

## LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, 26 May, 1986.

Time — 8:00 p.m.

### BUDGET DEBATE

**MADAM SPEAKER, Hon. M. Phillips:** The Member for Niakwa.

**MR. A. KOVNATS:** Thank you, Madam Speaker.

It is with great pleasure that I rise this evening to speak on the Budget Debate. Madam Speaker, while I was officiating in football many years back, it was a deep dark secret as to my capabilities. I would mention at this time that the reason that I left officiating in football and joined the Legislative Assembly, or took a crack at joining the Legislative Assembly — and I was successful — was because of my eyesight. So I do have to wear glasses just to see who is presiding in the Chair, Madam Speaker, and it's not because I am reading from any prepared notes.

Madam Speaker, I offer you my congratulations on your election to the highest position of this Assembly. The rules of the House must be upheld, and the decorum and dignity of this House must also be upheld. We must maintain the dignity that I knew from when I first entered into the Chamber. In your hands falls the responsibility of these difficult tasks, and you will have my cooperation and my support in achieving these goals.

Madam Speaker, I was very, very disturbed prior to the supper hour listening to the Member for Kildonan. I would think, as a new member, his caucus would have advised him some of the rules and some of the actions that take place in the Legislature. I don't know what the Member for Kildonan was trying to prove, but he certainly didn't prove anything to me. I think what he was suggesting at that time is let's all get into the gutter, and let's all get into the sandbox — I think some reference was made to a sandbox earlier in the week — let's get in the sandbox, we'll throw sand. And it bothers me a bit that we have taken this kind of an attitude in what we are doing here in the Legislature.

I think it reviles me of some of the things that have happened, but I'm not really going to get into it. I have known some of the members for many many years — the Member for St. Boniface I've known for more than 40 years, as a matter of fact — and I don't think that the actions of the Legislature allow us to point fingers and accuse one another of wrongdoing. Something that happens outside of the Legislature is their business. I just don't feel that I, as a member of the Legislature, am supposed to reveal some of the things that happen outside of the Legislature. What I am really trying to say is that I think I've been brought up that my salary and my relations with my family and my religion are my own personal business. I don't think that I should be required to reveal any of those things and I'm not about to do so, Madam Speaker. I think if any of the others wish to do so of their own free will and accord, they may do so but that's not part of the reasons on which I was elected.

I want to congratulate the Finance Minister for his manner in which he delivered the Budget Address. Delivering a Budget Address with a deficit of \$489 million is quite a task — and if we are going according to the last script, \$489 million is only the start with possibly another \$50 million or \$60 million somewhere down the line — somewhere after an election is called, the extra monies would probably be revealed.

The Minister also deserves particular congratulations for the false appearance in which he had to portray that he was enjoying presenting the Budget Address. I think the press gallery, even though there are not too many of them here today, or not too many people up in the other gallery — and it seems that this happens every time that I get up to speak — but I think the members of the press gallery should be congratulated because they were told prior to the reading of the Budget Address that this Budget would attempt to reduce the deficit and they should be congratulated for restraining the laughter which they held back on when the Budget was revealed.

I wish to congratulate all the new members on their election. I do remember the difficulties which I encountered when I was first elected into this Legislature and to all the new members, I do offer my best wishes.

I wish to congratulate all of the previous members who were re-elected and particularly those that represent areas that were considered swing ridings. My riding of Niakwa was considered a swing riding, Madam Speaker, and when I was contacted the night of the election by one of the radio stations, he asked me what I attributed my successful win to. I said I attributed it to mine being considered a swing riding, and my group and myself particularly had something to prove and we proved that Niakwa is not a swing riding but a strong Conservative stronghold.

Might I mention also, Madam Speaker, that in my constituency there are four members of the Provincial Legislature, to my knowledge — there might be more — but I know that there are four members of the Provincial Legislature living in my riding of Niakwa.

**A MEMBER:** Did they all vote for you?

**MR. A. KOVNATS:** I think we'll get down to that. Also, Madam Speaker, three of the members happened to be Cabinet Ministers of the New Democratic Party Government and just by chance, and I guess one of the members — I can't make reference to him, his not being here — well, actually he is here, Madam Speaker, but he was afraid that I might throw something and he is way in the back now just trying to find out what it's like to sit in the back bench just in case after the next election, that he is not successful at being government and he'll have to sit over on this side and it will be a backbencher position for him. The members that I am referring to are the Member for The Pas, the Member for Dauphin, and the Member for Radisson.

To this day, Madam Speaker, we're a very, very friendly group over in Niakwa and I really don't know how they

voted in the last election. It's a matter of secret ballot and I'm not able to go in and have a look to see how they voted, but under secret ballot we will never really know how they voted. I'll tell you, if they voted for me, I'm sure that they would be sitting there with a smile on their face. Obviously I proved a point, Madam Speaker.

Madam Speaker, I would like to thank all of the people of Niakwa, those who voted for me and those who voted against me, for the participation in the election. It was a fine campaign. We had very worthy opponents. I enjoyed the campaign. I didn't enjoy the cold weather but I think the person who called the campaign or the election had the advantage of knowing that I wouldn't work too hard if the weather was cold, but we fooled them. We worked hard. We went out and we worked very, very hard and we won.

I would like to thank particularly, there was about five or six persons in the Niakwa constituency who did not vote for me and I knew they weren't going to vote for me because of their reaction of when I knocked on the door and I said, "Hi. I'm Abe Kovnats. I'm your Progressive Conservative candidate and I'm up for re-election." "Well, we're not supporting the Conservatives." I said, "That's fine, I just want you to know who your member is going to be so that you'll know who to contact if you need any help after the next election," and I think I did convert some of them.

But one of them in particular, when I knocked on his door his young daughter had invited me into the house and this was a wonderful occasion because I was invited into many, many homes and one of the fellows came up from downstairs and the girl yells to her dad, "Dad, come on up, there's somebody here to see you," and he comes up the stairs and he looks and he says, "You, you," and I said, "Yes, it's me, it's me," and he says, "Get the hell out of my house," and I said, "Now wait a minute, what's the situation?" He said, "You were the one that was responsible for ringing those bells," and I said, "Yes, I was." He says, "You've got 30 seconds to get out of my house." And I said, "Well if I don't in 30 seconds, what will you do?" and he says, "I'll call the police." Then he used some very, very unparliamentary words. Madam Speaker, I wish to thank that man. I wish to thank him publicly.

**MR. H. ENNS:** His name was Gerry Lecuyer.

**MR. A. KOVNATS:** No, it wasn't; no, it wasn't. As a matter of fact, I called on the Member for Radisson's home and I did receive a very nice reception there. As a matter of fact I think his wife and children did support me. But this man I'm telling you about told me to get out of his house, I would like to say thank you to him because I went out and I worked all the harder and I campaigned even that much harder to make sure that I would win the election, so I could tell him, go fly a kite.

Madam Speaker, there are a few more people that I would like to thank at this time and one would be my family, all my family who came to my support, my wife's relatives, my relatives. My brother had come over one evening and he was making calls for my campaign and he was phoning people and saying, "Hi, I'm calling on behalf of your PC candidate and we would like you

to support him," and he says, "His name is Abe," and you know this guy couldn't remember my last name and I said, "Tommy, it's the same last name as yours," because it was my brother and we were very, very successful. But I would like to thank all of my family, my wife and my children. I would like to thank my leader who came by bus, and we went out and we knocked door to door. It was cold weather and he froze his ears, but he got me some support in my area, and I thank him for that.

I would like to thank all of my associates, the executive of my Niakwa Conservative Association. I would like to thank them personally. They all got out and they all supported me, and they worked and they made telephone calls. I appreciate that support also. My friends and my constituents, thank you. I won't let them down, I assure you.

Madam Speaker, we are preparing to win the next election whenever that is going to be. As soon as we came through the last election, we were preparing for the next election. I think that the New Democratic Party Government under Premier Howard Pawley — is that . . . I guess that's okay. Can't I use that? — under the Premier of the Province of Manitoba is contributing to our future well-being. We will be winning the next election. There is no doubt in my mind.

Now, Madam Speaker, I would like to turn to the North. I'm not getting nervous, Madam Speaker, I've got to find the right page. I am not reading from it, honest.

Madam Speaker, I have always stated that energy, electrical or otherwise, is going to be the salvation of the Province of Manitoba. I have spoken to the former Minister of Energy, for whom I have great respect. Energy will contribute to the expansion of the North and to the well-being of all of the Province of Manitoba.

