encouraging to see, after a decade, that this administration has learned by past mistakes and there are things that we can look forward to.

Mr. Speaker, the announcement says that this was a negotiated agreement that saved considerable costs for Manitoba Hydro over its estimate, and that cost saving obviously is a tribute to CGE and the price that it was able to come forward with. We would also, obviously, like to know whether or not maybe even greater savings could have been achieved by a tender process. Obviously, those are things we won't know and the government has chosen to go this route.

We commend the Premier for making that announcement. We're always glad to hear of some jobs being created in the province, however small they are in comparison to the ones that have been destroyed by this administration, and we look forward to better things to come, Mr. Speaker.

MR. SPEAKER: The Honourable Minister of Education.

HON. M. HEMPHILL: Mr. Speaker, I'm pleased to be able to table the financial statements for the year ended March 31, 1984 for the University of Winnipeg; the Annual Financial Report for the year ended December 31, 1982, Brandon University Pension Fund; Manitoba Teachers' Retirement Allowances Fund Board Annual Report, 1983; Manitoba Annual Report, 1984, Manitoba Education; and the Annual Financial Report for the year ended March 31, 1984 for the University of Manitoba.

MR. SPEAKER: Notices of Motion . . . Introduction of Bills . . .

INTRODUCTION OF GUESTS

MR. SPEAKER: Before Oral Questions, may I direct the attention of honourable members to the gallery, where we have 10 visitors from the Glenboro Pathfinder Unit. They are under the direction of Mrs. Greenlay and they are from the constituency of the Honourable Member for Gladstone.

On behalf of all of the members, I welcome you here this afternoon

ORAL QUESTIONS

Day care centres - Subsidized and non-subsidized spaces

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. G. FILMON: Thank you, Mr. Speaker.

My question is for the Honourable Minister of Community Services and Corrections. It falls upon discussions in the question period yesterday regarding the segregation of children from fee-paying families versus those who are subsidized by the Province of Manitoba in a day care centre. I'm wondering if the Minister has intervened with officials of her department to ensure that children are not being kept apart because of ideological commitments rather than because of the best interests of the children.

MR. SPEAKER: The Honourable Minister of Community Services.

HON. M. SMITH: Mr. Speaker, if that's the interpretation being taken at the centre, then I think there must be something wrong with how they're hearing.

The purpose of the guidelines for day care is to have subsidized and non-subsidized children together. The separation has occurred as a deliberate policy thrust by the people who opened the second day care centre without approval for having those spaces funded. Mr. Speaker, we have a budget, we have a responsibility for the orderly development of the day care system and adequate quality.

We will meet with the parents and we will see whether there is any clarification that we can offer from our end; and they're certainly eligible to get on the waiting list for the expansion of their day care centre, along with all the other centres who are following the guidelines as we've issued them.

MR. G. FILMON: Mr. Speaker, will the Minister allow for the expansion to take place if they don't require any subsidy from the Provincial Government?

MR. SPEAKER: Order please. The question is hypothetical. Would the honourable member wish to rephrase the question?

MR. G. FILMON: Will the Minister allow expansion to take place for non-subsidized day care spaces in the province?

HON. M. SMITH: Mr. Speaker, the second centre has been licensed.

MR. G. FILMON: Will the Minister's department allow the children from the second centre to be able to play with the children from the first centre?

HON. M. SMITH: Mr. Speaker, if that's the interpretation at the local level of our guidelines respecting keeping the books and administration of the centre separate so there's clear accountability for expenditure of public funds, then something will have to be done about that understanding.

We will meet with them; we will clarify the situation, but I think there is a deliberate misinterpretation of what the guidelines are, what they say and what they're intended to achieve.

MR. G. FILMON: Mr. Speaker, in view of the fact that Drew Perry from her department - and it's said to be a direct quote - said, and this is what the director of the day care centre says, "We were told to act like they are five miles apart." Could the Minister then clarify that her intention is to allow the children to be able to play together and not act as though they were five miles apart?

HON. M. SMITH: Mr. Speaker, I have clarified that. I said the intention was to keep the administration of the centres separate.

Regional Housing Authority - Rent payment, deceased person

MR. G. FILMON: Mr. Speaker, my question is for the Minister of Housing and it follows upon a story that indicates that the Regional Housing Authority is attempting to collect a bill for a month's rent from a deceased person's family; and I'm wondering if the Minister would intervene to tell his department not to pursue this matter.

MR. SPEAKER: The Honourable Minister of Housing.

HON. J. BUCKLASCHUK: Thank you, Mr. Speaker.

I was quite distressed when I saw the headline in the Winnipeg Sun and heard this news story on the radio this morning. Certainly this is the first time that this type of matter has been brought to my attention, although I should indicate that staff and the agency were following a policy that's existed for the past 10 years.

The comments that were in the item are consistent with the requirements of The Landlord and Tenant Act. However, in view of the anguish that this type of situation causes for children of deceased parents and because we are a humane and a compassionate government, I have asked staff to immediately review this section of our policy manual with a view to making changes so that this sort of situation doesn't occur again in the future.

Day care centres - Subsidized and non-subsidized spaces

MR. SPEAKER: The Honourable Member for Wolseley.

MS. M. PHILLIPS: Thank you, Mr. Speaker. My question is for the Minister of Community Services.

Could the Minister please tell us if, in the original centre that was referred to, there are subsidized and non-subsidized children in that centre and playing together?

MR. SPEAKER: The Honourable Minister of Community Services.

HON. M. SMITH: Mr. Speaker, there were when the centre was established, but the people who have started up the other centre have systematically shifted the non-subsidized children out, and that's part of our concern, because what we want is a day care system that does enable subsidized children and non-subsidized children to share the same centre.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. H. ENNS: Mr. Speaker, I direct this question to the Minister of Energy or to the First Minister. I say that because the Minister of Energy was not then in the Cabinet, but I believe a senior member of the Planning Priorities Committee.

At the time the decision was made to secure and purchase the generators for the Jenpeg Hydro Station and the decision was made to buy offshore generators from the USSR, can the Minister indicate that General Electric had indicated very clearly to Manitoba that they were prepared to start up a manufacturing facility in Manitoba in the Brandon area should they be favoured with a contract?

MR. SPEAKER: Order please. It is not proper to ask questions on a subject about which historical knowledge is available. If the honourable member wishes to ask a question dealing with current matters, he may do so.

The Honourable Member for Lakeside.

Elections Finances Act - Public monies required

MR. H. ENNS: I direct a further question to the Minister of Finance. Can the Minister of Finance indicate whether or not he has included in this Budget that he has just presented to us that we are debating, the necessary public monies that would be required under the new Elections Finances Act?

MR. SPEAKER: The Honourable Minister of Finance.

HON. V. SCHROEDER: For what election, Mr. Speaker?

MR. H. ENNS: Mr. Speaker, I didn't ask the Minister for what election. I simply want to know whether or not there were provisions in this Budget that we are debating to carry out the obligations of the new Elections Act.

MR. SPEAKER: The Honourable Government House Leader.

HON. A. ANSTETT: Mr. Speaker, the appropriate place for that question would be during the detailed Estimates of the Department of Legislation, under which the Chief Electoral Office falls.

School of Psychiatric Nursing, Portage - Closure of

MR. SPEAKER: The Honourable Member for Portage la Prairie.

MR. L. HYDE: Thank you, Mr. Speaker.

I'd like to direct my question to the Minister responsible for Community Services.

First, can the Minister indicate whether a final decision has been made regarding the proposed closing of the Psychiatric Nursing School in Portage?

MR. SPEAKER: The Honourable Minister of Community Services.

HON. M. SMITH: Mr. Speaker, I expect to make an announcement about the final decision at the end of the month.

MR. L. HYDE: The next question's to the same Minister, Mr. Speaker. Has the Minister consulted with the Provincial Chief Medical Consultant to the Department of Community Services?

HON. M. SMITH: Mr. Speaker, if the member asking the question would be more specific - I'm not aware of just precisely who he's referring to.

MR. L. HYDE: Mr. Speaker, I want to ask the question then once again. Has the Minister discussed the strong concerns that Dr. Glen Lowther has pointed out about the possible closure of that Portage Nursing School?

HON. M. SMITH: Mr. Speaker, on a move, or planned move that we are looking at and evaluating, we consult with a great many people and the people in the department who are relating to that particular program are certainly being consulted.

MR. L. HYDE: Mr. Speaker, following that question, I must ask the Minister, can the Minister possibly explain how she can warrant the position of a Chief Medical Consultant on staff and not consider his input to such an important issue as we have before us today?

HON. M. SMITH: Mr. Speaker, his particular response, the responsibilities of the individual mentioned are to give medical consultations in individual cases. What we're looking at is the system of giving service to the mentally retarded. We're also looking at the way of training psychiatric nurses, as required in the institution and in other institutions, and coming in co-operation with the Department of Health to the best arrangement for training those nurses.

Commercial Bank of Canada - Financial problems

MR. SPEAKER: The Honourable Member for Concordia.

MR. P. FOX: Thank you, Mr. Speaker.

My question is to the First Minister. Can he inform the House if he has been approached by, or informed of, any Manitobans who are at risk due to the current financial situation of the Commercial Bank of Canada that has had to call on the taxpayers of Canada to bail it out of financial troubles?

MR. SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: Mr. Speaker, I thank the Honourable Member for Concordia for his question of concern. Mr. Speaker, the only person that I am aware of in Manitoba that might be affected would be the Honourable Member for Charleswood who has an intimate relationship with the bank; otherwise, I don't know of any Manitobans that would be affected, but I'm prepared to make appropriate enquiries pertaining to same.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. SPEAKER: Order please.

School of Psychiatric Nursing, Portage - Closure of

MR. SPEAKER: The Honourable Member for Pembina.

MR. D. ORCHARD: Thank you, Mr. Speaker.

My question is for the Minister of Community Services. Could the Minister of Community Services indicate to the House today what the potential saving that has been . . .

SOME HONOURABLE MEMBERS: Oh, oh!

MR. SPEAKER: Order please.

MR. D. ORCHARD: Thank you, Mr. Speaker.

My question is for the Minister of Community Services. Could the Minister of Community Services indicate to the House the potential saving that her department has identified in the closing of the Portage School of Psychiatric Nursing?

MR. SPEAKER: The Honourable Minister of Community Services.

HON. M. SMITH: Mr. Speaker, when we come to our decision and announce it, that information will be available.

MR. D. ORCHARD: A supplementary to the Minister. The Minister indicates the decision has not been made to close the Portage School of Psychiatric Nursing and Training. Could she confirm that the \$475,000 reduction in her Estimates for Salaries and Professional Training represent a saving from the closing of that school?

MR. SPEAKER: Order please. I do think that questions on the Estimates would be better raised during Estimates Debate.

The Honourable Member for Pembina.

MR. D. ORCHARD: Mr. Speaker, I accept your concern about when questions should be posed, but this issue is very important to a number of people in Portage la Prairie whose jobs are dependent on the School of Psychiatric Nursing and that training facility. Mr. Speaker, in view of the fact that we may not be into Community Services Estimates for some time, I would like to pose that question in absence of the opportunity to do it during Estimates and I ask you for the ability to do that, Sir.

MR. SPEAKER: The Honourable Government House Leader.

HON. A. ANSTETT: Mr. Speaker, I believe you were quite correct and the Minister was quite correct in her response in answer to the first question from the honourable member, and that is that detailed examination of the Estimates of her department will take place during Estimates and that question period is not the appropriate forum for the examination of Estimate's detail and the honourable member knows that. To waive that rule to accommodate the honourable member in this instance, as is his request, would set a precedent that would disrupt the whole operation of question period and Estimates. I would urge you, Sir, not to accommodate that request.

Sir, I would suggest to honourable members opposite that the Budget Debate, which allows an examination and debate of all issues affecting the Province of Manitoba, is presently before the House and we have just finished the Throne Speech Debate. So honourable members opposite, both the Member for Pembina and the Member for Portage, have had an unlimited opportunity to debate this issue and as soon as the Budget Debate is completed, we'll be going into Interim Supply during which that opportunity will again present itself.

So I submit, Mr. Speaker, the line of questioning is out of order and the member's request should be denied.

MR. SPEAKER: The Honourable Member for Pembina to the same point.

MR. D. ORCHARD: Mr. Speaker, the Government House Leader fails to recognize the concern that is present in the community of Portage la Prairie and the school at Portage because of insistent rumours of the potential closing of their school and the loss of jobs and opportunities for employment at that school.

Those concerns are the ones that we are attempting to get to the bottom of in question period, since we have no opportunity to directly question a Minister at any other time, except question period, when the Estimates aren't before the House, and it is because of the concern of those jobs to people living in Portage la Prairie that we are posing these questions today and I think, Sir, they are perfectly in order.

MR. SPEAKER: Order please.

We have a rule regarding the type of questions attempted to be posed by the Honourable Member for Pembina. That question was out of order and has been ruled out of order. It should not be beyond the member's capability to obtain the information, perhaps some other way.

Red River Community College - Mental health workers' course

MR. SPEAKER: The Honourable Member for Pembina.

MR. D. ORCHARD: Thank you, Mr. Speaker.

A question for the Minister of Community Services. Is her department participating in planning to develop a two-year diploma course at Red River Community College for the training of mental health workers?

MR. SPEAKER: The Honourable Minister of Community Services.

HON. M. SMITH: I'll take that question as notice, so I can give a fuller answer. With regard to concern for jobs, though, I think it should be said again and again, as I've said before, we value the input of psychiatric nurses; we will continue to train psychiatric nurses. We may accomplish it in a somewhat different arrangement of where they get their basic training and where they get their practicum training.

School of Psychiatric Nursing, Portage - Closing of

MR. SPEAKER: The Honourable Member for Rhineland.

