

## LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, December 4, 1989.

The House met at 8 p.m.

### DEBATE ON SECOND READINGS

#### BILL NO. 34—THE LOAN ACT, 1989

**Mr. Speaker:** On the proposed motion of the Honourable Minister of Finance (Mr. Manness), Bill No. 34, The Loan Act, 1989; Loi d'emprunt de 1989, standing in the name of the Honourable Member for Concordia (Mr. Doer), the Honourable Member for Concordia.

**Mr. Gary Doer (Leader of the Second Opposition):** It is a pleasure to continue to speak on this Bill.

**An Honourable Member:** Tiring is what I thought it was.

**Mr. Doer:** Tiring, well, Mr. Speaker, the Deputy Premier (Mr. Cummings), I am glad he is here. All we are asking the Deputy Premier to do is listen to us about health care. Just because the Minister of Health (Mr. Orchard) is a good debater, just because he is a feisty person who we all enjoy, does not mean to say -(interjection)- Well, the Deputy Premier has not heard this yet. It does not mean to say—

**An Honourable Member:** Is this a joke?

**Mr. Doer:** Pardon?

**An Honourable Member:** Are you going to tell a joke?

**Mr. Doer:** No, it is not that funny. Mr. Speaker, we have a serious problem in our health care system. We have confrontation with doctors and nurses. We have chaos with our administrators. We have chaos with nobody left in the senior management of the department, I think, because all the Members opposite are scared of the Minister of Health (Mr. Orchard) that nobody is holding him accountable.

I believe that nobody is holding that person accountable. I do not even know whether he puts those submissions in that Cabinet book the Minister of Finance (Mr. Manness) is reading right now. I bet you he does not.- (interjection)- I can read those things upside down, long years of experience of reading those things. They look pretty thin. I thought the Government was pretty thin on ideas, and now I can tell that they are. Not a very activist group, is it?

Mr. Speaker, we have gone through the health care system and it is in chaos. We have gone through the economy. The only thing in the private sector that is increasing in its value are moving van companies as the people of Manitoba leave out of the province.

Manitoba is going to become like East Germany without trains on January 15, after they cut back VIA

Rail, with the economic performance of the Members opposite. They have no ideas at all, no vision, no proposals, nothing. What they have is a disastrous situation with the people of Manitoba.

We want opportunities. We do not want continued bankruptcies. We would like Manitoba to be leading Canada for job opportunities, not leading Canada in terms of bankruptcies. We would like Manitoba to lead on community development and not lead on business bankruptcies. I am afraid it is a sad day because it looks like the old Sterling Lyon Government is back in place, the old Sterling Lyon Government. The health care system is in chaos, that is a Sterling Lyonism if I ever saw one. The Member for Kildonan (Mr. Cheema) agrees with that.

The economy is in a straight dive under this Government. The economy is in a straight dive, the only—

**An Honourable Member:** Free fall.

**Mr. Doer:** Free fall. The Tory times are tough times, Mr. Speaker. Do not go by Stats Canada and the Manitoba Statistics Branch, go by the signs you see in your own community: for sale, for rent, foreclosed. That is the Tory slogan; that is the Conservative Government; that is what is happening to this province.

What we have to do and what we will be doing is fighting on the side of Manitobans to provide job opportunities, business opportunities and opportunities for our children, for our families, and for our community. Thank you very much, Mr. Speaker, for the opportunity to speak on this Bill.

\* (2005)

**Hon. Clayton Manness (Minister of Finance):** Mr. Speaker, I rise to close debate on this issue.- (interjection)- No way. Am I not recognized? I will seek your advice, Mr. Speaker.

**Mr. Speaker:** The Honourable Member for Dauphin, I believe, is wishing to seek the floor. The Honourable Member for Dauphin.

**Mr. John Plohma (Dauphin):** I am extremely disappointed with the Minister of Finance (Mr. Manness) who is attempting to pull a maneuver in here, a stunt to try to stifle debate on this important Bill covering issues as broad as any of those that we deal with in this House. The Minister knows full well the Opposition Members in this house should have an opportunity to speak, each of us for 40 minutes, as has been the established tradition in this House on these issues.

Of course it might be difficult for some. The Minister for Culture, Heritage and Recreation (Mrs. Mitchelson)—historical resources, which one is it?—has had difficulty in some instances speaking for the

full 40 minutes. However, when we are dealing with issues as important as this to the Province of Manitoba, it is obviously not enough time. It is never sufficient time to deal with the important issues facing the province when we have a Bill as all-encompassing as this Bill dealing with so many important areas.