I did read an article, Madam Speaker, wherein it was stated that the Province of Alberta was negotiating for the sale of natural gas to the country of Japan. Our Canadian energy is needed all over the world. But the final deal was never consummated between the Province of Alberta and Japan. I don't really know the reason, but I would hope that our province at this time is negotiating throughout the whole world in trying to sell our power, not just to the Northern States Power group that have committed to buy one electrical power contract from the Province of Manitoba — (Interjection) — no, we're not going to give it away, because I don't think we have to give it away.

But, Madam Speaker, we have electrical power in the Province of Manitoba, and we have an abundance of water resources. That electrical power and water resources means hydrogen. We are 20 years away from where hydrogen can be a really important product for the Province of Manitoba. We should be negotiating now to sell our hydrogen power throughout the world. It doesn't have to go as a gas.

Let's not get all worked up when we talk about hydrogen because, you know, some of the people who are against nuclear power start thinking of hydrogen and hydrogen bombs. That's not what we're talking about. We're talking about the useful purposes of hydrogen. Maybe a little bit later, we'll talk about the useful purposes of nuclear power too.

Now is the time to develop these markets, Madam Speaker. The Minister of Energy is here now. I had

neglected just for a minute the Honourable Member for Rossmere. I was looking up at the seat over there where I did know the previous Minister of Energy and he had considered some of the remarks I had made about hydrogen power. I think now is the time we should be negotiating on behalf of the province to sell this hydrogen power so that we don't have to give it away in the future.

We have 20 years or longer to make sure that this hydrogen power will be a safe power to use. We should be, at this point, negotiating with other provinces who have an abundance of electrical power and an abundance of water resources, Ontario, the Province of Quebec. These are the big powers with electrical power. We should be working with them, not opposing them. We should be working as one unit right across Canada because this power we've got is such an immense power and we should not be wasting it.

Madam Speaker, whenever I get young students coming into the Legislature, I sit them down in Room 200 and I say, sit there, and let's just talk about what we are doing. I ask them, do you know what goes on in that Chamber which is just down the way? Most of them really don't. It's their first trip here and they're usually in Grade 5 or 6 by the time they come here for their first trip. Most of them don't know what we're doing here and I tell them, do you know what we're doing in there? We are making plans for your future. When we pass laws, it's the laws that will govern your lives, your lives in the future. They look at me in surprise; and I say, the laws are for us, but only for the time being. Understand what we're doing; we are planning your future. Stand up for Manitoba, a thing that comes through, and I've used that terminology. It doesn't belong to any particular group. It doesn't belong to any group. You can use it; it's kind of a catchy phrase, but it's going to be your future, and the future of the North, the future of all Manitoba will be the future of the young people of our province.

Time really flies, Madam Speaker. I didn't realize that it was going this fast. I'm glad that we're limited to 60 minutes because if we weren't I'd be a little bit concerned because I have a lot of material I want to impart to all the members.

**MADAM SPEAKER:** The honourable member has 21 minutes remaining.

**MR. A. KOVNATS:** I'm at kind of a loss because I have so many important things that I just must get across and I would hope that leave would be given to me sometime when we get close to the end.

Actually, Madam Speaker, I'm moving to the time of the start-up time of Hydro, and I listened to the Minister of Energy relating about how the start-up time of Hydro was not costing the Province of Manitoba the additional monies, whereas we were making statements that the two years in advance of the regular start-up time was going to cost the people of the Province of Manitoba somewhere between \$300 million and \$400 million a year for the interest on the monies that were going to be used.

Let's not get into a fight about it. You've got your reasons for saying you were going to make a profit and I've got my reasons for saying that it was going

to be a deficit position, it was going to cost us because of the early start-up, but what has happened because of the early start-up? Who are the people that are really suffering?

We had a real big discussion here not too long ago about preferential treatment for the hiring of Native Northerners. It got into pretty heavy debate, Madam Speaker. I was not that against the preferential hiring; all I wanted to do was to make sure that the Natives were trained properly so that they could compete on a competitive basis with anybody else on jobs in the North. But by starting up Hydro early and not giving them a chance to learn their trade as well as they would so that they could be competitive, it has put the Native Northerners in a disadvantaged position. I feel badly about that because I think that they require assistance up in the North. As I mentioned earlier, the North is the future of the Province of Manitoba, and I would like to see the Native Northerners be given some special attention in training for jobs up there.

But — what has happened? This government negotiated with the Native councils up in the North to give them preferential treatment in hiring when we were first talking about the expansion of Limestone and they made some sort of a deal. I don't know what the deal was, but I know that some of the members who represent northern ridings and, by the way, with their co-operation in supporting these Native Northerners, they got re-elected by a pretty fair margin, but it seems to me that some promises were made to the Native Northerners.

I keep wanting to call them Indians, but I think that is a term that is not acceptable any longer, so I'll keep trying to use the word Native Northerners. It's not a matter of any criticism on their part.

What has happened is that they were promised special consideration before the election and then as soon as the election was over, what happened? We have a quota system. A quota system does not allow us to hire any more Native Northerners. We have trained them. They are sitting, at least for the time being, Madam Speaker, maybe somewhere in the future, there'll be some openings to hire them. But right now, they are sitting up in the reserves, waiting for the telephone to ring so that they can go and do their job even though they haven't been properly trained for the job.

We have right now an article in the paper, and I think this was dated on May 2 of this year in the Winnipeg Free Press, it says: "Jobs deal violated, Natives argue. The Manitoba Government is using a loophole to renege on its commitment to give Native hiring preference on Limestone Generating Station project, Indian leaders charge today."

I would think that they would have charged that with some reason — with some reason. "Manitoba Hydro announced earlier today that Natives would no longer be given priority for Limestone jobs in fields where Native participation has reached targeted goals." Madam Speaker, that reviles me. They won an election by making them promises, and then as soon as they win the election, they renege on their promises — no doubt about it. That is the way this government works.

"Hydro advises the quota is filled." I'm sorry that the words that I am about to relate cannot be heard by the Minister responsible for Native Affairs, and I

didn't say that he wasn't here, Madam Speaker. But there was some special deal, it's another one of those private deals that was made that we don't seem to know about, just to gain favour with a special group. We've had it before, and we've gone to the Supreme Court over some of those special deals, but now there is this special deal with the Natives that the New Democrats and the Manitoba Hydro have reneged on, Madam Speaker.

It appears that whatever agreements were made with the Natives were not the same agreements that were made with the unions. I'm not against either one, either the agreement with the Natives or the unions, but I would suggest that they get together and get their act together.

What security do the Native Northerners have when it comes to jobs? Quotas are filled. Maybe it was a wise move by the Premier to appoint a member from the North, a Native Northerner, to his Cabinet as a special Minister. I would think it would be a Minister without Portfolio regarding Native Northerners or Northern Affairs. I think it was a wise move, because you have picked a good man for it. I've known that Member for Rupertsland for quite some time, and I would hope that he is able to overcome some of the problems that you have confronted him with inasmuch as putting quotas on Native Northerners.

Madam Speaker, the Native Northerners — I seem to be coming back to it, because there is a special place in my heart concerning these people we've turned our backs on for so many years. There are so many things that they deserve. We are trying to correct great injustices, more so than some of the other groups, but there have been great injustices perpetrated on these people in the North. Let's try to correct them.

We have many opportunities of training them and they have to be trained because, without training, they can't make it. They have to be trained how to get along in this world. They're not going to be able to just sit up in the reserves and say that things are going well; we'll do our hunting and fishing. That's not the way it's going to be. They have to be trained to take their place in the white man's society.

I would like to relate how we have had people making presentations here, and I don't know why we don't proceed with it. We can train them to go into the needle trade, because there are some reserves that are in the needle trade right now. We have taken professional people into these areas, and given them the equipment. We've provided them with a market, and they know what to do and there is a place for them in the needle trade.

We've got an abundance of fish that we can't use, we can't sell. We put it into storage and it goes rotten and we have to discard it. Let's use that fish to feed mink or whatever animals we have up in the North that we can make into fur farms, and use some of the things that we're throwing away, and train them how to be fur ranchers. Maybe every woman in Manitoba could be wearing a mink coat raised right here in Manitoba at no great cost. We would be providing employment to people in the North.

**A MEMBER:** Have you checked that with Greenpeace lately?

**MR. A. KOVNATS:** Well, I don't know about Greenpeace.

But to get back to the sting that we have perpetrated on the Natives. Do you remember a little while back, Madam Speaker, there was a movie called "The Sting" with Paul Newman and Robert Redford? It was a movie about how a group of people set out to cheat a particular person, concerning an illegal betting parlour. Let's transform that. Does it sound kind of similar and familiar in how a group of people have told another group of people how they were going to help them, and they don't seem to help them?