MR. A. BROWN: Thank you, Mr. Speaker.

My question is to the Minister of Community Services. Can the Minister tell us why she is contemplating closing the Psychiatric Nursing School in Portage, when this is the most comprehensive psychiatric nursing school in Manitoba?

MR. SPEAKER: The Honourable Minister of Community Services.

HON. M. SMITH: Mr. Speaker, the process of program evaluation and development and the building of the Estimates, we would be foolish if we didn't look at all the options for accomplishing an effective service more efficiently and seeing that the money gets to the people in need in the most effective way. In the course of that careful scrutiny of the department's work, those issues are all looked at and examined carefully.

MR. A. BROWN: My question is to the same Minister. Can the Minister give us the assurance that the Selkirk Psychiatric Nursing School and the Brandon Psychiatric Nursing School do not have precedence over the Portage School because the Brandon and the Selkirk schools are represented by the Premier and by the Minister of Economic . . .

CEDF Loans - Beef N Reef Restaurant

MR. SPEAKER: Oral Questions, the Honourable Member for Sturgeon Creek.

MR. F. JOHNSTON: Thank you, Mr. Speaker.

My question is to the Minister of Northern Affairs. Is it the policy of the Provincial Government when they

take over the management of a business, such as the Beef N Reef Restaurant in Lac du Bonnet, to manage it into a big financial loss and then place the business into receivership?

MR. SPEAKER: The Honourable Minister of Northern Affairs.

HON. H. HARAPIAK: Mr. Speaker, no it is not our policy.

MR. F. JOHNSTON: Well, Mr. Speaker, is it the practice of the government when they place a business in receivership to leave an unpaid bill with the town of \$8,500 in taxes, and according to reports, unpaid provincial taxes and unpaid employees - worst of all, unpaid employees?

HON. H. HARAPIAK: Mr. Speaker, I'll have to take those questions as notice.

MR. F. JOHNSTON: Will the Minister assure this House that the receiver is not allowed to sell the Beef N Reef Restaurant in Lac du Bonnet - at a tremendous loss, by the way - until there is a thorough study of the effects the restaurant has had on the town and the effects that it will have on the town in the future?

MR. SPEAKER: Order please.

The Honourable Government House Leader.

HON. A. ANSTETT: I believe the honourable member is aware that the Receiver operates under the direction of the courts, and neither the Minister nor this House has any discretion to a matter which is sub judice and in the hands of the Receiver operating under the court's direction.

MR. SPEAKER: Perhaps the honourable member would like to rephrase his question to deal with the matter within the administrative competence of the government.

MR. F. JOHNSTON: Then, will the Minister assure this House that he will withdraw the Receiver until there's a thorough study made of the consequences on the community regarding this restaurant?

MR. SPEAKER: The Honourable Minister of Northern Affairs.

HON. H. HARAPIAK: Mr. Speaker, I don't think it is under my jurisdiction to be falling back on the receivership in any case.

Hydro development - Benefits to Province

MR. SPEAKER: The Honourable Member for Ste. Rose.

MR. A. ADAM: Thank you, Mr. Speaker.

I direct my question to the Minister of Energy and Mines. In the welcome statement that the Premier has made this morning — (Interjection) — this afternoon, I stand corrected - he mentioned a number of areas

where the province would benefit. Could the Minister advise why these areas have been selected?

MR. SPEAKER: The Honourable Minister of Energy and Mines.

HON. W. PARASIUOK: I'm quite pleased to receive questions from members of this Legislature with respect to hydro development. They're coming now from people on this side of the House because the Conservative opposition is much too deflated to ask questions about it. When they do agree on questions about this, Mr. Speaker, as usual they get their facts completely wrong. When in doubt, the Conservatives stoop to red-baiting, and the facts of the matter are that it was Brown Boveri and Canadian General Electric that were involved in discussions with the Manitoba Government in the latter part of the 1970s regarding possible contracts and possible benefits at that time, not the type of garbage that the Member for Lakeside was alluding to, Mr. Speaker.

In answer to the question, Mr. Speaker, legitimately and sincerely put, the Government of Manitoba has operated from three principles: We want to build on Manitoba's existing strengths and requirements; we want investments in areas in which CGE has experience and know-how; we want to secure long-term employment in manufacturing industries.

So what we did, Mr. Speaker, we built on certain strengths, like the aerospace industry because we believe that there are these types of spinoffs from Limestone that can extend far beyond the construction of the hydro dam. We have said consistently, Mr. Speaker, that Limestone means more than concrete, that Limestone means more than just a dam up North. It means a lot more for the overall development of Manitoba.

Secondly, Mr. Speaker, we wanted to draw on CGE's experience. They are involved in a lot of activities, not just turbines and generators, and we are pleased, Mr. Speaker, that we are able to tap that experience and know-how and bring it into the Province of Manitoba to do more than turbines and generators, and we believe that is a tremendous spinoff for the people of Manitoba.

We also want to create secure, long-term employment. What we are talking about, unlike what the Conservative Leader of the Opposition said that this is only a few jobs over a five-year period, what we're talking about are 2,000 net jobs . . .

SOME HONOURABLE MEMBERS: Oh, oh!

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

Members should be aware that questions should not be a speech, however short. I think it is only fair that answers to a question should also not be a speech.

The Honourable Member for Ste. Rose.

MR. A. ADAM: Yes, thank you.

I thank the Minister for his response and would like to direct a supplementary to him and ask if he could advise if Canadian General Electric's investment in Manitoba, the cost of the turbines and the generators, will equal the investment in the province - the cost of the generators and the turbines?

HON. W. PARASIUOK: Mr. Speaker, obviously the members of the opposition are at a loss today and all they can do is quip about the agreement from their seats without raising sincere legitimate questions, which I'd be delighted to answer. I look forward to the opportunity.

In this respect, Mr. Speaker, we haven't quantified whether the exact amount of these investments will equal what the hydro contract with Canadian General Electric is in direct dollar terms over an eight-year period. If you're having a company make a \$10 million investment which is going to be a permanent long-term investment, if they are also making investments in the aerospace industry, which again will be long-term permanent investments, when you have CGE bringing its expertise working with Native groups in Northern Manitoba spending \$2 million on economic development, Mr. Speaker, I fully predict that the long-term consequences of what we have arranged today and what we have announced today will far exceed \$100 million to the people of Manitoba in the long-term future.

Federal Farm Credit Corporation - Increase in interest rate

MR. SPEAKER: The Honourable Member for Ste. Rose.

MR. A. ADAM: Yes, my last supplementary, Mr. Speaker. I'd like to — (Interjection) — Mr. Speaker, I usually only ask no more than three questions, not like members opposite that'll ask seven.

My last supplementary I'd like to direct to the Minister of Agriculture and ask him, in regard to the recent increase by the Federal Farm Credit Corporation in interest rates to 3.5 percent, if he can advise what impact that will have on Manitoba farmers.

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. B. URUSKI: Mr. Speaker, not only will the increase be very hard felt by Manitoba farmers, but by all Canadian farmers. In fact, Mr. Speaker, I'm very pleased that farm groups, including the CFA, have attacked the federal monetary policy in support of the position that we have taken over the number of years when we were in opposition and now when we are in government that it will continue to do very severe damage, not only to our farm community but to the rest of the economy, Sir.

ManOil-Inter-City Gas pipeline

MR. SPEAKER: The Honourable Member for Virden.

MR. H. GRAHAM: Thank you, very much, Mr. Speaker. I'd like to direct a question to the Honourable Minister of Energy and Mines. I know his preoccupation with answering the questions of the Honourable Member for Ste. Rose, but could he please answer the questions that I asked him over a week ago regarding his activities in ManOil for the Manitoba Pipeline Limited?

MR. SPEAKER: The Honourable Minister of Energy and Mines.

HON. W. PARASIUOK: Mr. Speaker, I had no activities in that matter. I did take the question as notice. I expect to be tabling the Annual Report of the Manitoba Oil and Gas Corporation in the next few days. I certainly have not had the opportunity to get the answer to that question, and I apologize for that.

Mr. Speaker, we have indeed been involved with some very major and immediate matters of concern, namely, the NEB decision which came down in Manitoba's favour and this announcement regarding the offsets package which again is tremendously in Manitoba's favour. But I certainly will get the type of information the member asked for.

Treaty land entitlement claims - Settlement of

MR. SPEAKER: The Honourable Member for Turtle Mountain.

MR. B. RANSOM: Mr. Speaker, I have a question for the Minister of Northern Affairs. Can the Minister advise the House whether or not the government has established a formula for the settlement of the outstanding treaty land entitlement claims?

MR. SPEAKER: The Honourable Minister of Northern Affairs.

HON. H. HARAPIAK: Mr. Speaker, there are ongoing negotiations with treaty land entitlement and the staff is meeting at this time and there should be some announcements coming very shortly.

MR. SPEAKER: The Honourable Member for Turtle Mountain.

MR. B. RANSOM: Mr. Speaker, a supplementary to the Minister. Has the government established a position, a baseline position with respect to a formula that they can make known to the public?

HON. H. HARAPIAK: Mr. Speaker, when all the details are known of the entire package there will be an announcement made with respect to the formula as well.

MR. B. RANSOM: Mr. Speaker, is the Minister telling the House that he simply will announce settlements after they are made? Can the House not have some information in terms of the direction these negotiations are taking and the kinds of arrangements that the government might make, in terms of the resources that belong to the province and that may be, in fact, turned over in these settlements?

HON. H. HARAPIAK: Mr. Speaker, there are ongoing negotiations now with the different levels of government and also with the treaty land entitlement people and there will be opportunity for people to comment before the announcements are made.

MR. B. RANSOM: Mr. Speaker, can the Minister advise how those comments can be made and upon what are

they to be made, if the Minister is not giving any indication of what kind of direction the negotiations are taking, or what kind of formula the government is using?

HON. H. HARAPIAK: Mr. Speaker, an agreement in principle has been reached and if the Member for Turtle Mountain would like some further details of it, I would gladly give him all the details that he would like.

South Point Tourist Lodge - road

MR. SPEAKER: The Honourable Member for Swan River.

MR. D. GOURLAY: I'd like to direct a question to the Minister of Northern Affairs and ask him if the Department of Northern Affairs contemplates building a road into the South Point Tourist Lodge this coming season.

MR. SPEAKER: The Honourable Minister of Northern Affairs.

HON. H. HARAPIAK: Mr. Speaker, our department's Estimates will be coming up shortly and I think questions of that sort should be raised during the Estimates process.

Swan River Northern Affairs Office - Closure of

MR. SPEAKER: The Honourable Member for Swan River.

MR. D. GOURLAY: A further question to the Minister of Northern Affairs. I wonder if the Minister can confirm that the Northern Affairs Office in Swan River is now closed and, if it is, whether it will be of a permanent or a temporary nature.

HON. H. HARAPIAK: Mr. Speaker, there have been some changes within the Department of Northern Affairs. We are moving to a greater degree toward block funding and a person who was employed at Swan River has been promoted to a position in Thompson. Therefore, there's going to be less and less need for as many co-ordinators in the field, and that position is going to be looked after by the Dauphin office.

Health, Department of - planners and evaluators

MR. SPEAKER: The Honourable Member for Pembina.

MR. D. ORCHARD: Thank you, Mr. Speaker.

My question is for the Minister of Health. The Minister of Health took a great amount of pride in indicating that he has in his department a group of planners and evaluators to plan and evaluate direction in the Department of Health. My question to the Minister of Health is, is he offering to the Premier to laterally move a couple of those planners and evaluators that he has on staff so that they can fill the positions that the

Premier announced or spoke about yesterday and save the taxpayers some \$100,000.00?

MR. SPEAKER: The Honourable Minister of Health.

HON. L. DESJARDINS: Mr. Speaker, there's no need for that. I can assure you that the First Minister is kept apprised and informed of all the good work we do in the Department of Health.

MR. D. ORCHARD: Mr. Speaker, the action of the Premier makes the statement by the Minister of Health open to question.

If the Premier is so aware of the activities in the Department of Health, why does he need to bring in extra staff at a cost of \$260,000 to monitor and co-ordinate health programs in the Province of Manitoba?

MR. SPEAKER: Order please, order please.
The question is argumentative.

MR. D. ORCHARD: Mr. Speaker, the Minister of Health indicated in his last answer to me that there is a very close liaison between the Premier's office and his department, in terms of planning and evaluation, etc., etc. My question to the Minister of Health is, why does the Premier have to hire, at a cost of \$260,000, people to monitor and co-ordinate health programs if there is such a good amount of co-operation between himself and the Premier?

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

That is the same question and it's also out of order.

Grasshopper infestation - proposed control program

MR. SPEAKER: The Honourable Member for Turtle Mountain.

MR. B. RANSOM: Mr. Speaker, I have a question for the Minister of Agriculture. The Minister of Agriculture will be aware that there was a very serious problem in southwestern Manitoba with grasshoppers last summer and that he has had a significant number of requests, especially from municipal authorities, to undertake a special control program for this upcoming season. Can the Minister of Agriculture advise the House what sort of plan, if any, that he will have in place?

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. B. URUSKI: Mr. Speaker, the honourable member, I'm sure if he is not aware, I will advise him that the Province of Manitoba is the only province in Western Canada that has a policy whereby we provide the cost of the chemicals to municipalities and to other public lands where the province actually pays for the cost of those chemicals.

There is no program that we have had or at the present time are contemplating, to deal with any financial assistance directly to individuals in the area.

Our staff have been monitoring the situation and as well are in the process of meeting with municipal officials across this province in the areas where the outbreaks may be the severest, depending on weather conditions, and we're hopeful that the weather will be such as to curtail the infestation or lessen it. Nevertheless, we have provided and will continue to provide co-ordinating, technical expertise to the municipalities in order that, if municipalities wish to have a co-ordinated program, the way to put it together and the authority will be provided to them so that they can accomplish this.