(Mr. William Chornopyski, Deputy Speaker, in the Chair)

I will discuss a number of those issues here tonight with the Government in the hopes it will bring some sanity to their deliberations as they move forward with another set of Estimates that are before this House.

Of course I know the Members of the Treasury Bench and certainly the Members of Cabinet review the remarks of Members of this House very carefully after they are printed in Hansard. I am sure they spend hours and hours mulling over the Hansards to ensure they have all of the information gleaned out that could possibly be gleaned from the speeches made by the various Members in this House.

I want to look at The Loan Authority Act, Bill No. 34, Mr. Deputy Speaker, insofar as it affects some of the programs and policies of this Government in the Province of Manitoba. We see that we are asking for a loan authority for the Manitoba Telephone System, for Manitoba Data Services, for a federal-provincial water and sewer agreement that does not even exist, for the Manitoba Water Services Board, tourism agreements and so on; the list goes on and on. There is such a broad range of topics, you will appreciate, I will cover here and still be very relevant to the Act. I hope the Deputy Speaker will be very tolerant in recognizing the broad range of issues that are impacted upon by this Bill.

First of all, I want to start with the issues of the Manitoba Telephone System. The upgrading of rural services is very important to my constituency and others in rural Manitoba. Certainly, the initiatives that were started by my Leader when he was Minister responsible, along with the Member for the Interlake (Mr. Uruski), at that time Minister responsible for the Telephone System, and my Leader, the Member for Concordia (Mr. Doer), who was at that time Minister responsible for Crown corporations, had undertaken a major initiative through consultations throughout this province, some 22 meetings throughout the province, rural areas, northern areas of the province and the City of Winnipeg to gain some insight as to what the people of Manitoba wanted with their services in this province under the Manitoba Telephone System.

As a result of those meetings, there were some proposals. After much deliberation these two Ministers in late 1987 and early 1988, before the election took place in March, or the election call as it had to be, Mr. Deputy Speaker, they did come forward with a major proposal to amalgamate areas and to greatly expand the number of private lines in this province so eventually all people in rural areas could have the same kinds of services residents in the cities enjoy at the present time.

Obviously it would not even occur to them in many cases, residents of cities, that people in rural areas have to talk with the potential of a number of people listening to what they have to say, their neighbours at that, when they are having conversations on the phone. It was very important to move forward insofar as services under the Manitoba Telephone System for subscribers across Manitoba.

The proposals were left on the desk of the Minister when he took office on May 9, 1988, a proposal that was not followed up until 1989. At that time it was announced there would be over a seven-year period, I believe, some major movement in the provision of services in rural areas, the expanded calling areas, and move as well toward private lines in many areas. However, the pace of it was slowed down a great deal. Of course the Government could have been moving faster with the loan authority that they are gaining from this particular Bill in this House to provide those services faster to the people of Manitoba who deserve and need those services.

Many of the businesses in rural areas, and individuals, are spending an awful lot of money on long-distance calls simply because their calling area is so small where it is toll free and they do business with neighbouring communities, perhaps on a daily basis, that their long-distance bills, through no fault of their own, through no lack of consideration on their part, but because of necessity, are very high. They are not getting the same services for the same price, in rural areas, as residents of the cities are getting, not even close. In many instances, they are suffering a great deal with huge costs. A lot of these people are on fixed incomes—elderly people who want to have contact with their families, and so on, who may live in a neighbouring community only 20 or 30 miles away, and yet they cannot talk to those people without phoning long-distance with their families. There is a need to upgrade those services.

What is happening, Mr. Deputy Speaker, is that we have a couple of dynamics working that are going to make it very difficult for this Government in fact to deliver on the program that our Government wanted so desperately for this province and in fact initiated in 1988. It is going to be very difficult because of Conservative policies that are being put in place and initiated, I must say, initially by the federal Liberal Government during the Trudeau years. I am sure, much to your chagrin, in reading back through the history, to see that under Francis Fox, as Communications Minister in the Trudeau Government, they were intent at that time in moving to deregulate the telephone and communications industries in this country.

That means, through their initiatives—and they are certainly not initiatives that they should be in any way proud of; they are dubious honours to say that they were initiatives—but, at the time when Francis Fox was Minister of Communications and our Government had just assumed office in this province after the Lyon Government had been terminated in 1981, November 17, it became obvious to us that the Liberal Government was intent on deregulating the communications industry much like they were intent under Lloyd Axworthy a few years later in deregulating the transportation industry in this country—air, rail, and truck transportation.