Well, you know what? I would think that the New Democratic Party Government is going to make one of those movies. It's not going to be called "The Sting." The title will be "The Manitoba Sting," starring — can I use the names of members opposite, like starring Cowan and Parasiuk? Can I use that? Then, I won't. Produced by Schroeder? And if I can't use that, I won't either. And directed by Pawley, and if that's against the rules, I withdraw that also, Madam Speaker. But the movie would be funded by all of the people of the Province of Manitoba, but it would be a movie that would give us entertainment. It won't be a movie with quotas — (Interjection) — yes, that's right. This is for real.

Oh, by the way, we have a theatre right here in the City of Winnipeg that that movie can be shown at, Madam Speaker. The government is putting up some money interest-free to set up a movie right here in Winnipeg. As a matter of fact, it says right here: "The Manitoba Government," — and this was on May 16, 1986. You know, I don't know why our money is being passed around so freely, because we have such an immense deficit. "The Manitoba Government has offered a \$1.8 million interest-free loan as part of a \$7.5 million IMAX theatre and film project in the North Portage Development." I'm not sure whether I'm being that critical of this particular situation, but it is an interest-free loan. There are many other businesses that require interest-free loans, and they're not able to get them. Well, we need the theatre obviously to play "The Manitoba Sting."

I'm going to have to kind of rush along a little bit, because it seems that I have been — oh my goodness gracious! — I've got at least another hour. These are nice people, and I know they're going to allow me the extra time.

Madam Speaker, during the election, I was going around door to door, and people were asking me a lot of questions. They were asking me what my stand was on aid to private schools, and my answer was 50 percent funding immediately, and a review to see if there would be any additional funding immediately thereafter. But I am in Opposition, and I am not able to put into effect what I had suggested was going to happen. I'm sure that not all of my colleagues agree with that, but I'm not sure whether all of the government members, agree with it.

But I would think that the private schools deserve some additional help. I didn't see anything in the Budget about it, and I would hope that they would consider giving the additional funding to private schools. They deserve it, Madam Speaker. They've asked for it; they've been promised. I would hope that the government would make a commitment to them to see that there is additional help to private schools.

I think that the Honourable Minister of Health made some about how we don't need the Morgentaler Clinic here in Manitoba. I agree with you. We don't need a Morgentaler Clinic here, and I'll do everything I can to see that Dr. Morgentaler keeps his clinic somewhere else. We don't need him here. No, the Minister of Health had made a remark about it, and I support the Minister of Health, as he has supported some of my endeavours from when I was playing football as a young man.

We are trying to correct great injustices. Madam Speaker, and I guess one of the injustices is that private schools have never been given the funding that we think they should have. We have a deficit. Here I am saying that we've got to reduce the deficit but, on the other hand, I'm saying that we should be spending more money on aid to private schools.

I know what the Minister of Finance is saying. You can't have it both ways. But, Madam Speaker, I can have it both ways. I'm in Opposition, and I can have it both ways. Madam Speaker, if I was government I could have it both ways, too. We would reduce the deficit and we would provide funds to private schools.

I've been receiving phone calls, Madam Speaker, about the expansion of some of the schools, some in my area and one school in the Honourable Minister of Environment, Workplace Safety and Health's area. There's the Frontenac School over there and we've had to combine because of the combination. We've taken one of the schools, which was a junior high school and we've made it into an immersion school and that has necessitated taking those kids from that particular school and putting them into Frontenac School and the facilities there aren't adequate enough. I think, Madam Speaker, that the Minister of Education must provide additional facilities and additional funds so that we can expand some of the services that go for the English-only schools.

We have another one, George McDowell School, out in south St. Vital. I walked in during the election — it was cold — and I was walking in because I just wanted to warm up while I was out campaigning in that area and I'm stepping over kids sitting in between the two sets of doors because the facility there isn't adequate enough for this English school. We've got to provide additional funds for them. I know that the previous Minister of Education had provided some funds, but they haven't come through yet and the expansions haven't taken place. We have to provide funds for expansion for the immersion schools and the français program. We have to look after our schools and our hospitals.

We have to spend money on the hospitals. I was over at St. Boniface Hospital the other day and I was sitting in emergency and the place was jammed. They are doing one heck of a good job over there at St. Boniface Hospital. My son had banged up his hand. We were carrying a chesterfield and he had banged up his hand and the emergency staff there looked after him quite adequately.

Let me tell you about the Misericordia Hospital. They require some funds for the Misericordia Hospital, Mr. Minister of Health. I sat in the hallway there — I was laying in the hallway, I didn't have enough strength to sit up — but they did an adequate job there also under very, very, very difficult circumstances, Madam Speaker. I think these people in the hospital program should be

commended. I can see us cutting back on some of the funding, but just to a very, very minor degree so let us not blame the lack of transfer payments coming from the Federal Government. You know it's so easy to blame somebody else.

Madam Speaker, let's make do with what we've got. Let's provide the best facilities with what we've got and let's not make fun of cutting back on a rasher of bacon. You know it's ridiculous. We went through this once before about how one slice of bacon was withdrawn — allegedly withdrawn — because of hospital cutbacks. It's a bunch of baloney. I knew one . . .

**HON. L. DESJARDINS:** No, it's bacon.

**MR. A. KOVNATS:** Well, I'll tell you, I had one lady, you know, my Auntie Geitel who used to say to me, "But Abe I don't eat bacon, it doesn't matter," and that's fine, we don't have to keep cutting back on slices of bacon.

Madam Speaker, it seems that I'm down to my last 10 minutes. I guess I'm down to my last minute and I would just like to take this opportunity to thank all of my colleagues and all members of the Legislature and all of the staff who write in the newspapers for their kind attention.

I would just like to once more bring to the attention some famous words that the Honourable First Minister had used. He used the words "legislative terrorism." I find that revolting to be accused of being a terrorist of any type or fashion and I will not forgive the Honourable First Minister for making those remarks about my leader and all members on this side of the House. I think it was revolting. I think that the Honourable First Minister should apologize for making such a — I guess it's a stupid statement — which I find to revile me and I'd just like to have it on the record that I am not a terrorist. I have never had any connection with terrorism and I would hope that the Honourable First Minister would withdraw his remarks. Thank you.

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

**HON. J. PLOHMAN:** Well, I want to thank you, Madam Speaker.

Just in terms of the comments made by the Member for Niakwa, I want to say as a constituent, I did vote for the incumbent, I have to confess, but I voted in Dauphin, so I have to disappoint the Member for Niakwa. I voted for the incumbent in Dauphin. I know that he's been trying to figure out how I voted right from the beginning. — (Interjection) — Yes, we had a sign up too.

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

**MADAM SPEAKER:** Order please.

**HON. J. PLOHMAN:** Madam Speaker, we're having a little problem here with the diversions by the Opposition. Let me first of all say that . . .

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

**MADAM SPEAKER:** Order please.

**HON. J. PLOHMAN:** . . . I appreciate the opportunity to speak on the Budget Debate, Madam Speaker, on this very fine Budget. I know that the Minister of Finance did an excellent job on his first Budget and I want to congratulate him on that. It certainly indicates that I believe this is a Budget that reflects the kinds of commitments and responsibilities that we outlined to the people of Manitoba during the election campaign leading up to March 18, and it is good to see the New Democrats in government again on this side.

I remember over the last couple of years we had members sitting opposite there and of course the new people here on our side never had this experience, but they were able to see them sitting there and saying you're gone, you're gone, you're gone, you're gone; they'd go around the whole caucus on this side. They were only right on about one, yes, and they had the former Member for Elmwood also engaging in that. But it was all wishful thinking. Even the Member for Sturgeon Creek has to admit to that because he's still sitting in his familiar chair down there and it really is good to see him there. I appreciate the opportunity to be able to look forward.

**A MEMBER:** I didn't wake senior citizens up at 10 o'clock at night to get elected.

**HON. J. PLOHMAN:** Well, you know that's interesting, Madam Speaker. We had the Leader of the Opposition up in Dauphin during the election campaign and he tried to come in there and distort a lot of things that were happening. He had a lot of help with some of the local media and the city media as well. They were doing their best. — (Interjection) — Well, I don't believe that they were fair. Again people have been saying that the media has been doing the work for the Conservative Party. They certainly were doing a good job there but I'm not going to spend any time on that. But the Leader of the Opposition — (Interjection) — Well, it turned out that way and that's why we shouldn't all be so worried about what the media says, I have to admit.

But, Madam Speaker, when the Leader of the Opposition came up there, he said that we were . . .

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

**HON. J. PLOHMAN:** . . . I really enjoy the heckling rule that we have in here from my own side.

**MADAM SPEAKER:** Order please.

**HON. J. PLOHMAN:** He was commenting about the senior citizens home, the notorious incident that took place apparently at a senior citizens home in Dauphin where apparently the canvassers were coming in at 9 o'clock at night, and now the Member for Sturgeon Creek says 10 o'clock, and, of course, they just continue to exaggerate it, the facts have never been important. The fact is that the people were there about 7 o'clock in the evening which is quite a suitable time. They had a lot of difficulty from a custodian who decided to be a security officer at the particular time, Madam Speaker. So there was, I guess, some action that did take place

to bring in an officer to explain The Elections Act that applies during an election in terms of canvassing, and, of course, they played this up.