MR. B. RANSOM: Mr. Speaker, a supplementary to the same Minister. The Minister received a recommendation from the Keystone Agricultural Producers with respect to this problem, that involved the possible hiring of perhaps two students to serve as a monitoring function and an advisory function. Is the Minister acting in a positive way with respect to that recommendation from the Keystone Agricultural Producers?

HON. B. URUSKI: Mr. Speaker, I wish to advise the honourable member that we are perusing those recommendations. They came as part of a package to my office and we're certainly looking at them. The final outcome, specifically as to whether we will put students in the field in terms of monitoring and the like, we have not made that decision to this point.

MTX - projected losses

MR. SPEAKER: The Honourable Member for Pembina.

MR. D. ORCHARD: Thank you, Mr. Speaker.

My question is for the Minister responsible for the Manitoba Telephone System. Could the Minister responsible for the Manitoba Telephone System indicate the amount of loss that MTX is expected to incur this year?

MR. SPEAKER: The Honourable Minister of Labour.

HON. A. MACKLING: Sorry, Mr. Speaker. It sounded to me like the kind of question that I'll be delighted to have officials of the Manitoba Telephone System and MTX answer during the Estimates period, but I couldn't hear the last part of the member's question. Perhaps he could rephrase it or give it to me again.

MR. D. ORCHARD: Mr. Speaker, my question is, how much money is MTX expected to lose this year?

HON. A. MACKLING: Mr. Speaker, I shouldn't indulge in that kind of hypothetical guess. I'm sure that the honourable member knows the answer to his question because I'm sure that he would like to confirm that he has received full answers to letters that he's addressed to the chairman of the board and that information has been provided to him. I think that when the corporation is before the committee, we'll be happy to go into all of the details in connection with the report of the Manitoba Telephone System and MTX.

A MEMBER: That's big of you.

HON. A. MACKLING: Yes it is.

MR. SPEAKER: Order please. The time for Oral Questions has expired.

NON-POLITICAL STATEMENT

MR. SPEAKER: The Honourable Member for Niakwa.

MR. A. KOVNATS: Mr. Speaker, I would ask leave of the House to make a Non-Political Statement.

MR. SPEAKER: Does the honourable member have leave? (Agreed)

The Honourable Member for Niakwa.

MR. A. KOVNATS: Thank you, Mr. Speaker.

Last weekend in Saskatoon at the National Wrestling Championships, two Manitobans won gold medals.

Chris Wilson, a 17-year-old resident of St. Boniface in my constituency of Niakwa won the junior 19- to 20-year-old, 62-kilogram weight class. Chris is still eligible to compete in the juvenile class which is 17- and 18-year-olds. In addition, Chris was chosen most outstanding wrestler out of 150 competitors.

The other Manitoban who won a gold medal was David Hohl who lives in Fort Richmond in the constituency of the Honourable Member for St. Norbert. David took the gold medal in the 74-kilogram class.

Manitobans won two medals of National Junior Championships in the sport of wrestling, never before done by Manitobans.

Mr. Speaker, Chris and David will represent Canada at the International World Championships to be held at Colorado Springs the first week in July. I would ask members of the House to join me in wishing them good luck in their next endeavour.

ORDERS OF THE DAY

BUDGET DEBATE

MR. SPEAKER: On the proposed motion of the Honourable Minister of Finance and the amendment thereto proposed by the Honourable Leader of the Opposition, the Honourable Member for La Verendrye has 28 minutes remaining.

MR. R. BANMAN: Thank you, Mr. Speaker.

Last night, in the few minutes I had allotted to me, I dealt with one of the problems which is now surfacing, Mr. Speaker, and that has to do with the government's policy with regard to the dairy farmers of my constituency and I guess to all the dairy producers in the Province of Manitoba and that is, namely, the inability for them now to transfer quota.

Mr. Speaker, today I want to very briefly just outline some of the problems and show exactly how wrong-headed this government is in their approach to many of their regulatory aspects of government. I will deal with this issue first of all because it is one that is very topical and of great concern to my constituents right now.

We have young farmers, Mr. Speaker, in my riding who five years ago, got into the dairy business, one in

particular who is working in the Town of Steinbach. His wife is working on the farm. His dream was to have about 100-cow operation, milk about 100 cows. He started off with 50 cows because that's where he thought he could make the payments and do the necessary work that would lead him eventually to be able to expand his farming operation. Mr. Speaker, this gentleman is now in the position of having one of the things that he has worked for in the last number of years really, really jeopardized.

By the government not explaining this, by not having consultation with these dairy farmers, you now have a situation where this farmer is trapped or locked into his operation with no hope of expansion, because the Minister has said you cannot transfer quota off the dairy farm. It's got to be sold with the farm. The Minister seems to show a total lack of understanding of what has happened in the dairy industry over the years.

If you have a farmer who had about 100 milk cows and was retiring, there would usually be three or four other farmers that would pick up that extra quota to expand their operations, and what we've seen now is that that type of transfer has been curtailed. I think, Mr. Speaker, that the Minister of Agriculture, when he finds out the type of pressure that's going to be put on him by some thousand dairy producers in this province, is going to back off his position.

I think this is one of these situations where the First Minister doesn't realize what his Minister of Agriculture has done and the kind of jackpot he's got him into. Mr. Speaker, I'll tell you, you are playing with the lives and the livelihood and the well-being of a thousand people in this province, who are the backbone of this community, the backbone of this province, because everybody that knows anything about dairy farming knows that it is a seven-day-a-week, 18-hour-a-day job. When the Minister moves with one fell swoop and reduces the equity that a farmer has in his operation that many have paid good hard-earned dollars for, Mr. Speaker, I want to say to you that he is in big trouble on this issue. I would urge him to repent and go back into that Cabinet room and pass an Order-in-Council rescinding what he has done.

Mr. Speaker, I say to you that the move by the Natural Products Marketing Council is one which this Minister is responsible for. He appointed the board and he's going to have to deal with it. This is a problem that's facing my constituents in particularly large numbers, because I have a fairly large number of dairy producers in my area.

But it's this type of wrong-headed approach, this type of regulation, without consultation that is going to be the downfall of this government. I'll tell you that this issue alone, along with the 99-chicken issue and a few others that I will relate to today, will do more damage to this government than over three-quarters of a million dollars worth of advertising can do them any benefit.

So, Mr. Speaker, I say to you, it's these little things that are affecting the people of the Province of Manitoba and they will recognize that when it comes election time.

I want to deal with some of the things that have been raised in the last number of days with regard to some other regulations. I have over the last number of years and I think all members on both sides of the House

have become concerned about increased costs with regard to personal care homes; with regard to education; with regard to the functioning and running of hospitals.

But let's take a look at what regulations have done in increasing costs to the operation of these homes. I take, for example, the personal care homes that used to be run by church groups, Mr. Speaker, without any government involvement. There was maybe, at the most, a lower interest loan which was put forward by either the Federal Government along with the help of the province, to get these institutions established. But then what would happen is that volunteers would come in, help out in the cooking.

For instance, in my constituency, we would have people come in who would mend and darn the laundry and do the necessary repair work to bed sheets and that type of thing. Mr. Speaker, they would bring in canned goods. I know some farmers would donate chickens. You would have a system where people were working together voluntarily to help their fellow person that was in either a less fortunate position or could not look after themselves, and this was happening throughout the province.

Granted, Mr. Speaker, there weren't enough of these facilities and there was need for some government involvement, but what did we do? We said you can't give a personal care home any more canned goods because of food and drug . . . You can't do that because the standards aren't quite right. You're not allowed to donate poultry and that type of thing unless it's government inspected and government graded. So the little farmer who had raised an extra 50 chickens which he would give to the Rest Haven Home in Steinbach was suddenly cut off and he couldn't give that anymore.

Mr. Speaker, we even so far - and this was the height of ridiculousness and I think we see it happening now in the day care field. In 1978, when the tornado went through, touched part of St. Pierre, came through Ste. Anne, and went through a little community called Greenland, Aubigny is the other community that was very badly hit at that time, we had a personal care home which was demolished in Greenland. The church group that was running that particular facility then came to me. They said they had approached the government and the officials in the department indicated that if they wanted to build a personal care home, even if they didn't want any government subsidy or government money to build it and didn't want any subsidization or any money to continue the operation of it - in other words, they were ready to build a facility, a personal care home which would not require any government funds in any shape or form - but the government said, no, you can't build that, you can't do that, we're not allowing people to do that.

So, Mr. Speaker, I'm glad to say that after - and it took quite some doing - the Minister of Health at that time, my colleague the Honourable Bud Sherman along with his department, made some changes which allowed a group of individuals to do for themselves what they normally should be doing, and that is looking after themselves without taxpayers' dollars.

We have the unbelievable situation developing in day care now where when a group of people want to open a day care and don't want any government subsidy,

they can't open it. They have to have subsidized spaces. However, the Catch 22 in this one is that the government has no money for extra subsidized spaces. So, here you have a regulation - we talk about day care, we need more day care spaces - which really says to the individual who does not want any government assistance, who does not want any government help, you can't do it unless you get some subsidized spaces, and we don't have any money for subsidized spaces; therefore, no day care. That's what is at the root of this problem where the government doesn't want non-subsidized children in those centres playing with children in subsidized centres.

We are, Mr. Speaker, for the sake of proper regulation, for the bureaucratic buildup that we've all been entrapped in, we are in a situation where we're not even allowing people, taxpayers, people who want to do something for themselves, they can't do it. That's a pretty sad commentary on our society today.

Mr. Speaker, this government, this Minister of Agriculture keeps talking about the family farm. We realize in this province that the thing that is happening, and the last couple of moves that the Minister of Agriculture has made, flies directly in the face of that type of announcement. You know the beautiful thing about that is that it couldn't happen to a nicer bunch of guys across the way. What we've seen happen is that they have totally lost confidence - my colleague, the Member for Virden who spoke on that yesterday - they have lost the confidence, not only of the farming community, but I think of the average Manitoban who expected a lot more from this government and finds out now they are receiving very very little. Their dollar is not producing the type of return that they want to see.

I come to the other part of this Budget which I want to talk about for awhile, because I sense out in the community as you travel through the province, there is a growing concern about the deficit in the Province of Manitoba. Mr. Speaker, the people in Manitoba realize that you cannot overnight do away with the deficit because it would mean some pretty tough Budget cuts. There is a concern out there that there is no attempt being made by this government to at least start us on a path of biting into that deficit.

How can you do that, Mr. Speaker? How can you start biting into that deficit? Well, there's three ways that you can tackle the deficit problem. One of them is, of course, the simple one, which is a knee-jerk reaction for all governments and that is to raise taxes. The second one is to trim your spending, and the third one is to try and stimulate economic development and growth within the province so that you can create more wealth, which will pay for the increased amount of services or just maintain the services that we require.

I would suggest, Mr. Speaker, that an approach should be taken on all three levels in order to do a meaningful job in tackling the problem of the deficit. The biggest condemnation of this Minister of Finance in his last Budget, after having brought three down, the biggest condemnation will be the fact that he did not do anything to try and come to grips with that massive debt that we have. He didn't even offer the people of Manitoba a shred of hope of how he is going to pay back the \$1.8 billion that he has strapped on to their backs, that debt. People are beginning to worry about that.

As I mentioned earlier, I don't think that the majority of people expect a dramatic turnaround in trying to get rid of it overnight, but there has to be a policy developed where we can start reducing the deficits which we have been incurring in the last number of years. The lack of the will of this government to tackle that problem is also going to cause them a major problem and add to the defeat at the next election at the polls for the members opposite, because the people are not irresponsible in this province and they are concerned about the future and future development of this province.

When we talk about borrowing, when we talk about \$1.8 billion being borrowed by this government, just to cover deficit, that means - what is the figure? - about \$200 million annually now has to be raised in taxes just to cover that deficit. If we hadn't had that deficit, Mr. Speaker, we wouldn't have to have the payroll tax and we could drop several percentage points on the sales tax, or we could do some of the things which Saskatchewan has done and reduce maybe the gasoline tax.

We're going the other way. We're not only increasing taxes, Mr. Speaker, but the members opposite are in a position where they're increasing the taxes and increasing the deficit. The average person is starting to sense that while there wasn't a big preoccupation with deficits when they were around, the figure of the capital amounts that the governments were spending for road construction and everything, they are now realizing, Mr. Speaker, that this government really doesn't have a plan for the future and is not going to take us into the 1990s on a path that the majority of people in Manitoba want. Therefore, they will not be returned to office. What's happening is that there are so many issues out there right now that the government is trying with the one advertising blitz on Limestone to try and cover up all those problems with that one ad.

Just the First Minister getting up here and hiring people for the Department of Health - Mr. Speaker, I was interested to see the reply to my colleague from Pembina's question to the Minister of Health. Really, what the First Minister said yesterday is that the planners in the Health Department really don't know very much and I'm going to spend another \$250,000 to hire another five people at \$50,000 a person to give me better advice than the Minister of Health has.

Mr. Speaker, really what it is, it's a blatant move to try and put a few more friends on the payroll at 50,000 apiece. That, Mr. Speaker, is what I predict will happen. We're going to see over the next little while a few more political friends hired to cover off and help out in the next election and that's really what we're doing. It's election posturing and the people of Manitoba just won't buy it.

What I find really interesting is that they are taking the same advice that the previous administration did from their handlers. I want to tell members opposite that there are always these people in the backroom of every political party, I believe, that say, you know, you aren't getting your message out, you aren't getting your message out. It doesn't matter if you're in opposition or government you've got all these people that say, you're not getting your message out so what you've got to do is, you've got to advertise and you've got to get some high profile things to advertise; so, Mr.

Speaker, what happens is, we have now seen this type of mentality brought to a situation where, in Manitoba, we have never seen the likes of this.

We've got \$125,000, I understand, for creative work, paid to an outside advertising agency to do creative work for the Limestone development - \$125,000 of taxpayers' money. Mr. Speaker, they're spending \$600,000 on advertising telling us how good they are and then this winter we were watching the papers and watching TV and there were headlines in the paper, "Shivering Tots Need Your Help." In the core area there were 6,000 kids who weren't properly clothed because they didn't have the right parkas and here this government is out there advertising and telling us how good they are.

Mr. Speaker, where are their priorities? And the people of Manitoba know where their priorities are and their priority is only one - to look after themselves and get re-elected. Mr. Speaker, the people of Manitoba will not buy that type of misuse of government taxpayers' money to prop up their sagging image, on image building, on hiring political hacks and running thousands of dollars worth of ads in the newspapers trying to promote their well being. That is the type of thing that is going to destroy members opposite because they're not being honest with the public.

We're spending hundreds and thousands of dollars on advertising when we've got kids in the core area that need winter jackets. This is a socialistic government who prides itself on putting forward programs which are supposed to help the average and the underprivileged; but what do they do? They hire political hacks at \$50,000 apiece and then they can't even afford to come up with any funds to clothe children in the core area. We have to go to the Salvation Army, which then puts on a fund raising drive to get clothes for the children. Now isn't that the height of ridiculousness and it shows the folly of this government and why they will not be re-elected.

Mr. Speaker, I want to spend just a few minutes on Limestone and Manitoba Hydro because I think - and I think the majority of Manitobans - are becoming suspicious of this government because of the type of advertising that they're doing. If it was really good, really as good as they say it is, they wouldn't have to advertise it; but there is that feeling across the way, I think, that the New Democrats feel that the average person really isn't smart enough to comprehend this so we're going to bombard them with about three-quarters of a million dollars worth of advertising on this and this is where they have misread and misunderstood the people of Manitoba.

Mr. Speaker, I'll tell the Minister of Economic Development it was a mistake and you guys should have had the sense to realize that it was. We lost that election, Mr. Speaker. We didn't win it, and you know why? Because one of the big reasons was that they made such an issue of the advertising of the mega projects that it really did hurt us; but instead of learning from our mistakes, they're going headlong into the situation.

Mr. Speaker, here is something that the average person understands. According to the annual report tabled this week by the Minister in charge of Manitoba Hydro, the annual report indicates that the total long-term debt load of Manitoba Hydro is some \$2.4 billion.

That's for the whole system; that includes all the dams on the Winnipeg River system; that includes the Nelson River system; that includes Jenpeg; that includes all the assets that Manitoba Hydro has. Hydro today owes \$2.4 billion. In one fell swoop this government is going to more than double the debt of Manitoba Hydro. Three billion dollars are going to be added on to the backs of the ratepayers of this province; and let it not be misunderstood that the ratepayers of this province are the ones that are responsible. They're responsible.

What happens if NSP suddenly folds up because of some corporate problem or something? Mr. Speaker, we are liable; we are signing the note and we are going to more than double the total debt load of Manitoba Hydro, so when members opposite wonder why some of us are cautious with this deal, there is a reason for it - because the ratepayers out there realize what happened last time.

Mr. Speaker, we now have \$1.8 billion in deficit, which we have to look after. The government is now going to borrow another \$3 billion for Limestone. In a short four years, when you add up the \$1.8 billion deficit and the \$3 billion they're asking for Limestone, they are committing us to roughly \$5,000 per man woman and child of debt. Mr. Speaker, that's what they're doing and there are questions that the ratepayers want answered.

I ask the Minister of Energy to get up and tell us - and we will be asking these questions during the committee hearings when Hydro will be appearing before us - I want to know what effect this is going to have on our rate structure because that is the question. They've done a beautiful job of skating back and forth and saying it will be at the Canadian average; but I want to tell the members opposite that isn't good enough.

Mr. Speaker, PEI doesn't have the Nelson River system and I don't want my rates to be the same as PEI. There is a heritage here. I don't want the same type of rate structure as New Brunswick has because of atomic reactors. I don't want the same rate structure. We in Manitoba have a few benefits and one of them has been Hydro; and I don't want to see the members opposite tinker with Hydro, either from pulling out funds or making the debt loads in such a way that our rates have to increase so that we're compared with PEI. There's a natural advantage to living in Manitoba and I want to maintain that and my ratepayers want that maintained; so when you are going out and doubling the debt of Hydro by building one generating station and the people out there know that the whole down side of it is theirs, if NSP had come up with half of the cost of the dam, because they want half of the power, and you would have sold it to them for 10 years, it would be a different story because they would then be locked in and the ratepayer of Manitoba wouldn't have to put their signature at the bottom of the line.

Many people know that a contingent liability can come home to haunt you. There are people who have co-signed for friends, for relatives and then when something goes wrong they are asked to then finally come up and make the payment on it; so the average person on the street knows what a contingent liability is and if you put your name to a loan, if something goes wrong, you could be left holding the bag and that's what the ratepayers of Manitoba are concerned

about. No. 1, they don't want to get left holding the bag and No. 2, they don't want to see huge increases in their Hydro rates, as we did during the '70s.

So, Mr. Speaker, we have a government here who, very systematically, has made moves within almost every department, which either are in total contradiction of their philosophical beliefs, but have done so because they sensed the mood of the public changing and they want to be back in office, so they are right now forsaking a lot of the principles that they got elected on and that their party was built on. What is happening is that the people of Manitoba have their number and come the next election, Mr. Speaker, there will be a few of them on this side and there will be lots of us on the other side.

Thank you, Mr. Speaker.

MR. DEPUTY SPEAKER, C. Santos: The Minister of Energy and Mines.

HON. W. PARASIUK: Mr. Speaker, I might be a bit short of breath for a few minutes as I ran from the press conference to make sure that I could partake in the debate. I'm pleased that the Member for La Verendrye talked as long as he did. — (Interjection) — That's right. I was told he didn't say anything but I guess he was talking off the top.

I'm pleased to rise in support of this Budget which deals with all aspects of Manitoba society in a reasonable, responsible manner. It deals with providing social services in a compassionate way. It deals with viable short- and long-term economic thrusts, and it deals with emergency situations.

Last Thursday, when the Budget was brought down on Budget day, I attended a sod-turning ceremony in Transcona for a 60-bed senior citizens' home built beside a personal care home. It's a superb development. There was even a Federal Conservative M.P. there. There was the head of the Seventh Day Adventists that runs the personal care home, and also will be sponsoring the non-profit senior citizens' home there, saying that this was going to be a magnificent development, really meeting a need because they had done the analysis to show that there has been a need in Transcona for some years. It had been acknowledged by the Federal Government that there was a need in Transcona, a bona fide need for senior citizens' housing. I was very pleased that a New Democratic Government had been part of the process of meeting a legitimate need for a community in Transcona. As the MLA, I felt very good to be part of that process.

But there was a tragedy involved with that. In 1978, the Conservative Government of the Day, in a savage way, cut back a proposed senior citizens' home for that community of Transcona. The Member for Sturgeon Creek was the Minister responsible for Housing and he publicly said there's no need in Transcona for senior citizens' housing. That was a terribly fraudulent statement, Mr. Speaker, one lacking completely in integrity because as the people did their homework, they found out that the need was there. The Conservative Government which didn't meet social needs in this province cut it out, just like the Conservative Government cutback on health care facilities through the Interlake and other parts of the province.

Now you have people like the Member for Lakeside or the Leader of the Opposition having the gall to get up and say, you people aren't doing enough for health care, you people aren't doing enough for senior citizens. Mr. Speaker, we are running like mad to catch up for their four years of neglect in this province, social services, health care, education. The people know that and the people remember that and we're doing catch-up even though we've gone through a worldwide recession that's been the worst since the Thirties. So, this Budget reinforces that. It's providing social services.

In terms of economic development, we're continuing the Jobs Fund and the Jobs Fund did an excellent job in the past. It did it with respect to public sector investment primarily. We said we would make the shift to long-term development, working in partnership with the private sector - and that is happening. I am proud that this Budget continues the thrust of the Jobs Fund, Mr. Speaker. With that type of thrust, we will continue to have, if not the lowest, then the second lowest unemployment rate, a performance that never, ever was achieved when the Conservatives were in office.

We, of course, have other developments happening with respect to long-term development. The Limestone Generating Station, Mr. Speaker, the industrial offsets package that was announced by the Premier today providing tremendous benefits. I will speak on that later and I'll speak on that at length.

MR. F. JOHNSTON: You couldn't speak on anything because you're a sleaze.

HON. W. PARASIUK: Now, isn't that the type of statement from the Member for Sturgeon Creek, who always says . . .

A MEMBER: Put it on the record.

HON. W. PARASIUK: . . . that we shouldn't talk about personalities, but that we should talk about issues. What does he whisper from his seat, Mr. Speaker? The type of nonsense that that man always does, unfortunately.

We also, Mr. Speaker, in this Budget deal with questions of emergencies. I want to see whether the Conservatives will support - what is it, the \$20 million program we have for the MACC? - that program to lower interest rates for farmers. I want to see whether the Conservatives are going to get up next Monday when we're voting on this Budget and say, yes, we agree with that program; we support this Budget. That is a challenge that's out there to them.

Mr. Speaker, their amendments don't deal with that. No, their amendments don't deal with that at all. They do not say that they are against the Budget because they don't want that \$20 million program. Had they put that in as an amendment, it might have made some sense, but Mr. Speaker, they're going to get up and say no to the Budget, they're saying no to that \$20 million program. They're saying no to a program designed to provide some assistance within a provincial area of responsibility for hard-pressed farmers. This is in direct contrast to the approach being taken by the Federal Conservative Government when they increased fees by something in the order of \$33 million, where they increased interest rates through the Farm Credit

Corporation from 12.5 to 13.25 or 12.75 to 13.5 — (Interjection) — That is what they are doing. They're taking more than a point in the sales tax from the Manitoba farmers. They are squeezing them, Mr. Speaker. It is this government that is trying to deal with the emergency in a very reasonable, reasoned way.

It's going to be interesting to see whether this opposition, who are negative about everything, literally everything, will get up and say, I support this Budget if only for the fact that I'm from a rural area and I believe that this is a very good thing for farmers. We, on this side of the House, Mr. Speaker, believe that that program is a very good program for farmers and that's one of the reasons why we're proud to support this Budget.

I'm going to spend a bit of time talking about the hydro development, Mr. Speaker. I'm going to do that because we haven't heard much about this from people on the other side. You know, we get statements made from them every once in awhile when they thought that they couldn't be held accountable for these statements. I have a monitor of who is saying what about what aspects of hydro, because it's important for the public to be correctly informed about hydro development, especially when people on the opposition side try and misinform the public about it.

This is what the Conservative Hydro critic said on CBC TV telecast on November 24, 1984. "Today the present NDP Government is close to making a decision that could prove to be the biggest economic blunder in the history of our province. I'm talking about the proposed sale of energy to the United States and the premature construction of a \$3.2 billion Limestone Generating Station on the Nelson River." If ever I heard a statement against the NSP deal and against Limestone development, it came out very clearly at that time, Mr. Speaker.

Then he said at the end of his statement in November, "Surely, you would expect that on an issue of such importance the people you elect to represent and safeguard your interests would be debating this matter in the Legislature. We can't. The Legislature has been in recess since last June. I take this occasion to call Howard Pawley and the New Democratic Party Government to call us back to work. Let us debate and reconsider before we embark on a course that could place a tremendous financial burden on Manitoba Hydro, on the government, and increase taxes and hydro rates for all Manitobans. Good night." That is from the Member for Lakeside.

So I sat here yesterday; it's the Budget Debate - a great opportunity to talk about Hydro just after the NEB Report came down - waiting to debate Hydro and where they stood on the other side. So what do we have? We have them debating 99 chickens.

A MEMBER: Ninety-nine bottles of beer on the wall.

HON. W. PARASIUK: Ninety-nine bottles of beer on the wall, saying that that is the major issue facing the hydro freeze.

A MEMBER: For that he wanted to come back?

HON. W. PARASIUK: And then they get upset when we say these are the Chicken Littles? For that he wanted

to come back? For that I waited eight days in the House to get a question about Hydro, and even then the first question came from a New Democratic Party backbencher, and then the Conservatives thought that they might ask one or two questions. Did you notice the broad range of questions they asked about Hydro today and the industrial offsets package and their rigorous analysis and their detailed research and their homework? Because this group likes to go out and ask questions, Mr. Speaker; they want to go out there; they want to get the truth. One itty little question that ultimately was ruled out of order . . .

A MEMBER: Dealing with 10 years ago.

HON. W. PARASIUK: Dealing with something that supposedly happened 10 or 12 years ago; dealing with something that factually was incorrect, because usually what happens - and this is a sad characteristic about many, not all, but many of the Conservative members opposite - is that when they do get involved in a debate and if the going gets a bit tough - and sometimes debates in this House get tough on both sides - they start screaming "sleaze;" or secondly, they start red baiting. There have been members on the other side that I never expected to stoop that low. Just like a person who runs out of things to call someone, isn't winning the argument, and then says, oh, of course you're a Commie. That's the type of approach that those people on the other side stoop to, while at the same time going out to the general public and saying, we want to get involved in reasonable debate about Hydro. It's totally unbecoming and it's totally unwarranted, but it's an approach of fear mongering, an approach of fear mongering by people who want to raise the most false impression, a whole set of red herrings and never want to deal with the truth and never want to deal with the answers.