He also explained to the people at their meeting in Dauphin that no people would shake hands with me. I have to say that certainly I am very anxious to, and will shake hands and extend a helping hand to anyone. That is something, Madam Speaker, that we cannot say for the candidate that was running in Dauphin because a true story, the fact is that an individual walked in from our constituency office to shake hands with the candidate and he refused to do it, he would not shake hands with him, but that never got into the papers and that's not something we wanted to talk about.

But, Madam Speaker, I believe that a member of the Legislature has to work with everyone and shake hands with everyone and listen to whatever people have to say. — (Interjection) — Well, it doubled it; it was close to a quadruple, Madam Speaker. But it was good and it's restored my faith in people being able to see through the kinds of mud-slinging tactics that were being used there not only by the media but certainly by the Opposition. It was very gratifying.

**MR. H. ENNS:** John, now tell us how come you lost \$12 million out of your Budget. Let's hear that.

**HON. J. PLOHMAN:** I'll get to that.

I want to, first of all, congratulate the new Minister as I did earlier. I think that our Budget here that has been brought down, the first new Budget for our new Finance Minister, builds on the strengths of our province and it builds on the four years of good government that this province has seen; certainly, a difficult period after the four long, dark years of the Lyon Government here in Manitoba. It was difficult because people in the Province of Manitoba have been knocked to their knees by that former government and they had to pick themselves up and build together and work together, Madam Speaker, and they were able to do that, and that was very encouraging. The Budget that has come forward now, Madam Speaker, certainly builds on the strengths that were built during that four years with the people of Manitoba working as a team and working together, and we want to continue to do that in this province.

I think the members opposite can look at the fact that we have the second lowest unemployment rate in the country over the last number of years. This is certainly a feat that was never matched by a Conservative Government in this province. We have a booming housing industry and all the spinoff economic benefits that that yields to the Province of Manitoba. We have a population boom, a population expansion, with people coming home to the Province of Manitoba after having to leave to find jobs during the Lyon years. Even despite the fact that all of those people are coming back and the population is growing, Madam Speaker, we do have that lowest, or second lowest, unemployment rate in the country. That is certainly something to be very proud of in this province.

We have seen, even during difficult economic times, the greatest support to the agricultural industry, the backbone of our province, the family farm so important to the economic well-being of our province. We have

seen the greatest support from a Provincial Government in the history of this province. Never before has the agricultural industry been assisted and supported in the way that it has by the Member for the Interlake, my colleague, the Minister of Agriculture. He has certainly been a strong Agriculture Minister and the government has listened to the strong voice of the Minister of Agriculture over the last four years.

But I can tell you, Madam Speaker, that the Budget also reflects on the needs to continue to build on the social programs and the needs of the people of Manitoba on the best health care system that exists in the world, I would believe, and the best education system. We will continue to ensure that system is maintained, expanded and enhanced for the people of Manitoba.

I think the Budget recognizes the pact that we made with the people of Manitoba on March 18. We did not campaign on massive tax increases, Madam Speaker, and we held true to the pact that we had with the people of Manitoba on March 18. We have, indeed, not brought in any tax increases for farmers. We have not brought in any tax increases on small business. We have not brought in any tax increases on farmers and no personal income tax increases, Madam Speaker. Those are very important for the average person in this country. That is completely unlike what the Federal Government did when they hit agriculture and the average working people, Madam Speaker, to the benefit of those who are at the upper echelons of society in terms of their income and economic status.

Madam Speaker, let's take a look at the Highways Budget. We've had a number of people opposite who are very interested in hearing about the Highways Budget this year, and we are going to be talking about that during Estimates, but let's remember that we all agree in here — the Opposition I think does. They give a lot of rhetoric to the matter of agriculture, to the issue of agriculture. They believe that — at least they say they do, not in practice, because we see what their federal counterparts are doing — but they say that agriculture is very, very important to the Province of Manitoba. We agree with that. I can say very clearly that you look at that \$12 million that was budgeted, greater in 1985-86 in the Highways Department budget, and you see a 21 percent increase or \$12 million increase in agriculture. Now what better place could that money go at a time when agriculture is facing the crisis that it is facing?

Madam Speaker, I think it's important to talk about the facts when we talk about this Budget in terms of how it applies to the Department of Highways and Transportation. Let's look at what the Member for Pembina said the other day, and supported by the Member for Morris, when the Premier was standing up and talking about the Highways Budget, when asked a question by the Member for Pembina, they shouted from their seats when it was said that the Member for Pembina, when he was the Minister of Highways, had 90 percent of the construction budget allocated to the Tory ridings, well, that's where all the roads are, that's where 90 percent of the roads are.

That made me very upset, Madam Speaker, because it demonstrates the lack of knowledge that this party has, sitting opposite in opposition, of this Province of Manitoba and why they provided no funding at all. They

dried up the funding for those areas of the province that weren't under Tory representation during the years that they were government in this province — not a cent spent. In the constituency of Ste. Rose, there wasn't one project in the area of Ste. Rose, in the constituency of Ste. Rose in four years. Blatant politics on those programs, Madam Speaker, and they cannot accuse this government of that. They only have to look at the highways program and they will see a reasonable distribution of work right across this province because we have taken a position of fairness.

I just want to comment on this statement by the Member for Morris, supported by the Member for Morris, and stated by the Member for Pembina, that 90 percent of the roads are in Tory areas in the southern part of the province. The fact is in districts 2, 3, 4 and 5, that are south of the Trans-Canada Highway, there are about 7,000 kilometres of PTH's and PR's, and north of the Trans-Canada Highway, there's nearly 12,000 kilometres of PR's and PTH's. That is almost two-thirds north and one-third south, and that shows, Madam Speaker, how important the facts are to these members opposite when they make statements like that.

Now, let me just comment on the construction budget. The fact is, in 1985-86, \$86 million was actually flowed in the construction budget - \$86.2 million. The reason for that was that difficult weather conditions in the last year made it difficult for the department to flow in the construction program the \$95 million that was there. So only \$86 million was actually flowed. It wasn't because they were trying to cut back on the spending in the construction program, it's because of the weather conditions, the wet weather last year. The year before that there was an early winter and only \$87 million was flowed.

So you can see, Madam Speaker, that the \$83 million budget is not \$12 million less than was actually spent on construction of highways in this province in the last couple of years; it is only about \$3 million or \$4 million less.

Now, we have to take into consideration the fact that oil prices have dropped dramatically this year. That means that the construction contracts are going to come in and are coming in lower because of the fact that the operating costs are lower for the construction companies, substantially lower on a per-litre basis. In addition to that, the asphalt is 15 percent to 20 percent lower than it was in previous years. That is another important factor. That means our dollars are going to go further on construction than they have in the past couple of years.

So if we consider those matters, Madam Speaker, we can see that the statement by the Construction Association that there is a loss of some 400 jobs is totally erroneous. If there were no savings in the system, we would have perhaps 90 jobs lost. However, because of the lower asphalt prices, Madam Speaker, it is obvious that there won't be that dramatic drop in jobs in the construction industry as it applies to highways construction.

**MADAM SPEAKER:** The Honourable Member for Lakeside on a point of order.

**MR. H. ENNS:** I'm just wondering whether the Minister would permit a question at this point.

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

**HON. J. PLOHMAN:** Madam Speaker, I would be glad to permit a question at the end. I'd like to have a little discussion with the Member for Lakeside because I know he is very interested in this area.

However, what I've said is that we've been able to free up \$12 million for agriculture, but I think in the future, Madam Speaker, we're going to have to put additional resources into highway construction. It's perhaps a serious problem that doesn't exist only in Manitoba, but across Canada. It's a matter of priorities. It's a matter of looking at the relative importance of various programs and the responsibilities that the government has.

We look at the matter of agriculture and as I said earlier, we all have to agree that it is a very serious situation, that we do have to put additional resources there.

We look at the matter of health care and we see the cutbacks by the Federal Government in transfer payments to reduce growth. It's going to mean that the province is going to have to pay more for education and health care, and it is going to put a strain on us.