We have the Leader of the Opposition - I know there now appear to be three. I've noticed that we have the Member for Charleswood, who still basically tells the present Leader when to stand up or sit down. I have noticed a pretty strong role being played very quickly by the new Member for Fort Garry, who is down trying to coach the present Leader of the Opposition, almost on every question or every ministerial statement. I find that a bit surprising, seeing as how the Member for Tuxedo has been in the House for some time longer than the Member for Fort Garry, and I would expect that after the next election, when the Conservatives fall flat on their face - because they're falling pretty quickly - that he will indeed be one of the serious candidates for the leadership within the Conservative Party.

A MEMBER: I don't know. I think Harry's got a good chance next time.

HON. W. PARASIUK: I think they might have made a mistake by not going with him in the first place, but I don't think he could derive enough support.

But let's take a substantive look for a few moments. We'll take a substantive look at the general Conservative position with respect to the NSP sale and the Limestone development, and then we'll go into some of the

specifics of what the NEB said. Then we'll deal with this industrial offsets agreement, because it is an excellent agreement for Manitoba and it a breakthrough in terms of economic development in this province, a breakthrough that we intend to build on from, something that they never came close to achieving, Mr. Speaker.

Now the basic thesis of the Conservatives is that they are against the NSP sale and if they had the opportunity they would stop the sale and stop the development from going ahead. They now say that it's not true, having consistently said that this is not a good sale; having consistently said that the analysis that was done was wrong; that if it wasn't a sensitivity analysis, there would be no profit; this is a tremendous gamble. That was said over and over and over again by the Conservative Party, both in this House and outside this House and, Mr. Speaker, at least when we have an opportunity with transcripts of radio broadcasts to find out what they said or didn't say, at least we can deal with that; but, Mr. Speaker, I don't know what the Leader of the Opposition says to bad-mouth Manitoba when he goes to Montreal or Toronto or Calgary. Luckily, occasionally we have the press pointing out that he wants to sell McKenzie Seeds, Mr. Speaker. Well, if he says those types of things behind closed doors in other provinces, bad-mouthing this province, heaven knows what he says about something like Limestone. Heaven knows what he says about something like the NSP sale.

They criticize the economics of the NSP sale and the impact on Limestone development and they made up fictitious figures and fairy tales which they called facts. They intervened in the NEB Hearing and the Leader of the Opposition said, "Our purpose in appearing here is to ensure that we have an opportunity to cross-examine and request further clarification on items presented." Fine, we had all the experts there, a range of experts that had been used by the previous Conservative administration when they were doing some of their calculations for the Western Grid. They were there on panels and the Conservative's opportunity arose to ask questions and get their supposed questions answered or to go further because at that NEB hearing - just like at the Public Utilities Committee meetings and there were four of them - staff from the Manitoba Energy Authority and Manitoba Hydro presented all the information over and over and over again. We thought that maybe they had thick skulls on the other side, so what you had to do was repeat, repeat, repeat. I still think that there may be an element of that, but at the same time, Mr. Speaker, I've come to the conclusion that they did not want to hear the answers, because if they heard the answers they would have to agree with us. They would have to say yes, the NSP sale is an excellent sale; yes, Limestone is a go; yes, this is an excellent development for the people of Manitoba.

But they didn't ask any questions, and then they went further and stated - and this was quite cute because they did it before the NEB came down in their amendment to the Throne Speech Debate - their motion stated that both the government has abandoned the orderly financial development of our hydro-electric resources for the benefit of all Manitobans in favour of a wilful rush into an election-motivated development time schedule.

I mean the nonsense of that position was graphically illustrated when the NEB report came down with

conclusions based on analysis that the board did, showing that a two-year advancement by Manitoba Hydro of the Limestone Generating Station could be expected to derive net benefits of about \$385 million from the two-year advancement case." That's from the NEB Report. They further say that their analysis of a one-year advancement of Limestone, ". . . showed that Manitoba Hydro could be expected to derive net revenues of some \$365 million." So the NEB says that Manitoba Hydro, the people of Manitoba will derive an extra \$20 million with a two-year advancement, an extra \$20 million. And what do the Conservatives say? The Conservatives say that we've abandoned the orderly financial development of our hydro-electric resources.

A MEMBER: They're wrong again.

HON. W. PARASIUK: Wrong again, but worse than that, they then want to publicly say that they're not against the NSP sale and that they're not against the Limestone development.

MR. H. ENNS: Of course not.

HON. W. PARASIUK: Of course not, he says. You can't have it both ways. I mean, your leader's legs are so stretched over those fences that he's going to crack right up the middle, Mr. Speaker.

MR. H. ENNS: It would have just been being finished right now.

HON. W. PARASIUK: That is another interjection which I don't mind receiving at this time. That's an interjection from the Member for Lakeside who said that, if the Conservatives were in power, they would just be in the process of finishing up Limestone and that is as big a piece of nonsense as the nonsense of their position with respect to the NSP sale.

The Western Grid was predicated on an overheated Alberta economy, on a \$17 billion tar sands plant, on a \$9 billion heavy oil plant and on about a \$20 billion pipeline from the Arctic. None of that came through. Their load growth projections have plummeted to the point where they have two thermal generating stations in and around the Edmonton area that are being mothballed, that have been mothballed because there's no demand for electricity in Alberta the way they had planned it.

Furthermore, the demand or the need for those two thermal generating stations was, in fact, ahead of any requirement for power from the Western Grid. They planned to build those two stations first and possibly get power from the Grid, Mr. Speaker. Those are mothballed and you have the audacity of the Member for Lakeside getting up and saying that if we were in, we'd be like King Canute; we'd hold back the waves, Mr. Speaker. It would all be happening. That's patently untrue, and when people get up and say that and misinform the public about that over and over, the public realizes that it is untrue.

They see all the Albertans leaving. They read of situations where you have 2,000 homes in Calgary that are empty, a new subdivision. They see that Edmonton has 15.5 percent unemployment rate. Can you imagine

the situation that exists in a city when you have 15.5 percent unemployment? And these Conservatives say, that was the option that should have been pursued; that was our only option. Thank God the New Democratic Party Government was elected. Can you imagine where we'd be? No Grid, no demand for the power and they had turned their backs previously on opportunities to deal with the Western Area Power Administration.

We just heard the other day from Ontario Hydro that if they had had an opportunity to talk about this six or seven years ago they'd have been very interested in purchasing power in Manitoba six or seven years ago, but they had been told by Manitoba that they would only talk to Ontario after the Western Grid was done. What nonsense, putting all their eggs in one basket, laid one big egg, Mr. Speaker, a goose egg, and that's all their position is; it's an indefensible position, but they even go, worse than that, they come along and say, oh yes, but the Western Grid was a good deal. We'll sell power at cost for 25 years to Alberta and Saskatchewan, take all the risk. They wouldn't associate all the costs of advancement of other generating stations, Mr. Speaker. They wouldn't take in the costs of advancing Conawapa, of advancing Wuskwatim and frankly there's a lot more costs in that, because if you commit power for 25 years from the entire generating station, you're putting Manitoba at some great risk and making them quite vulnerable.

You know, Mr. Speaker, they were prepared to sell

...

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

HON. W. PARASIUK: Mr. Speaker, the Member for Lakeside had an opportunity yesterday to talk about Hydro. I didn't interrupt him; I found it amusing that he would spend all of that time talking about chickens and then when I get up to debate Hydro, find that he wants to interrupt my speech and talk about Hydro. He didn't even take his entire 40 minutes, it's not as if he ran out of time so that he couldn't speak about Hydro. He's deflated, Mr. Speaker. The Conservative Opposition, on the whole issue of Hydro, is deflated; but let the people of Manitoba remember that despite the flat-tire Conservatives, despite their flat-tire approach on Hydro - let's not talk about it now, let's just sort of sweep it under the carpet because there are so many good things happening with Hydro - but the people of Manitoba know.

The people in Brandon are saying, Limestone endorsed - right on! The editorial in the Thompson Citizen is interesting, not a Conservative by any stretch of the imagination, says that this government is right and correct in proceeding with Limestone, certainly not a traditional New Democratic Party paper; but, Mr. Speaker, their intransigence against the NSP sale, their intransigence against the Limestone development is pushing people into our camp. In contrast with a situation where you sell power at cost for 25 years and you can't make a profit, you have the NEB saying, in connection with the NSP sale, "The board is satisfied that, in the circumstances of this case, the export price is the best price that could be negotiated by the applicant in its particular United States market." The

best price. Did they say that about the Saskatchewan price, at cost, all the risk on Manitoba's side, no options? No, they didn't, and then we have people like the Member for Lakeside from his seat saying we're selling power at a subsidized price and they say, and I quote the NEB, "However, the board is aware that the export price would be substantially greater than the rates paid by the applicant's large industrial customers." And we still have the Member for Lakeside going out saying they're somehow selling it at a fire-sale price, Mr. Speaker. What patent nonsense.

We're going to go out and take this around to the different parts; we will take this around to the people of Manitoba and we will say, yes, there is a profit. There is a profit in 1984 terms of \$385 million to \$400 million; there's a profit in as received terms of \$1.64 billion to \$1.7 billion and isn't that good for Manitoba.

We will also say that if you had a Conservative in office, they wouldn't have any profits. Mr. Speaker, I think they're having some type of communicable disease occur on the other side. They're being involved with non-profitable ventures. They're against profits right now; they want to give away Hydro. We had the President of Manitoba Hydro quite clearly state, in the Public Utilities Committee, that the ratepayers of Manitoba would receive substantial benefit from an NSP sale, which is far greater than they would receive if there was no NSP sale, and that is what the person said.

This group, on the opposite side, wants to somehow impugn the integrity of the Hydro staff; they've done that consistently and deliberately, they keep saying, all of these are manufactured numbers. Hydro just manufactures all these numbers, we can't trust them any more, Mr. Speaker, haven't we heard that type of statement before? That's the type of statement they make, we can't trust them, they haven't done their homework. The board says, and I quote, "The board accepts that the sensitivity analysis addresses risks and demonstrates that under conditions of lower and higher interest rates and lower and different load growth rates, benefits to the applicant remain substantial." Substantial. "Based on these considerations, the board is satisfied that there is sufficient evidence to show that the risks associated with the proposed export have been adequately examined and are within acceptable bounds." End of quote. End of Conservative position. End of Conservative position.

Their so-called experts failed the test when they had the opportunity to ask questions with the Public Utilities Committee; they failed the test when they had the opportunity to ask questions with the NEB, and they're failing the tests in this House by ducking the whole Hydro issue and ducking the whole industrial offsets issue, Mr. Speaker.

Then they say, why does the Leader of the New Democratic Party Government, the Premier of Manitoba, call us a bunch of Chicken Littles? Mr. Speaker, I know of no more appropriate name than Chicken Little, who ran around saying, "The sky is falling, the sky is falling." Isn't that what the Leader of the Conservative Party has been saying consistently? Isn't that what he has been saying consistently about Hydro development, "The sky is falling, the sky is falling." The sky isn't falling.

Development is taking place, and I might note that this type of development of Hydro has indeed gone

beyond partisan boundaries. Douglas Campbell and the Liberal Government were involved in Hydro development; Duff Roblin and the Conservative Government, the Red Tory government at that time, were involved in Hydro development; Howard Pawley and the New Democratic Party Government are involved in Hydro development. I'm proud to be associated with this government. The glaring exception in this, in terms of Hydro development never being achieved, was the Weir Government, a Conservative Government, and of course, the Lyon Government, which for four years was an utter abject failure in the eyes of Manitobans.

Mr. Speaker, — (Interjection) — that's right, a footnote in history, both Weir and Lyon will get the same footnotes in history, a passing footnote.

Mr. Speaker, we have many more statements here from the NEB that the opposition doesn't want to hear. Again, they wouldn't want to hear the truth. I look forward to the opportunity of going on different forums and talking about this and asking, why would the board state, "The board noted however that its assessment of the export licence application had not revealed anything wrong with the Manitoba Hydro generating expansion plan." That's what the National Energy Board said about this. We said consistently that it's Manitoba that determines when Hydro proceeds. We were seeking an export licence from the National Energy Board, which is not a group that doesn't deal with this type of analysis. They deal with export licence after export licence after export licence, so they're well versed in all the economics of export sales with respect to electricity. They did their homework; they said it's not for us to comment on the expansion schedule, that's for someone else to decide. But in our analysis, we find nothing wrong with the analysis of Hydro. They go further and say, "In our analysis, we find that the numbers projected by Hydro of a profit of \$385 million in 1984 terms for this type of development are correct, a \$20 million benefit to Manitoba from a one year advancement." That is what we will take to the people of Manitoba, a net benefit.

This group on the opposite side, then want to try and make believe, again, with the worst type of research and the worst type of arithmetic than one can imagine, they come along stating that if you start Hydro a couple of years early, that you will indeed have to pay \$300 million in interest charges right off the bat. That shows a complete lack of knowledge as to how Hydro has been costed under people like Douglas Campbell, Duff Roblin, Ed Schreyer and Howard Pawley.

Manitoba Hydro and the board, both the management and the board, indicated that the 1990 date is the most economic in-service date due to the NSP sale. That's because when you bring the dam on, when it comes in service only two turbines and generators come in service in 1990, in November of 1990, so your costs for that year amount to something in the order of \$20 million. Not the \$300 million that the Member for Lakeside says; not the \$300 to \$360 million that the Member for Turtle Mountain or the Member for Tuxedo say; those are completely and totally inaccurate. False. Going around spreading falsehoods about the Hydro project, Mr. Speaker, and I call that fear mongering, Mr. Speaker, and the people of Manitoba will not accept that fear mongering.

They then go further and they say that we should change our whole hydro system, turn it upside down,

Mr. Speaker, to meet their political ends. They say we shouldn't be concerned about reserve capacity. The Tories even suggested that Manitoba Hydro change its reserve capacity policy in order to delay Limestone construction, and that was raised by the Member for Tuxedo, the Leader of the Conservative Party. John Arnason, the President of Manitoba Hydro, at the Public Utilities Committee said, "I don't want to take that risk." He said, "I don't want to take that risk."

"As an example, Mr. Chairman, in the last peak period when we had a peak of 2,889 last December, we had some 389 megawatts out of service or derated. That was over 12 percent of the peak that occurred in December and our reserve policy is 12 percent. It's for two purposes, one for taking care of emergencies such as unit outages, and the second component, about 4 percent of that 12, is for variations in load forecast. So it's there for a good purpose, and I don't think you should use that for the purpose you just mentioned. It's too great a risk."

That's what the professionals at Manitoba Hydro said, and that flies completely in the face of the position put forward by the Conservatives, who would do anything, anything, Mr. Speaker, to stall the development of Limestone, do everything to put the people of Manitoba at risk for crass political ends, for crass political ends, Mr. Speaker. When judgment day comes around, Mr. Speaker, the people of Manitoba will look out and say that there is one party and one government that brings about development in Manitoba, both short-term development and long-term development, and that is the New Democratic Party Government. And there is one party and one government that fails, Mr. Speaker, the Lyon Government failed between 1977 and 1981, and surely they would fail if they were ever elected, so on judgment day we can rest assured that the Conservatives will not win the next election.

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

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

I appreciate this opportunity to make a few comments on the Budget, particularly after the Minister of Energy and Mines, whom I consider to be a good friend and an old fraternity brother from our university days. I wish, however, Mr. Speaker, to take a different approach than the Minister of Energy and Mines did. I would prefer, rather than to discuss the Budget in a very political way, to approach and discuss it in a non-partisan way, hopefully, because I think we're all elected here as individuals and no matter what our political affiliation, Sir, we truly want to see happen in Manitoba what is in the best public interest of Manitobans.

Therefore, I would like, firstly, to look at some tables that are included in the Budget, particularly on Page A-17, the Province of Manitoba Direct and Guaranteed Debt. These are the facts that are set forth in the Minister of Finance's Budget. I note, Mr. Speaker, that the general purpose debt - forgetting about the debt of Manitoba Hydro or other self-sustaining debt - has increased from \$1.345 billion when the government took office, to \$2.879 billion in 1984, and we must add to that the \$496.2 million deficit of the Province of Manitoba this year, so that we conclude that the

increased general purpose debt of Manitoba during the four-year term of the present government has increased over \$2 billion.

I note also, Mr. Speaker, and I'm sure the Member for Turtle Mountain will want to comment on this when he speaks to this Budget, that from 1981 to '82, the general purpose debt increased from \$985 million to \$1.345 billion, even though the deficit that we budgeted for was only \$250 million. The general purpose debt increased by \$360 million, even though we ran a deficit of \$250 million.

I can recall the Member for Turtle Mountain questioning the Minister of Finance and the government about borrowings by the government prior to the end of the fiscal year in 1982 and whether or not they were necessary. Obviously, in retrospect, what the government was trying to do at that time was to borrow money so that it appeared that the debt was increased under our government when, in fact, there was unnecessary borrowing taking place at that time which increased that debt figure by some \$65 million more than the deficit that we had budgeted for.

But, even forgetting about that, Mr. Speaker, the facts are that the debt of the province, the general purpose debt - not the debt of Manitoba Hydro or other self-sustaining debt - has been increased by over \$2 billion in four short years under this government. I raise that in a completely non-partisan way, because I think the average Manitoban - let's forget about those who are Conservatives, those who are card-carrying New Democratic Party members - that group of people in the middle who are politically unaffiliated and who actually determine the results of elections whenever they are held, are going to have to look at those figures and ask the question, who is going to pay off this debt? Who is going to pay off that debt?

Mr. Speaker, we're in an era and a time in society when there is great concern over whether or not the diminishing younger population can support a rapidly aging population and the Canada Pension Plan, and there is great concern over whether that pension plan itself will go bankrupt because of the lack of ability of a diminishing population to support it. In the meanwhile, this government has increased that debt by over \$2 billion. I'm sure that that group of people who are politically unaffiliated would say that that is extremely irresponsible, because they're going to say, as so many Manitobans are, they're attempting to raise families, they're attempting to do as much as they can for their children to give them the best possible opportunity to work and get a job and have as good a life as they can. Meanwhile, these young people are going to have to be responsible for paying over \$2 billion in debt, incurred in that short period of time.

When you look back, Mr. Speaker, up until the end of fiscal year 1982, over 112 years of government, only \$1.345 billion in direct debt had been incurred. In four years, that has been much more than doubled. It's absolutely astonishing. No one in their private life and their home life and their business life would dare to incur that kind of debt. It's absolutely irresponsible for a government to do that and to cast the burden on the young people of this province to pay off that debt.

We're going to find, Mr. Speaker, that services will have to be reduced because the debt charges are going to have to be paid; those are going to increase - they're

\$273 million this year. Can you imagine what amount of services could be provided for \$273 million? Somewhere in the Budget there's a reference to the fact that total revenue of the government has increased \$161 million. And there's a good sign - revenue increases by \$161 million, debt charges are \$273 million this year. We're going down. Our financial situation is rapidly deteriorating under those circumstances. The increase in revenue can't keep up with the increase in the debt charges. So there's no question we're going to have a deteriorating quality of life under this sort of financial planning, if that's what it can be called. — (Interjection) — Well, they've gone into it deliberately, Mr. Speaker, so I guess we have to say that it's financial planning.

Now the other interesting area that I looked at, Mr. Speaker, was the increase in revenue that this government has received during their four years. In 1981-82, the revenue of the government was \$2.161 billion. When one does a calculation of the additional amounts of revenue that this government has extracted from the taxpayers, I find that during four years, this government has extracted from the taxpayers of Manitoba \$2.689 billion in additional revenue from the base in 1982. Despite that figure, we are still looking at this increase in general purpose debt of over \$2 billion. So we're looking right there at \$2 billion plus \$2.6 billion or \$2.7 billion in additional revenue they've taken, and Manitobans have to ask themselves if they are any better off. The obvious answer, Mr. Speaker, is that they are not better off anywhere.

Mr. Speaker, I believe that the average Manitoban will be greatly concerned with the increase in debt under this government and the responsibilities for paying off and discharging that debt that will be imposed on those that follow, and the effect that it's going to have, frankly, on services that can be provided by the government in the very near future because the debt charge are going to decrease those services.

Mr. Speaker, I'd like also to examine for a moment the details of estimated revenue because I certainly have some questions about these figures as to whether revenues are overstated or are representative of substantial increases in fees and charges on the public of Manitoba. One gets the feeling, and it's just certainly a suspicion at this moment - we'll have to wait to see whether or not it proves to be true - with the Budget coming in with a deficit of \$496.2 million, that there were some things done just to try to get under, supposedly to them at least, the magic figure of a \$500 million deficit.

I look at the payroll tax which is supposed to increase from \$108 million to \$116 million. I think, Mr. Speaker, that implies a growth in employment that is simply not there. I look at the increase in revenue under the sales tax which is supposed to go from \$385 million to \$417 million and I don't think that kind of increase will take place. I look at the increase in revenue from the Land Titles Office under the Attorney-General which is supposed to go from \$7.8 million to \$10 million. That is a very significant increase. Now, Mr. Speaker, there was a substantial increase in charges in fees imposed by the Land Titles Office system a year from last February, but I don't believe that there will be an increase in the type of transactions done by the Land Titles Office that is going to increase their revenue and their profit by more than 20 percent.

There's also, Mr. Speaker, an increase in the Personal Property Security Registry from \$1.3 million to \$1.98 million. That's nearly a 50 percent increase in revenue from the Personal Property Security Registry. Now, the Registry has in the past been operated very efficiently and revenue has virtually equalled the cost of operations. I don't know whether this indicates a substantial increase in fees for the users of that system, or whether these revenues are simply overestimated.

The most astonishing one, Mr. Speaker, is the Liquor Control Commission in which the government estimates revenue is going to go from \$130 million to \$141 million. Now, there has been, during the past number of years and partly as a result certainly of the increases that this government has imposed, a drop-off in consumption of alcohol in the Province of Manitoba, and that's all to the good. But in view of that, to suggest that there will be an increase of \$11 million in profit from the Liquor Control Commission in this forthcoming year, I think is incorrect, unless the government is planning on imposing or increasing a tax which has already caused, for example, the prices of spirits to be the second highest in Canada. Now, this figure of \$141 million, Mr. Speaker, is also up from \$90 million when our government took office. Again, this is an astonishing figure because they have in four years raised prices to such an extent that there has been a 50 percent increase in revenue from the Liquor Control Commission.

Under Community Services, Mr. Speaker, revenue is expected to go for Vital Statistics certificates from \$625,000 to \$1 million. Again, that is by, I suspect, their imposing a drastic increase in charges to the people of Manitoba for the operation of Vital Statistics certificates, marriage certificates, death certificates, birth certificates, etc. That is, as they said in opposition, Mr. Speaker, passing the burden on to the individual rather than facing up to the financial position they find themselves in.

Under Culture and Heritage, the revenue is to go for the Film Classification Board from \$84,500 to \$419,000.00. Now, they're getting into classification of videos which is something I support in principle, Mr. Speaker, but it would indicate that there's a very significant increase in revenue and/or charges.

There is, Mr. Speaker, under Finance, a category that's called Refund of Prior Years' Expenditures. I'm not sure what it is but it goes from \$1 million to \$33.5 million. Perhaps the Minister of Finance could explain that at some time.

Under Health, we have \$1.9 million in Sundry Revenue going to \$3 million. Obviously, Mr. Speaker, that's another burden of charges that is being passed on to the taxpayer.

There's an increase under Drivers' Licences in revenue of some \$400,000 - again, Mr. Speaker, obviously an increase in licence fees that has been passed on to the consumer.

Under Sundry and Highways, Mr. Speaker, there's an increase of over \$1.1 million; from \$1.8 million to \$2.95 million, again indicative of further fees and increases in charges being passed on to the consumers of that service.

Mr. Speaker, the list goes on and on and on. We have a Minister of Finance that says in the Budget there'll be no increase in taxes, except for three

particular items that he referred to in the Budget. In fact, Mr. Speaker, there are substantial increases in taxes and user fees on the public of Manitoba in this Budget on the basis of fees and charges. The people, whether they're using the Land Titles Office system, if they're buying a marriage certificate or a birth certificate, if they're using the parks and whatever, if they're buying a driving licence, this government has imposed very significant increases in those fees and in those charges to individual Manitobans.

Mr. Speaker, there are a number of comments made in the Budget by the Minister of Finance that are worthwhile commenting on. The Minister of Finance said on Page 2 of his Budget that we have made saving and creating jobs our No. 1 commitment. They may very well have made it their No. 1 commitment, but they have failed in that commitment. There are now, as you are well aware, 20,000 more unemployed persons in the Province of Manitoba. What is most disturbing is that in December of this year in the monthly labour market statistics, this province was last in the job creation statistics. In January, we moved up to eighth. Mr. Speaker, the Conference Board has predicted that this province will have the lowest unemployment growth in 1985. There are serious - pardon me, lowest employment growth in 1985. Most seriously, Mr. Speaker, in the manufacturing area, unemployment down significantly, whilst other provinces have recovered from the recession in that particular area of job activity.

So, Mr. Speaker, those are the simple and pure facts and what they indicate is a failure of this government and its policies in creating jobs in this province. They talk, Mr. Speaker, further on in that page about growth in population and they refer to a decline in population of some 600 people under the last Progressive Conservative Government from 1977 to 1981. But most significantly, Mr. Speaker, if one looks at the growth in the employment force that took place from 1977 to 1981, there was a 35,000 increase in the employment force, and in three years to date under this government, there has been only an increase of some 25,000 persons in the employment force and that is contained and referred and attached as one of the appendices, the actual statistics from the Labour Market Bulletin.

So while the government attempts to refer to a drop in population under the Progressive Conservatives, Mr. Speaker, in fact the employment force grew so far by more than 10,000 people than it has under the New Democratic Party Government. Mr. Speaker, during those Conservative years, four of 35,000 people who joined the labour force, there were some 33,000 jobs created for them. For those 25,000 people who've joined the labour force under the New Democratic Party there have only been 11,000 jobs created for them in the first three years of this government, Mr. Speaker, and again the Conference Board predicts in this coming year, the last year of this government, the employment growth in this province will be the lowest in Canada.

They refer, Mr. Speaker, to the best investment outlook in Manitoba and they conveniently refer to the years starting in 1983, while omitting the first year in office in 1982, which was an utter and complete disaster and then they base their position on the percentage increase that takes place from 1982, and that simply does not reveal the true and accurate position of

investment in this province because the percentage of Canadian private investment that is taking place in this province has declined very considerably and that is the true statistics, but the government does not choose to use 1982 statistics and thereby fudges the real position of this province with respect to investment.

Mr. Speaker, the Minister of Finance goes on to talk about the fact that they wish to concentrate on proposals which will support long-term employment opportunities, and they say that and they mouth those words continually. But the fact of the matter is that through their actions such as the payroll tax, labour legislation, the anti-business tax, they have discouraged those long-term employment opportunities in Manitoba and discouraged the creation of permanent jobs in Manitoba. We have many many examples that occur too often, Mr. Speaker.