But I think there is some opportunity in the future, and I believe that it's important to note that the fees in Manitoba for registration of vehicles is the lowest in Canada. On average, per vehicle, it's \$54 in 1982-83 versus \$275 for Quebec and well over \$100 per vehicle as a national average. So that means there is some room there in terms of the amount that people pay for registration of their vehicles. I think that's something that should be looked at in the future. The fact is that passenger vehicles, if the charge is only \$21 per passenger vehicle, that is the lowest in the country, lower than any other province. I just want to compare — every dollar of increase in the registration fee raised \$735,000 — for the Member for Riel, \$735,000.00. Now if the fees were increased to Saskatchewan's level, they would be increased by \$51.38 on average for motor vehicles. That would raise \$37.8 million. If they were increased to the national average — just the national average, not the highest for registration fees — that would bring in \$51.8 million to the Province of Manitoba.

So I believe there is an area there that perhaps we have to look at in terms of the funding for our highway system in this province in the future. I want to assure members that I am going to be looking very carefully at that.

When we look at it, Madam Speaker, we can see that there is a lot of new information that the members opposite should consider when they are looking at a \$12 million reduction, and they should look at the priorities. It's unfortunate that they are not going forward to Ottawa to lobby their federal colleagues, to take some major steps in the agricultural area to deal with the crisis.

Now there were some minor steps taken by the Federal Government, but nothing substantial. They put their freezes on some of the taxes on gasoline, on fuels, for a short period of time. Those should be permanently removed and the members opposite, I'm sure, would agree that agriculture should not be subject to those sales and excise taxes on fuels.

We have seen the Provincial Government undertake, as I said earlier, a number of major initiatives and spend more money on agriculture than any other government in the history of this country, in Manitoba, in MACC and in write-down of operating credit, interest rate relief, the Beef and Hog Stabilization Program, but we haven't seen any corresponding additional influx of dollars into the agriculture area by the Federal Government in any substantial way.

Now I have to say that there were some moves this last couple of weeks that are going to help a bit, but it is a lot of window dressing and not a lot of substantial moves on the part of the Federal Government. I can just refer to the federal freeze on grain freight rates, which was supposed to be a major announcement by the Minister of Transport for the Federal Government. He was going to freeze the freight rates for grain for next year, but the Canadian Transport Commission Staff Report on the determination of the annual rate scale for 1986-87 has yielded some very interesting information. The level of freight rates paid by shippers in 1985-86 was based on an overestimate of the volumes of grain to be shipped, and consequently was too high.

The CTC report explains that a significant adjustment in favour of shippers might have resulted for 1986-87, but the Federal Government removed the relevant provisions from the Western Grain Transportation Act. The CTC report continues: "Therefore, the monies otherwise owed by the Government of Canada would not be used to reduce the freight rates to shippers in 1986-87." So there should have been a reduction in freight rates because the shippers, the grain producers, overpaid for freight rates in 1985-86 because the estimates were too high based on volumes that were not there for shipping.

So that's the kind of announcement we got on savings for the producers for next year. He's going to freeze the freight rates, Madam Speaker. Those freight rates would not have increased, should not have increased; in fact, they should have been lower this year based on the volume.

We have seen foot-dragging on the part of the Federal Government in a number of areas. The provincial minister for Manitoba, our colleague, the Minister of Agriculture, has gone to Ottawa, has emphasized the need for inquiry into chemical pricing, into the farm chemicals, into fertilizers, but the Federal Government has sat back and done nothing in that area. And there is significant saving that can be realized in input costs for the producers of this country, but they have refused to move. They say only Manitoba is concerned about it; it's not a problem elsewhere. We know very well that the chemical companies are making exorbitant profits on these chemicals that are used by the farmers across the country. That is unfortunate, and that is something that our Minister is taking forward to the Federal Government, Madam Speaker.

The Member for Sturgeon Creek says what are we doing? Instead of playing with his nails, he should go to Ottawa and explain. The Member for Sturgeon Creek should go to Ottawa and should explain to his federal counterparts that they are the ones that have the jurisdiction and should take the initiative to have those costs of fertilizers brought down. That's what he should be doing, Madam Speaker, but he has not done that to my knowledge.



Monday, 26 May, 1986

I have seen over the last four years a lot of, I think, tremendous improvements in a number of major social programs, in agriculture, in the emphasis the province has put on that; and I have had the opportunity to work on an area I think is very important to the Province of Manitoba. One that has been somewhat frustrating at times, and that is the issue of the Port of Churchill and the future it holds for the Province of Manitoba.

I have found again, Madam Speaker, the positions taken by the members opposite are quite inconsistent and frustrating because what they have done, what they tend to do is support their federal colleagues blindly without knowing the various components of the programs, without knowing the details. They've supported whatever the Federal Ministers or the federal level of government had said on the Port of Churchill without finding out for themselves.

For example, last November 26, the Leader of the Opposition said that we have been poisoning the atmosphere federally-provincially on the Port of Churchill, as he said many times in the past. He must have heard the federal Member for St. Boniface or the Federal Minister of Transport say this. He said, "You know, the Federal Government has kept his promise on 20 of 23 aspects of the Churchill sub-agreement." Twenty of twenty-three - that's what he said.

The fact is, Madam Speaker, there aren't even 23 major programs in the Churchill sub-agreement. There are only 10 major aspects to that agreement, but he didn't even know that. He was talking without the knowledge of the components of that agreement in making that public statement, and it was misleading to the people because the people would believe that the Federal Government has actually implemented 20 of 23 programs. What's the Provincial Government crying about? And when we talk to the Federal Minister about this, he reassures us. The Minister of Transport reassures us. No, there's been no stalling; yes, we're implementing the agreement. An agreement is an agreement between two levels of government and we will honour it; but then we found out, Madam Speaker, that the true story comes out.

Just on May 5 and May 6 in the Globe and Mail they have their designated spokesperson telling us a different story - Tom van Dusen. He works in the Minister of Transport's office as a communications expert. He says the Tory Government stalled on spending the money for a year-and-a-half to reconsider the benefits. "It was money we were reluctant to spend because we knew it was hard to justify," he said, "but the Liberal commitment was there. It is a problem that repeats every day." So it turns out that for the federal Conservatives, Churchill is just a thorn in their side. He says at the end, "We're stuck with Churchill." That's his statement, so that's how the federal Conservatives feel about the Port of Churchill and its importance to the Province of Manitoba.

They say it's something that got thrust on them, an agreement that shouldn't have been signed by the Liberals and unfortunately now they're stuck with it. That's the kind of things this person is saying, and on the other hand we hear from the Federal Minister, no, they have full support for the Port of Churchill and action speaks louder than words.

What bothers me about that, Madam Speaker, is that we continually get this contradiction from various facets

of the Federal Government. We know not whether they're speaking with one voice, who speaks in fact for the government with the federal policy. I have chosen to take the Federal Minister at his word and when he says they're going to honour the commitments I have tried my best to believe him; but I can tell you, Madam Speaker, that there has been untold delays in implementation and it continues to this very day, and I think I know where it's coming from when we have the communications officer speaking up.

I've written to the Federal Minister and asked him to clarify once again who is speaking for the Federal Government. Is this designated spokesman in his office speaking for them, or is it the Federal Minister himself who's speaking for the Federal Government on their policies on the Port of Churchill? I hope we're going to get an answer from them in the near future because it doesn't seem that the Federal Government has a policy on the North and our policy on the future of the Port of Churchill. They seem to be going along, dragged along, program by program, after we squeeze it out of them; but there doesn't seem to be a concerted plan on their part and it's very similar to what happened many, many years ago in the late 1800's in the North. The Federal Government simply did not have a policy of the North and the potential that it had.

I noticed that William R. Morrison is a professor at the University of Brandon. He wrote a book called "Showing the Flag" and in it, he said, "What was the policy for Northern Canada?" He says, "On this point, he can be quite blunt. It was frequently obvious that the Federal Government had little idea what to do with the North or what it might be good for, but the government was determined that, useful or not, the North should belong to no one else."

This was brought home, I guess, when the . . . went through the Northwest Passage this past year and the Federal Government, not certain what they're going to do with it, decided though that they can't have the sovereignty of Canada threatened so they wanted to build an icebreaker for \$500 million that can navigate through the Northwest Passage at any time of the year and show the Canadian flag and demonstrate that Canada has sovereignty, has control over the northern areas of our country.

I have to tell you that I find it encouraging to see this kind of realization by the Federal Government and I hope they will do more than this, that they are not only going to build a gigantic icebreaker that they can brag about and that can run up and down the Northwest Passage, but that they will free up some of their other icebreakers, like the MacDonal, the St. Laurent and others that can be used to support the season extension at the Port of Churchill so that it can realize its true potential.

We have seen tremendous strides in this area in the last while. I can tell you that after having the opportunity to see the latest technology that is available for ice forecasting and ice mapping in the North, in the Hudson Strait and into Churchill, that there is enormous potential for greater utilization of that port not only during the existing season but for a much longer period of the year, and to do so economically. But there has to be some minimum volumes through the port, and of course the detractors of Churchill, those who would like to see it killed and put away are continually downgrading and criticizing the potential for the port.