The most interesting one recently, of course, is the Vicon purchase of Co-op Implements and whether or not, Mr. Speaker, that company is going to relocate outside of the Province of Manitoba because, in fact, of the labour legislation of this province, which requires it to assume a collective agreement with the union, with a company that virtually failed. The question will be, Mr. Speaker, perhaps, how much will the Minister of Industry offer to Vicon to locate in Manitoba rather than Saskatchewan in order overcome the payroll tax and the labour legislation? Mr. Speaker, we're waiting to hear from the Minister of Industry as to what will happen.

The Minister of Agriculture refers to General Electric and I suppose to the announcement today by the Premier that a few hundred jobs will be created as a result of that purchase. Just yesterday, Mr. Speaker, this province lost 250 jobs. We just lost 250 jobs with Sperry New Holland and the other firm that is leaving, Motor Coach Industries - 250 jobs lost yesterday.

This government, Mr. Speaker, and we've seen evidence of it today, are attempting to put, it seems to me, all of their eggs in one basket in the Limestone project. But if people will examine that project, Mr. Speaker, and I'm not talking here today about the costs of advancement and the effect on Hydro rates to the consumers, but that is not the solution to the unemployment problem in Manitoba. At most, Mr. Speaker, that will create 1,400 jobs.

A MEMBER: Do you have a better solution?

MR. G. MERCIER: I have a better solution, to the member, Mr. Speaker. The better solution — (Interjection) — well, Mr. Speaker, the public of Manitoba will decide when that election is called as to which is the better solution. But I would suggest to members opposite that this province requires some long-term planning that will encourage private investment in this province that will create those long-term jobs. — (Interjection) — The Member for Wolseley says it's happening. Well it's not happening. I suggest to her that she not accept the Minister's statement without examining the statistics for herself and look at the investment figures and include the 1982 investment figures, and then determine, and then you will see that the percentage of Canadian private investment in Manitoba has declined very very substantially and don't

accept the statistics from the Minister of Finance which are fudged and which leave one year out, in an attempt to make the statistics look better, because they're not factual. That's not the factual way of looking at them.

It's interesting also, Mr. Speaker, to look at the comments of the Minister of Finance with respect to federal transfers. This government obviously, Mr. Speaker, is so desperate that it is trying to find an election issue and it hopes to be able to find one with the Federal Government. What they've done, Mr. Speaker, in the Estimates is to under the - I'm just trying to find the exact figure - in the revenue figures dealing with finance, here it is on Page 6 of the revenue figures, certainly they include under equalization the \$72 million that they hope to get from the Federal Government that is not authorized by the Liberal legislation. But has anyone on that side of the House or the Minister of Finance mentioned the fact that the established programs cash transfer rises from \$369 million to \$426,000,500, an increase of some \$57,400,000 which offhand would be a very significant percentagewise figure - \$57.4 million over \$369 million, an extremely high percentage figure. That must be in the range of almost 14 to 17 percentagewise increase in revenue. We've not heard a word about that from members on the other side.

I would think if members opposite wanted to be fair, as they say they want to be in the Budget, that there would be some acknowledgement, that that is a very significant increase in revenue in that particular area, certainly a percentage that is not duplicated anywhere else and that they would acknowledge that they're doing very well in that particular area by way of transfers from the Federal Government, but not a word from them on that.

The question of equalization, we have joined in with the Minister of Finance and the government in seeking what we believe should be a more equitable solution to that particular problem and we hope that the joint action of the opposition and the government on that particular issue will bear some fruit and will bear some additional revenue to the province and relieve some of the burden, at least for the moment, from the taxpayers of Manitoba.

The Minister of Finance goes on to make some additional comments about requiring fair treatment from the Federal Government; but have we ever heard the Minister of Finance utter one word about what he thinks the Federal Government deficit should be? Does he think that the Federal Government of this country should have a deficit of \$35 billion going on endlessly? Mr. Speaker, I would like to hear from the Minister of Finance whether he believes that it is in the best interests of Canadians that the Federal Government of this country, no matter what the party, should continue to incur a deficit of \$35 billion and in that particular range?

One would probably be able to gather a glimmer of his position on a Federal Government deficit from the basis on which he has administered the financial affairs of the Province of Manitoba and the deficit that he has caused to become a burden upon the young people of this province, over \$2 billion in four short years; but it would be interesting to hear the Minister of Finance's position on the federal deficit and whether he thinks that should continue.

He goes on, and I simply find it ironic that he takes time in a number of pages of his Budget to talk about the pressing need for a thorough review of the performance of the income tax system, both in terms of its fairness among taxpayers, etc. Mr. Speaker, this a government that did what it did last year with its scam last year. It's simply amazing that the Minister of Finance - just as he's done on a number of occasions - talks out of both sides of his mouth on that particular issue. He's certainly in no position to be requesting the Federal Government to change the tax system after he did what he did last year.

Mr. Speaker, the New Democratic Party prescription for the difficulties of Manitoba seems to be to increase substantially the deficits and the debt of this province, to be repaid in the future by a diminishing number of young people in this province while, at the same time, substantially incurring increasing taxes and charges on the present taxpayers of the province, of which there are now more than 20,000 more unemployed than when they took office. I believe this prescription for the Manitoba economy is wrong and that the patient, the Manitoba economy and the financial affairs of this province and the creation of the jobs, is going to suffer as a result of what has occurred over four years; and we see that evidence in the Conference Board prediction with respect to the rate of unemployment growth.

We see the result of it when we see revenue in this year going up by \$161 million, while debt charges increase to \$273 million. The increase in revenue can't keep up with the increase in the debt charges. We see a predicted rate of employment growth because of the actions of this government, because of the payroll tax, because of the labour legislation, because of an anti-business attitude.

Mr. Speaker, we see a government that is now basing its whole re-election plans on one project, the Limestone project which, forgetting about the arguments about advancement of construction and the increase in hydro rates to the consumer is incurred as a result of that investment, will come nowhere near resolving the unemployment problems of this province - 1,400 jobs at its peak and 40 after it's completed. The whole attention of the government is being directed toward that one project in the hopes that by hiring all of these communicators and political aides, and advertising as much as they can, that they can fool the people of Manitoba one more time and re-elect them.

Re-elect them to do what, Mr. Speaker? To incur another \$2 billion in debt, to increase the payroll tax, to increase the sales tax, to intervene in the life insurance industry, to increase Workers Compensation Board assessments even greater, to allow real property taxes in this province to increase substantially, to increase other fees and charges at Land Titles Offices on all government services, Mr. Speaker?

That's the future under the New Democratic Party and I think the average person in Manitoba who thoughtfully reviews what has happened in four years under this government will say that they've had enough, they can't afford to have these people in power, that with these people in power their families, their children have little future in Manitoba, little prospect of permanent jobs being created, have only the prospects of bearing an ever and ever increasing burden of debt and interest charges.

Thank you, Mr. Speaker.

MR. SPEAKER: The Honourable Member for River East.

MR. P. EYLER: Thank you, Mr. Speaker.

It's always a pleasure to speak in the Budget Debate. I guess this is my fourth time around and I would imagine that as time gets closer to the next election we see an increasing amount of election bravado entering into our speeches. — (Interjection) — The Member for Tuxedo is saying this will probably be my last speech on the Budget. I doubt that, Mr. Speaker.

I suppose that, since there seems to be a penchant for members to indulge in a little political bravado at this particular time I might as well start out that way and then work into the substance of what I have to say.

I noticed that on Friday the Leader of the Opposition was taking quite a bit of pleasure and spending a lot of time dealing with his polling results and his electioneering out in River East constituency. He seems to think that I have a "low recognition rating" - and those were his words. I would imagine that if he's happy with my recognition rating now, he would have been ecstatic in 1981, when I was nominated a week after the election was called.

So we know that recognition is a factor, but it isn't the only factor. As I was going door to door in 1981 - who are you? - but everybody had heard of Harold Piercy. Whenever I go to a teacher's house - Harold Piercy, yes I know him, he's the one that gave us that bad wage settlement. Go to a fireman's house - Harold Piercy, oh yes, I know him, he's the one that gave us the bad settlement for our wages for the Fire Department. So we see that recognition ratings are not the only game in town to play when you're running for election.

Now we've got two people that he says have a higher recognition rating than myself in the constituency, and I suppose that's quite possible. We've got Don Mitchellson, the local city councillor. You know Don Mitchellson, he's the one that said all the city police were a bunch of crooks and they sued him. That's good for recognition but is that what it takes to get elected? Or maybe we could consider some of the things that he's been involved in in City Council.

Some of the things that Don Mitchellson has been involved in in City Council include, for instance, the Harbour View Golf Course. I wonder how many people in Chamber are familiar with the Harbour View Golf Course? It's part of the immense city park complex which is being built in my particular constituency. The city is putting in a really nice facility out there, I'd have to admit. They're building a driving range, a miniature golf course, tennis courts, lawn bowling, greens; they're putting in a lake, and they're going to put pedal boats that you can rent to go on the lake and cross-country skis to rent in the winter; and they've got a \$1 million clubhouse. It's really a very nice facility.

They've got a regular business there. And what they did was they took this business and they gave it to a fellow and they said okay, you administer this for us; you can collect all the revenues from the tennis court rentals; you can collect the revenues from the lawn

bowling and the tennis lessons and the ski rentals and the pedal boat rentals - you can collect all this revenue and run this park for us. And what did he pay for that privilege? Nothing. City Council gave him \$165,000 retainer to sit back and collect money from the facilities that they built, and that is a contract that Don Mitchellson voted for on City Council. You know the Member for St. Norbert is always talking about how terribly property taxes have gone up in the City of Winnipeg. Why doesn't he talk about some of the reasons they're going up - like the Harbour View Golf Course?

Or what about the city transit shelters, do you remember that? We've got a few out here on Broadway now. Here's another case. This is one that was really one of Don Mitchellson's favourite projects. They put it out to tender, but they bungled the tender so badly that they couldn't get the people to make proper bids on it. What they got in the end was two bids; one from Mediocom, which offered to build 200 shelters and offered \$50,000 a year for the next 15 years for the advertising privileges; and they got another bid from Trans Shelter Corporation which offered to build 250 shelters and offered \$75,000 or 10 percent of the advertising revenues whichever was greater, for the same 15-year privilege. Two bids. And which one did Don Mitchellson's committee choose? They chose the low bid. Maybe somebody forgot to tell them that these people were offering money, not trying to take it. What that committee did was, it cost the city up to \$2.4 million in revenue over the next 15 years.

This is the sort of thing that our high profile city councillor in River East area is involved in, and so far he's been the teflon councillor, nothing sticks, nothing. You know, the media doesn't follow this sort of thing. If this was a provincial program, it would have been news for days but the press doesn't report the city happenings like this. So nothing sticks. But you can be sure, Mr. Speaker, that if the teflon councillor wants to run for the nomination, he's going to find that our party is scratching away at that teflon and these things will stick because the people aren't going to want this kind of action carried out at the provincial level. They aren't going to want the same kind of mismanagement that the city is undergoing at the provincial level.

Now I have to admit that one of the great pastimes in River East is Tory-watching. It's like a three-ring circus out there. You never know what they're going to do next. For instance, in the last civic election, we had a couple of Tories running for councillor in River East. You see these two brochures? They look very close together. One is for Cliff Annable; one is for Don Mitchellson. Do you know why they look the same? Cliff Annable, being a good Tory, went to Don Mitchellson and they had this little agreement. Cliff Annable said, hey, I'll run in Springfield Heights, and Don Mitchellson, you run for re-election in Henderson ward, and Don said, that's fine, that's great; we'll solve all of our problems. You run here; I'll run there. And then Cliff Annable said, well, you know I'm new at this game, could you maybe help me with my literature? Could you maybe help me a little bit Don? And Don said, sure I'll help you with your literature. And they did the literature and then Cliff Annable decided he was going to run in Henderson Ward, so you have two identical brochures, both designed by Don Mitchellson

- one for Cliff Annable, one for Don Mitchellson. That got them off to a pretty bad start.

I can imagine that Don wasn't too happy about that. You know, he has this little agreement and then he gets stabbed in the back, and from there it just degenerated. It just degenerated from there. Cliff Annable went around and said, Don Mitchellson's going to open this street on Gilmore and you're going to have a railway crossing. So Don Mitchellson has to run around leaving little letters all over the street, I am not changing my position; this is not my position; he's misrepresenting it.

So then Cliff Annable goes around and says, well, you know Don Mitchellson voted for City Council pensions. So Don Mitchellson has another little letter that says, no, I did not vote for City Council pensions. — (Interjection) — It makes great reading. This is what it says. This is what Don Mitchellson's letter says: "This has been a long and bitter campaign filled with many attempts by one of my opponents to discredit me and my record as your city councillor with false, inaccurate and malicious statements." These are two Tories fighting it out. He's not talking about us; he's talking about the other Tory.

So it's a three-ring circus out there. We have a Conservative Party which is split right down the middle - that split went right through to the leadership campaign. Cliff Annable says, I'm for Gary Filmon, and Don Mitchellson says, I'm for Brian Ransom, and they were fighting it out. Brian Ransom sent out this little letter. It says, "You're invited to have coffee with Brian; bring your family and friends, Friday, October 7, 1983;" an invitation to come and meet the candidate for Leader of the Opposition, for the Leader of the Conservative Party. They had this meeting set up; everybody come; bring your friends; all welcome; find out if this is the guy you want to vote for. The problem is, it was three days after the delegates were elected. Now that's organization. They are divided; they are disorganized — (Interjection) — I don't know if Seech was around or not. He's probably busy in other areas of the city.

But this is the problem that they've got out in River East. I'd just like to tell the Leader of the Opposition that I kind of like one of the statements that Cliff Annable had in his election literature. It says, "A responsible councillor concentrates on ward issues. An irresponsible councillor grandstands for media coverage."