They ignore the facts that it is a closer, a shorter route to many areas of the world than the St. Lawrence, more accessible, and it is certainly cheaper to haul grain and other commodities through that port to other areas. However, they have continuously been able to influence powers within this country, shipping interests, grain interests who have their facilities in other ports and would like to see those maximized for their own profits to the detriment of the Port of Churchill.

They have been able to influence those other interests and therefore we have not seen the kind of throughput through the Port of Churchill that could actually be put through. It really takes about 650,000 tonnes to make it operate at a profit. That's not very much of the total shipments, the total export of grain. Doubling the last season would do it very nicely, Madam Speaker, but again we see those interests coming together now and doing all that they can to keep it from happening, to keep us from seeing the realization, the true potential of the port.

But we are going to continue to make overtures and move in that direction. I know that there are breakthroughs in the making. The latest studies that we have, that were both provincially and federally undertaken, are very positive about the future of Churchill. As a matter of fact, there are a lot of bureaucrats at the federal level who don't want to even see them released because they are so positive and they're going to contradict what they have been trying to do, and that is to undermine, at times, certain aspects of the sub-agreements. I am not putting the blame then just on the politicians at the federal level. I can tell you that there are a lot of sectors in the Federal Government who would do their best to undermine the future of the port.

But we know that the insurance rates are going to be moderated substantially in the very near future. I can say that fairly clearly, unequivocally, that there are going to be major changes there particularly during the open water season. You know, Madam Speaker, that the average additional premium for going into Churchill, even during the open water season, was \$100,000 per ship for one trip. That was an additional cost that the Wheat Board had to attempt to absorb somewhere in the system and one that we believed during the open water season was totally unjustified, but it had never been countered, never been challenged.

When we talked to Lloyd's of London, they were very receptive and very pleased to have that kind of representation made to them because, for the first time, they saw first-hand what the situation was like there. They saw first-hand the new technology that is available for ice mapping and the ice reconnaissance that goes on from satellites and planes. They have taken this all into consideration and I think we are going to see a substantial benefit.

Not only that, we will see also insurable ships after the period of October 20, which was their artificial deadline placed on the season at the port, into November. Last year we were fortunate that we, through our work, had the latest unescorted sailing of a ship through the Port of Churchill on November 2, leaving on November 2, not clearing the Hudson's Strait until November 5, unescorted, trouble-free, the same as a mid-season sailing. That alone can demonstrate that that is two weeks, Madam Speaker, later than when

the experts were saying the port should be shut down because it gets too dangerous, and that is ridiculous. It can be extended much longer than that and thus become much more viable and much more of an alternative.

We're not saying, and let's make it very clear, we have never said that Churchill should take the place of the St. Lawrence Seaway. I mean a majority of grain, Madam Speaker, Manitoba grain, about 90 per cent, goes through the St. Lawrence. What we are saying is that we need the complementary ports and that when there is a problem in one, the other is there and it is viable. The mere fact that Churchill is there will mean that the rates will be kept down through the seaway. That's a major concern because the user fees and tolls through the seaway are threatened to be increased at a record rate, Madam Speaker, to meet the additional cost of operating the seaway. That is a major concern and it should be a major concern for producers in Manitoba. So we need that alternative to ensure that there is not a monopoly kind of situation existing at the seaway, and to complement the seaway when necessary when there are difficulties incurred there. I think that is very important, and it's not even touching on the issue of sovereignty and presence in the North. Certainly, Canada needs the port to demonstrate to the world that they can indeed control northern areas of our country. I think that's important that we have the Port of Churchill in place.

Madam Speaker, before I close, I want to just say that I believe that we have a solid Budget for the first year of our new government. We have to look at the issue of tax reform, and we have to ensure that the province and the Federal Government take the steps that are necessary to upgrade and streamline the taxation system to make it more fair, more equitable for all people, to close those loopholes, and I hope over the next number of years we are able to do that as a province and that the Federal Government will also heed our advice in that regard and take major steps so that we can get the revenue for the taxpayers from the taxpayers to operate our programs.

Thank you, Madam Speaker.

**MADAM SPEAKER:** The Honourable Member for Emerson.

**MR. A. DRIEDGER:** Thank you, Madam Speaker.

Madam Speaker, I initially had not intended to even speak to the Budget Debate but the opportunity has arisen for myself and I would be remiss not to take that opportunity to make my comments.

I have found it very interesting, in speaking to some of the new members on both sides of the House, just gathering this from some of the comments made by members opposite and some of the comments that have been made to myself by members on our side, they wonder what this whole process is all about. Are we really serving the purpose of Manitobans and the people of Manitoba in terms of having this kind of a debate? I really honestly believe that this system is a good system and is working well.

I can recall in 1977, having then been elected for the first time and sitting on the government side as a backbencher, our government then presented a Budget

---

Monday, 26 May, 1986

---

and the terrible shellacking that the then-members of the Opposition laid on our Minister of Finance when he presented his Budget. I was appalled, a first-time member in the House, and the kind of things that were happening, the criticism taking place.

I had a much better understanding of it after the election in 1981 when sides shifted again. Now, unfortunately, they have not shifted again, not at the present time, but I can see where some of the newly elected members feel this exercise of the Throne Speech Debate and the exercise of the Budget Debate, they seem to feel frustrated. I think it is a great exercise for each member, given the opportunity, he can express his particular concerns about the impact of the Budget, how he feels about the way things are going. Sometimes people might figure, who reads all this?

For me it is important to get my views on the record. As the member who just spoke, the Minister of Highways, spent most of his time speaking about Churchill and defending, that seemed to be a pet project of his at this stage of the game; understandably, he didn't want to speak about the fact that he had his whole department just shot full of holes in terms of his budget and things that he can spend this year, so you divert a little bit. But you have to understand, each one of us here, that we pick on the things where we find our strengths or have our interests and we work from that. He couldn't find anything else but to speak about the Port of Churchill, which I think, Madam Speaker, that's his prerogative.

We all have our options of looking at what happened to the Budget. Budget night, the Minister of Finance gets up and reads his total Budget to the people. Within minutes, we are out there with the public and with the press and we get interviewed and say what did you think of the Budget. We all make snap little decisions as to where we feel it has affected positively or negatively things in our area or according to our parties. Then what happens, as the debate starts forward, we all have a chance to look at it a little bit more closely and to see the impact it has, each in our own way, whether it's the Attorney-General, and our critic of the Attorney-General's Department, he looks at certain things. We all do that in certain respects.

For example, my responsibility is critic of the Department of Natural Resources. That would be the first thing I look at, what happens there. The next thing I would look at is what happens in my rural riding in terms of the impact of that Budget. The three major things that affect me and my riding, as a rural riding, are, for example, agriculture, natural resources and highways. So when the media came up to me and said what do you think about it, the big increase in agriculture, I said, well, I am basically pleased because there is much need in there. I says, until I really see the programs that are going to be forwarded, that will affect the agricultural people, I can't really make that much of a comment. That is why I think it is important that we have eight days to debate on the Budget so that we can sort things out, get certain views and voice them and put them on the record.

What has basically happened in things that affect my riding? As I indicated, that 21 per cent in agriculture, and we are not quite sure where it's going to take effect, exactly what's going to happen to that. But then they looked at the figures, and then they did a little

trade after three major departments that they talked of that are very important to me that affect the services to people in my area. I looked at the Minister of Highways' budget and under the capital aspect of it I see a reduction of — what is it? — somewhere like 11 million, 12 million. Then I looked at the reduction and that is all in the capital aspect of it. I just want to make sure I get these notes right here, because I found it very interesting. The aspect of it in capital that was reduced in road construction worked out to almost identically what the increase was in terms of the debt servicing for this year. Now that's one perspective that I looked at.

The other thing is that the reduction in the Highways capital program and the reduction in the Department of Natural Resources in the capital program actually was more than the 21 percent increase in agriculture. So then I looked at it and said, hold it. You know, here we have a major concern for agriculture, and we have an increase in agriculture that is taken away by the Department of Natural Resources and the Department of Highways. So basically, we have a washout there. — (Interjection) — Well, that is exactly what I call it. It's a matter of priorities of the government. (Mr. Deputy Speaker, C. Santos, in the Chair.)

Obviously, Mr. Deputy Speaker, if we were government, we would prioritize our spending differently and that is what our role is, to indicate to you people that we feel where you are making mistakes, that we should be able to tell you about these things and give you our views. Our leader spent the better part of two hours indicating how we would have set up the Budget, and how our spending would have been prioritized.

He attacked certain things, not all things. In fact, our leader has always indicated that he'll be fair. He will compliment government when they spend in the right places and if you read his speech, he did it very selectively and he indicated where this government could save monies in our view to accomplish some of the things that have happened. That is the benefit that we have by debating in this House the Throne Speech and the Budget Speech.

The concern, I think, that has been expressed, not only by members in this House but by many people in Manitoba, is the fact the servicing of debt. We talk of the deficit. I suppose if one was spending, if I as a farmer or a businessman had that kind of option where I could run up a deficit with my bank and not have to necessarily be accountable, it would be a nice way to be.

I had the opportunity, and I just want to make reference to that, to go states-side for a visit to the people in North Dakota and some of the representatives out there, and they're not allowed to operate with a deficit. They take and they sit once in two years, and they have to establish their spending priorities on a basis, and that has to work out, income and spending. They don't operate with a deficit out there.

I think in the past, if we recall history, there has never been much of a deficit spending until actually — what would it be? — six, seven years ago. I remember from 1977-81 when we were in, there was deficit spending, but there was a major concern; don't let it get too high.

Mr. Deputy Speaker, we're talking of a .5 billion deficit, and it's an acceptable thing to talk about seemingly. In the eyes of the public, they do not really understand

what is a .5 billion deficit until we start maybe putting it in the right perspective. What does it cost us to run that kind of a deficit?

When we are starting to talk that it costs us about \$83 million to \$95 million just to service the interest on our deficit, then it starts making a little better picture. When we consider that the Minister of Highways' total capital projects that he's spending on Highways, is \$83 million, that is less money that he's spending on road construction than what we are paying to service the debt; then it starts taking shape in people's minds. That is when some of my people can't understand why can't we get roads built? Why can't we have a drain built for certain projects?

I want to relate this to the Minister of Natural Resources, who is going to find some discomfort in his position in terms of having his capital projects cut again when we're going to do an indepth study of that in the Estimates where many of our projects — look at the rationale, or try and explain the rationale where we had a bad spring this year, and in many areas we had flood problems — so now the Minister of Government Services and Highways gets up the other day and indicates we are prepared to write to all municipalities; tell us what your costs are, and then we will view it and decide how we're going to deal with it.

We'll try to find out and establish exactly what the formula is, how they operate this thing, but what bothers me a lot more is these projects that could have controlled the water problems in my area — it's a major project, yes, controlling the Rat River, there is a certain amount of dyking — when I consider that my colleague from Portage where we attended a meeting with about a 100-and-some-odd people, 175 people, very agitated people, that were talking about Highway No. 240 — I hope I have the number right — and the Overhill Drain, these are all projects, Mr. Deputy Speaker, that money can correct.

The monies expended on capital programs of that nature are positive programs. They are long-lasting positive projects like the Floodway is for Winnipeg. We can talk of the dam at St. Malo, for example, which is serving great purposes recreationally and otherwise. Now these kinds of capital projects are required immediately, but what have we done? This is where this government sets their priorities different. That is why I have raised in the Throne Speech, I spent over half my 40 minutes talking to the Minister of Natural Resources, making him aware of some of these things, realizing full well that he has already been cut off at the knees. His budget has been shot down. He is going to be trying to scramble to try and give some kind of an image of being able to accomplish something, just like the Minister of Highways is, but these are the things that I would implore this government, and that is our role, why not look at some of these capital projects?

You have the Jobs Fund there. Might I implore the Minister of Natural Resources and the Minister of Highways, please go to your own government. You have the Jobs Fund which is a political machine where they can trigger activities and have been doing for the last four years. A lot of your money out of your department has gone into that thing, so that you can go and make political decisions as to where the money should be spent and we're talking in millions, Mr. Deputy Speaker.

I indicated in my Throne Speech Debate to the Minister of Natural Resources where they have now abdicated their responsibilities. They will not accept third-order drains anymore. They criticize the Federal Government for not increasing as much as they figure that they should have. In the meantime, they treat the municipalities like dirt, like real dirt, and they will not proceed on these things. I have a major concern that these kinds of things should not be happening.

That is my responsibility, to stand up in this House here and to say to the Premier and his Cabinet, you have to look at doing some of these things. What you're doing, you're living hand-to-mouth type of thing just to save face for a day. You have just won an election. You have a majority. You have the authority to proceed to spend and not apologize for that. You acted in this Budget like you were apologizing and still trying to save face, and I can't understand that, instead of being positive and doing the things that you'd really like.

We've scared you with a two-vote or three-vote majority. We've scared this government into being exactly what they were for the last three years, a blasé government that will not move, that hasn't got the guts to move except when they're forced to move in a certain direction.

Well, I'm just indicating, Mr. Deputy Speaker, that it is a pleasure to get up here and indicate our views.

I want to enunciate and criticize the government in telling them where they're making their mistakes. These are, in my opinion, mistakes. They'll come back to haunt you. What are you going to do? If you plan to be the government for four years, if this government plans to be in for four years, how are you going to deal with the financial aspects of it unless you're great gamblers, and gamble that the interest rates will not go up, and gamble that your revenues are going to be coming in when you defeat the aspect of job creation in the private sector? Where are you going to get the revenues? This government is gambling and you will pay the price. This is in your first year. Two months after you got re-elected and you haven't got the intestinal fortitude to move forward with positive programs. Am I correct? They are scared to govern. They're playing games with the public and the public expected better from you. They weren't sure of you but they expected better of you.

Mr. Deputy Speaker, I raised it just briefly. Where is the help coming in agriculture? We raised it with the Minister of Agriculture. We've asked him, how are you treating MACC? We raised a few questions during question period about where is the help coming. What are you doing with MACC? We raised certain instances of individuals who had made applications under MACC and then a whole raft of them — I believe 23 out of 25 applications — were rejected because the price of wheat dropping and then the cash flow wasn't there. This is a government that says, we have pumped more money into agriculture than has ever been done. I agree. They've pumped a lot of money there. They haven't done it with good wisdom. Otherwise, if what they had done was really acceptable, the farming community would have voted overwhelmingly for this government. Instead, they have, I think, two or three members who are basically rural members; the rest are urban members — whether they come from Brandon, Thompson, I call that urban, Dauphin.

Mr. Deputy Speaker, they haven't triggered the right emotions with the agriculture people and the rural

people. As I indicated — I don't know who to address because there are two of them — the mixup, for example, is a shuffle game that took place in the Budget between Highways and Natural Resources and Agriculture, basically a tradeoff. And we're supposed to be enthused?

(Madam Speaker in the Chair.)

Agriculture people realize that. They're not getting the roads. They're not getting the improvements in drainage and natural resources. They say, well, we're getting what? So we're helping some of the farmers who are in dire straits financially, supposedly. We went through that with the Interest Rate Relief Program a little while ago, and we want to look at those figures and see exactly what has happened. How many of those people that were helped are still in the agriculture business? We bought them a year's time, and most of them are broke now. But we want those figures. I think, if I recall correctly, my colleague, the Member for Arthur, has requested to see, and we've also asked in the business sector how many of those people are still in business that received the Interest Rate Relief Program. We're not sure. That is why the agricultural community is a little suspicious of these kinds of programs. It's nice to talk of a 21 percent increase. We want to see what impact it will have.

For example, the Minister of Agriculture, if he is that sincere about helping the dairy industry — he's the Minister who, a little over a year ago, stopped all transfer of dairy quota, the sale of quotas. To most people, except those in the dairy industry, it wouldn't make much difference, but he says no transfer of Class 2 — I believe it is Class 2 transfer — where a farmer cannot sell cows with quota and have any value on the quota.

What has happened is that in buying a farm or trying to buy cows with quota, all of a sudden, MACC, the Manitoba Agricultural Credit Corporation, says we will allow only \$950 or \$1,000 per cow. Now, we're getting into the problem where we can't borrow money anymore, because there is value on quota whether or not the naive Minister of Agriculture ever admits it, and in his own operation, he's working under supply management, he knows there's value on quota. But he selects the dairy industry and says we will not allow any value on quota.

Madam Speaker, what has happened is that FCC, which is Federal Credit Corporation, when you make an application to them for a loan right now, they say, well, because there is no value in Manitoba, we will allow only \$1,000 per cow in Manitoba. In Ontario, where there's value on quota, they can borrow up to \$3,000.00. What this Minister of Agriculture has done is selectively take the dairy industry and hamstring them. He won't do that with his own business; he's in the turkey business. He's under supply management in the turkey industry, Madam Speaker. He will not do it there. What I like about the Minister of Agriculture, Madam Speaker, is that when you corner him, he talks, he gets around corners, he doesn't listen anymore because he knows he's wrong. The dairy people have told him and given him this message.