Well, while these guys are grandstanding and raising their recognizable quotients or whatever it is, I would like to say I'm just simply working in the constituency. If I am known, it's known for the good work that I'm doing on constituency problems.

I am known by the people at the community centre for the expansion, the Jobs Fund that it's in progress, the expansion there, Mr. Speaker. I hate to say this, I hate to pre-empt the Leader of the Opposition, but he knows that the state of affairs in River East for his party are not good. He knows that. I might as well make the announcement now today, the Leader of the Opposition is going to run in the next election in River East. That is why he is doing the polling; that is why he spent so much time on Friday describing the polling he is doing and I'm sure that before long we will have an announcement from the Leader of the Opposition stating that he is going to run in River East. You see, he wants to be another Brian Mulroney. This is the trend.

The Leader of the party parachutes into enemy territory and leads the forces to victory. That's the trend. John Turner parachuted into Vancouver Quadra; Brian Mulroney parachutes into Manicouagan. This is the way you show your leadership, you show your confidence; this is the way you shed yourself of the Tuxedo image. The Leader of the Opposition wants desperately to shed his image of being part of the Tuxedo elite . . .

SOME HONOURABLE MEMBERS: Oh, oh!

MR. SPEAKER: Order please.

MR. P. EYLER: . . . and because he wants to shed that image, where else would he go but River East, a marginal riding that he thinks that perhaps his presence could swing.

Besides this, he's having trouble lining up spots for all the other candidates like Bill Norrie or Jim Ernst. What better way to make room for them than to get out of Tuxedo and go to River East. What about the Member for Charleswood; he'll be back. Mark my words, he'll be back. His short-lived business career collapsed yesterday, three months after he joined the Canadian Commercial Bank, it went under, so he'll be back. He hasn't gotten a job yet.

So having pre-empted the Leader of the Opposition in his announcement that he will be running in River East, I want to say to him that I am going to tell him right now what I'm going to be talking about on the hustings when I see him, and I'm hoping that he will have the courage to come out to the local debates; his predecessor didn't.

I'm going to be dealing with some of the major issues out there when the Leader of the Opposition comes out to challenge me. I'm going to be talking about Hydro and I'm going to be telling the people some of the things - and I think it should be repeated time after time so that they don't forget it - just what the Leader of the Opposition has said about Hydro and just what the National Energy Board has said about Hydro, and I think it bears repeating now.

I think that we should let him know, remind of him of his words, the negative intervener, Gary Filmon said, quote, "When many areas have not been addressed and many questions unanswered and many matters have to be developed before a decision is made, first of all, a full range of interest, construction costs, escalation, foreign currency exchange rates and other contingencies have not been applied to the sale case. Secondly, no provision has been made in the analysis or in the proposed sale contract for sharing of risks between buyer and seller." And what did the NEB say? The NEB said, "The board recognizes some level of risk is always present in any major undertaking and it is satisfied that there was sufficient evidence to show that the risks associated with the proposed export sale are adequately examined by the applicant and found to be within acceptable bounds." No. 1.

Another statement from the negative intervener, Gary Filmon, "There isn't any \$1.7 billion profit. There may be some net benefit, but it may be almost a break-even proposition," — (Interjection) — He says from his seat, "That's true."

Well, the National Energy Board says, "The export sale is expected to yield net revenues of about \$400

million over the term of the contract and those are discounted 1984 dollars, which work out in future cashflows to \$1.7 billion over the life of the contract."

So, the NEB again says, no, Gary, you're wrong. It doesn't concern him. He wants to do the political grandstanding.

Point No. 3 on the Hydro contract, Gary Filmon says, "I would submit to you that no evidence has been presented that the planned advancement of the plant to accommodate undetermined, increased interruptible sales is in the best economic interest of Manitoba or Canada."

What did the National Energy Board say? Again, they said, "The board notes that for the sales sequence from Manitoba Hydro's perspective, the excess of revenues over cost for the two-year advancement would be about \$20 million more than for the one-year advancement." Again, the NEB says, no, Gary, you're wrong.

Point No. 4. Maybe I'm getting repetitive, but I think it should be worked in to the leader's mind just what he's been doing. The Leader of the Opposition says, "The alternative development sequences for meeting the sale in domestic load have not been presented. The board must not, under any circumstances, place itself in a position, if it improves the sale, of thereby inadvertently legitimizing or lending credibility to the decision to advance the construction of the Limestone Generating Station."

What does the National Energy Board say? "The board's assessment of the export proposal has not, however, turned up any suggestion that the utility's generation expansion decisions are wrong."

Why is he doing this? Why is this man saying all of these nasty things about Hydro? It's obvious - it's political grandstanding. He simply wants to go out there and be . . . What was it that Spiro Agnew used to say - the nattering nabobs of negativism. This is what he's doing. He's simply saying things are going bad; things are terrible out there and he's hoping to have a self-fulfilling prophecy by saying that and it's not going to work. It's just simply not going to work, Mr. Speaker.

What about investment? Let's look at the way he misrepresents the investment climate. Do you remember, in his Throne Speech, when he said that, "The Conference Board says in summary that Manitoba will have a growth rate of 1.6 percent, the lowest of any province in the entire country." Well, maybe they said that, but I don't know when that was written; I don't know what the basis of it is. I do know what Stats Canada says. I do know that Stats Canada says that Manitoba experienced an investment growth rate of 11.3 percent last year and he's saying we had a terrible climate.

A MEMBER: Over what?

MR. P. EYLER: Over what? Well, it's over the Canadian average by how many points? It's over the Canadian average by 9.2. That's 1983-84, and what it says for the future, which is more important, what's more important is not where we've been, but where we're going, and Stats Canada say that investment intentions for 1985 indicates that Manitoba will again lead the nation, will be No. 1, with 11.4 percent increase in total

investment; and that's not including the announcement today about CGE That's a totally different case; that's new stuff. This is old facts. — (Interjection) — Of course, you know, like I said a few days ago, you have to be fair and you have to admit that Conservatives have always said there's a big difference between total investment and private investment because private investment is the engine of recovery. Well, it's one of the engines, I admit.

Let's look at what private investment will be doing. It grew by 9.8 percent in 1984. That's three times the national average of 3.3 percent; three times as good as the national average and he says we're doing terrible. Next year, Stats Canada's inventory shows that there will be an increase of 11.4 percent, and again, that's almost twice the national average. The Canadian average is supposed to be 6.7 percent next year. We're going to have 11.4. The Leader of the Opposition says things are terrible. We had the lowest growth rate in Canada. Well, I think that people will be able to see through that kind of negativism, Mr. Speaker.

I want to give another example of just how the Conservatives deal with statistics. We all got this out in River East - it's Gary Filmon's picture here - still says MLA for Tuxedo. In it we have a little statement. Right in the middle it says, "Did you know that in December, 1984, employment in Manitoba increased by only ninth-tenths of a percent, while in the rest of Canada employment increased by 2.4 percent? Manitoba had the lowest rate of employment growth between December, 1983 and December 1984." — (Interjection) — No, it's not true! What you said is not true. What you did was you took the month of December, one month, and you said this month this year and this month last year, and if you look at the yearly average - now anybody can have a good month, you can have a bad month. You know, I could go out and say that, well, maybe in the month of July we had a 6 percent increase and therefore we had this whopping growth over one year. What you did was you took one month and you totally ignored the yearly average, Mr. Speaker.

If we compare the average employment for all of 1984 with the average 1983 employment, we find that Manitoba had the fourth highest increase, 2.6 percent, and that's one-tenth of a point higher than the Canadian average. Maybe it's not that great, but it's certainly nowhere near the dismal performance that the Conservatives would have us think we were experiencing.

What this means to me, you know, is that there's this old saying that there are statistics, and damn statistics and lies. I think the Conservatives know where their interpretation of statistics falls in that particular category. What they do, Mr. Speaker, their use of statistics, they use statistics in just about the same manner that a drunk uses a lamppost, more for support than illumination. That's the only thing they use statistics for. They're trying to support their negative approach to how terrible things are in Manitoba. It's not there, it's just not there.

There's another thing that I'm going to be dealing with on the doorstep when the Leader of the Opposition comes out to challenge me in River East and that's his taxes, it's his taxes. You know, he's running around the province making half statements. He says, "I'm

going to eliminate the payroll tax." That's what he says and that's what they say. They say, you bet. Well, it's half an equation. Like the Pythagorean theorem, the square of the hypotenuse is equal to the sum of the square of the two sides. Here they are saying, I'm going to implement the sum of the squares of the hypotenuse or something like that; no one knows what it means. It's half an equation.

What's on the other side of that equation? If you reduce taxes by \$100 million, what are you going to do to make it up? Are you going to increase the sales tax? The Member for River Heights says yes. The Leader of the Opposition says no. They don't know what they're doing. They haven't got together on that one yet. They say, oh, we're going to cut advertising. Oh, you're spending so much money on advertising; \$100,000 here, \$60,000 there, and we're going to save \$100 million by cutting out advertising. Well, good luck. It's going to take a lot more magic than you can conjure up to cut \$100 million out of advertising. Half an equation, that's all they're giving.

You know what that half an equation leads me to? It leads me to the last thing that I'm going to be talking about - maybe the major thing - on the doorstep, and that's their hidden agenda, because they're only giving half the equation, they aren't giving the other half and that's the hidden part.

I think we can characterize their approach to the economy in three words: redistribution of wealth. It's not the way we understand the redistribution of wealth. It's the redistribution of wealth away from employees, away from ordinary Canadians back to the rich and to the employers. When they say we're going to cut the payroll tax, they're saying we're going to create jobs by doing this, but that's not really what they're going to be doing; they're going to be transferring wealth back and they're going to be cutting services at the provincial level.

Look at how they've attacked the labour legislation in this province so far this year. For example, they've come in and said how terrible it is that if one company is bought out by another company, the existing union contract must be honoured. That's terrible they say. They will probably repeal that, is that what they're saying? Are they going to say they're going to repeal that? I'm listening, Gary, got a policy? No? Okay. Maybe they'll repeal it, maybe they won't, that's on the hidden agenda. That is not going to do anything except redistribute wealth. It's going to lower wages - it's a redistribution of wealth - away from the employees. They've said they're going to what? They're going to repeal our labour legislation from last year. I'm waiting to see if they implement free trade zones like B.C. You know, no unions allowed, union workers need not apply. Or how about what's happened to the construction unions in B.C. where the wage cuts are 30 percent? Redistribution of wealth. It's not just in labour legislation, it's in social legislation.

What about rent controls? The Leader of the Opposition is on the record, he wants to whittle at the provisions of our rent control legislation; a little bit here, a little bit there, and eventually we'll abolish it. That's his position. Just a little here, he says, I'm not really going to change things, just a little bit. I'm going to increase the length of time that new blocks have before rent controls come into effect, just a little bit.

You know five years now, maybe eight, maybe ten later on. That's one of his approaches.

The other approach; maybe we should have user fees. If you want to apply for a rent appeal, pay a fee. Well, there's another way to whittle away at it. Eventually, we've got no rent controls - redistribution of wealth, back to other people, away from the ordinary Canadian.

What about education? Here it is the International Year of the Youth and the Member for Morris says, I think university students should pay 25 percent of the cost of education. That's horrendous! Year of the Youth, that'll certainly solve a lot of problems at the universities, you know, you won't have overcrowding that's for sure. No overcrowding and you may even get more revenue that way so the budgets will balance. You solve one problem and you've created a lot more. You've made education a class right, rather than a universal right. The sales tax: are we going to have the sales tax increase; are we not? The Member for River Heights, as I've said before, says yes we are. I don't know. I think maybe the whole party is so disunited over there, the Member for Niakwa says, we're with you, bikers. We're going to repeal the helmet legislation and his leader has to say the next day, well you know, maybe we'll take a look at it, well we'll look at it a little bit, but I don't think we're going to say right now that we're going to repeal it. So where do they stand on all these things?

A MEMBER: By the way, they didn't burn any flags at my . . .

MR. P. EYLER: Where do they stand on these things?

A MEMBER: Al Mackling wasn't there.

MR. SPEAKER: Order please.

MR. P. EYLER: Right after he was elected leader, the Leader of the Opposition went to Roger Newman for an interview, Manitoba Business, and it says, "You

cannot govern without policy." Well where is his policy, he wants to govern? Where is his policy? Get away from the hidden agenda, come out, tell us what you're going to do.

A MEMBER: Call the election, my friend.

MR. P. EYLER: We'll call our election when we're ready to call an election. You see there's no reason for us to go before your friends in Ottawa have had their Budget, is there? Now Frank Miller, he's the one who is running scared. He had to call his election before the Budget. So it's all political. We have to recognize it; it's a political decision; it's a judgment call. You call the election when you think you're going to win; when your chances are best. Frank Miller calls it before the Federal Budget; we'll call it well after, when we've seen some of the benefits of Limestone coming in; well after, when we've seen some of the other economic initiatives coming to fruition; well after, when we've got a good positive record to go on; and well after, when the Leader of the Opposition has stated officially that he's going to run in River East. I'm still waiting for that. I'm still waiting for his official statement that he will be running in River East and I welcome it, Mr. Speaker. I welcome the challenge. We're ready, and I would just like to say, come out and we know a couple of weeks ago we had a little meeting out at the Nor-Villa Hotel, 50, maybe 60 people came out, 50-60 people - and that's a good turnout for my area of town - that's a good turnout, don't feel bad Gary - come out, run for the nomination and challenge me.

Thank you, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. R. NORDMAN: Mr. Speaker, in light of the fact that it's 29 minutes after 5:00, can I call for 5:30?

MR. SPEAKER: Order please. The time being 5:30, I'm leaving the Chair to return this evening at 8:00 p.m.