Ironically, what I found most interesting, at the same time when this Minister of Agriculture last year took away value on quota for dairy operators with cows, the Minister of Natural Resources, the then Member for Lac du Bonnet turned around and gave the fishermen

the right to put value on and sell quota together with their equipment. The inconsistency and the stupidity of it — I find this amazing. Then people wonder and say, what kind of game are you guys running here in town?

**A MEMBER:** Billy thinks it's funny.

**MR. A. DRIEDGER:** Yes, he thinks it's Madam Speaker, because he's caught in a corner and he doesn't dare go to some of these dairy meetings anymore because the boys are laying for him pretty heavy.

I want to just touch on the aspect of coming back to the Budget debate where there was the onus on creating jobs. I raised this with the Minister of Natural Resources, and I'm sort of getting along with them relatively well, so far. I raised the issue with him where they had — (Interjection) — See, Madam Speaker, last year the Federal Provincial Governments signed a forest renewal program; big money, big announcement, everybody elated, we're going to spend so much money in forestry, the renewal of forests and stuff like that. Without having gone through the whole contract, I was quite pleased with just the concept of doing that. This year, Madam Speaker, in my area, the southeast area, a lot of my people on marginal incomes rely on the income that they can make from government in terms of planting, silvaculture, these kinds of programs. They supplement their incomes. If they can get in enough weeks, they even qualify for unemployment. I don't begrudge that, at least it helps them. These are marginal operations.

This Minister in his wisdom and with his department again announced the same program as they had last year. Last year, those people worked 30 weeks; this year, they got notice that they could work 20 weeks. I indicated that in question period. They got notice in the morning; got the contracts; we will employ you for 20 weeks. In the afternoon, along comes another gentlemen and says, here's two weeks' layoff notice. One of those gentlemen was in here today — he's laid off now for a week — then they hired him back for a month to plant trees. Then we'll see how the finances go.

What bothers me, Madam Speaker, is the inconsistency of this government. Let's talk of jobs for highways; let's talk of jobs for drainage creation; let's talk of jobs in forestry, instead of taking the money away and cutting these departments down and saying, well, we'll create the jobs under the Jobs Fund, which is politically motivated, and where this government picks and chooses where they'll spend the money.

In the last election, we had some dandies out there. I don't know which Minister, Madam Speaker, was responsible for giving the Dominion City Arena \$50,000 and then trying to milk it for every vote they could. Interesting. I think it was the now the Minister of Finance, which is fine. I don't deny the fact that those people should have the \$50,000. But that is the thing with the Jobs Fund. They played political games with it. You try and buy your votes. What you're doing, instead of creating meaningful jobs, which would be highways construction, and cutting the dickens out of it by \$11 million or whatever the case may be, why don't we build roads? Our road system in this province is

deteriorating dramatically. All you have to do is drive on some of these roads. And you know why people are irate? There are major projects that are indicated to the Minister of Natural Resources, for example — you know, we'll go through this in Estimates — and that is the other privilege I have to forewarn the Minister that in the Estimates we'll be going through a lot of these things with a fine-toothed comb.

I don't know whether the Minister of Finance has made any provision in his Budget for Natural Resources for the legal suit that they lost to one farmer, one out of 200 that has sued, and the rest are pending. Now my supposition would be that instead of trying to skirt around this thing that it would have been better if they would have allocated however many dollars it took to resolve that project, whether it's diversion or whatever the case may be, and do that job once and for all, a long time for every meaningful job rather than have to go through the courts one at a time, because I daresay to the Minister of Natural Resources, they'll be coming hot and heavy unless there's a commitment made by him to resolve that problem. These are the kinds of things, Madam Speaker, that it all comes down to priorities.

And while we have some of the Ministers here, Madam Speaker, I would also like, you know, how the mistrust gets built and how people get skeptical of government, and it reflects on opposition as much as on government. We have the past Minister of Finance. I presented a Private Members' Bill here, Madam Speaker, regarding relief to some degree for the Winnipeg Bible College in Otterburne. The then Minister of Municipal Affairs, Pete Adam, and the Minister of Finance, the Member for Rossmere, indicated to the people from Winnipeg Bible College, in speaking to the Private Members' Bill, we will defeat this but we will resolve your problem; or we will talk with you, we will deal with you. To this day, that had nothing to do with the bill, Madam Speaker. The then Minister of Finance indicated, we will communicate with you; we will work things out. They have done exactly nothing. If the now Minister of Industry, who was indicating how he was touring the southern constituencies and the impact he was making, I can tell him the biggest impact he made was in the Winnipeg Bible College where I picked up the majority of the votes because of his negligence in dealing with them.

The other thing that we have to look at, and we will, as we go through the Estimates, is the increase in the administration level. I want to indicate that it appears at first glance, in looking at the Estimates, that at the administrative level, the top level, there's an increase in personnel. Then when you start going through the Estimates, line by line, you find out there's a decrease and that's why the question was raised in the House today, which jobs have been deleted and where they've been added, because the Minister of Finance indicated that there are 200-some odd jobs that may be deleted, but there's going to be an increase really. It's a reallocation, and if it follows through with what this government, how they operate, obviously, you're going to phase out certain jobs and fatten up your administrative level. Our leader indicated that that is the area where you could save an awful lot of money and provide services to people instead of services to the Ministers.

I just want to indicate, when they talk about Manitoba first, stand up for Manitoba, it is a noble ambition, it should be that way. We should all stand up for Manitoba. Then the Minister of Natural Resources on forestry week gives each one of us a plant here, "Stand Up for Manitoba," and each of us get a pin, and I look on the pin and it says "Made in Ontario." — (Interjection) — No, no, the forestry pin was made in Ontario. Like let's be consistent; it's a little thing but it's a credibility factor, Madam Speaker. These are the kinds of things it comes down to.

Madam Speaker, this is why I enjoyed the debate in the House. We can have differences and we should be allowed to express those differences and we should also be able, as Opposition, to raise these points of differences and correct them because the government always has more — how shall I say — accessibility in terms of giving an image.

The Minister of Finance did a great job the other day. He looked remarkably cool and collected, new cowboy boots — I couldn't see them, but I knew he had them on — but he gave an image, supposedly, that was a direction for Manitoba. That is fine; I'm not critical of that aspect of it. But then we have the responsibility to dissect this kind of a thing and find out and then raise with the people of Manitoba the nice sounding things that he raised and bring out the shortcomings of it. This government will have to live with the decisions and the direction that they've taken and it is not — in our minds, it is a road that goes downhill because at a time when they say things are better, financially better, we have ended up with a deficit that is projected at about \$500 million and we don't know — that's based on their projections for an increased revenue, which is again subject to whatever. We've had their projections before and it's always ended up \$40 million, \$50 million on top of that.

Basically what we've done, we have a stand-pat situation at a time when things are going well. Madam Speaker, the people of Manitoba will judge. They judged you, they warned you in the last election. They gave you a half chance again, the majority is thin. And I'll tell you something: we are watching, the people of Manitoba are watching, and you are not acting as a positive government. You are still acting like you are — you know, I can't understand this — if I'd win by one vote, I'd come in here and I'd speak as positively as I could; you have a majority of three or four and you act so timid, you don't know which direction to go.

Our Leader asked the Minister of Finance, tell us where you're going in the future. Tell the people of Manitoba, where are you going in terms of your spending, in terms of your revenues. What are your projections? What do you want to do for Manitobans? What we've got is a zilch, and if you're in trouble now, two months after an election, guess what you'll be like in two, three years from now. That is why the people of Manitoba are projecting to you, and predicting to you as well as to us, this government will not last because you are not positive.

Thank you very much, Madam Speaker.

## COMMITTEE CHANGES

**MADAM SPEAKER:** The Honourable Member for Ellice.

Monday, 26 May, 1986

---

**MR. H. SMITH:** Madam Speaker, I have a committee change, moved by the Member for Ellice, seconded by the Member for Churchill, Public Utilities and Natural Resources Committee, the Member for Elmwood substituting for the Member for Thompson.

**A MEMBER:** That's a good move.

**MR. H. SMITH:** It's a very excellent move, yes.

**MADAM SPEAKER:** However, may I inform the Member for Ellice that a committee change does not need to be in the form of a motion, just rather an announcement is fine.

The Honourable Member for Emerson.

**MR. A. DRIEDGER:** I have a committee change in the Department of Public Utilities and Natural Resources: Brown for Driedger.

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

**HON. L. DESJARDINS:** Madam Speaker, I'd like to move, seconded by the Attorney-General, that the debate be adjourned. I wonder if you would consider calling it 10 o'clock.

**MADAM SPEAKER:** Is it the will of the House to call it 10 o'clock? (Agreed)

The hour being 10 o'clock, the House is now adjourned and stands adjourned till tomorrow at 2:00 p.m. (Tuesday).