\* (2010)

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They were probably as big deregulators as the Tories are in Government in Ottawa at the present time. As a matter of fact, they believed that was a good buzzword, that people liked the ring of deregulation. It kind of had connotations that they were going to get Government off the back of people. In fact, in many cases those regulations were put in place to protect areas of this country that needed protection—those who were disadvantaged in this country, those who did not have access to the same kinds of services without protection, those that are much less populated areas of our country. Those areas that are much less developed in our country, in our province, require some protection of regulation. That is why regulation developed over the years to ensure to the extent possible that there was equality of services provided by either the private sector or the public sector right across this country.

\* (2015)

As we would all appreciate, all being Canadians, all requiring services, deserving services, that is the difference between Canada and many other countries such as the United States, requiring and receiving services to the extent possible on an equal basis, a more humane country, a more caring country.

The buzzwords of the Liberal Government of the Day were that deregulation was a good thing. They thought that was popular politically and so they were moving on it. Francis Fox was moving as Minister of Communications on this issue of deregulation of the communications industry. We, at that time, were fighting that every step of the way, trying to put in place an orderly process of negotiations and discussions to try to stop that process. We also brought in legislation to tighten up the jurisdiction of the Manitoba Telephone System to give it more powers, to protect it against erosion of its revenues.

We come to the erosion of revenues, and that very closely ties in to The Loan Act and to the provision of monies for the Telephone System, Mr. Deputy Speaker, because when the Government moves to deregulate, as they did in the United States with AT&T, it resulted in a tremendous loss of revenue for the monopoly company, in this case the Manitoba Telephone System.

The Telephone System uses the revenue derived from long-distance rates, its share of long-distance rates and calls that are made right across this country that pass through Manitoba, its share to offset the high cost of providing services in rural and remote areas of this province. It is necessary to provide those services at a reasonable cost, so there is that semblance of equality that I talked about earlier, that there is equal access to the extent possible of services provided throughout the province.

The Telephone System has done an excellent job of providing some equality of services. They have provided reasonable rates, even when we are dealing with remote areas of this province where it is very costly to provide the services. They have succeeded in doing that, because they did have access to additional revenue sources, those additional revenue sources, Mr. Deputy

Speaker, being the long-distance rates, 54 percent. As a matter of fact, it used to be closer to 60 percent, but at this time 54 percent of the revenue that is raised by the Telephone System is raised from long-distance rates.

When we see the dynamics of the federal Conservative Government moving on the Liberal agenda of deregulation, moving forward full tilt, full speed ahead with the deregulation—and this is a Conservative Government in Ottawa—we then wonder about the commitment of the provincial Government to fight that.

We also recognize, and I know that they recognize, that their ability to deliver this program of enhanced services in the rural areas for the people of Manitoba, and the remote areas, the private lines and the expanded calling areas, is going to be greatly impacted upon. It is going to be very difficult for the Government to indeed follow through with the timetable without seeing dramatically increased local telephone rates for all of the people of this province because of the initiatives, or as I had said earlier, Mr. Deputy Speaker, the dubious initiatives of the federal Government to deregulate the long-distance rates and allow private companies to come in and cream off the long-distance revenue without having to provide the basic services to the rural and remote communities in this province.

They will indeed be able to offer lower rates, as well all could understand, because in fact they will not have to incur the high costs of putting in an infrastructure and services to the remote and small communities scattered throughout this province. Instead, what they can do is just put in a system to gain the long-distance feeds from major centres, between major centres, and where the greatest volume of calls takes place, so we may have them competing with the service between Toronto and Winnipeg, for example.

\* (2020)

That is going to be very cheap for them to offer that service. They will be able to cut the costs because they do not have to provide these other services, these basic services to other areas of the province. They can undercut. Businesses will say this is great, multinational companies will say this is great, large corporations will say this is great, because their telephone bills can be cut down immensely, their fax bills can be cut down immensely.

In fact, what we will see then is a dramatic loss in long-distance revenue by the Telephone System and a rather dramatic increase in the local telephone rates that are charged to those elderly people and those relatively low- and middle-income people in this province who depend on their Telephone System, their services as a necessity. They are going to have to pay more, rather than less, for enhanced service in this province, and that is what is ironic about this announcement by the Minister of Agriculture (Mr. Findlay), the Minister responsible for the Telephone System at this time, by this Conservative Government. They are going to see, Mr. Deputy Speaker, at a time when they want to put in place enhanced services for rural areas of this province, as developed and initiated

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by the former Government, ourselves, and to the benefit of their constituencies because many of them represent those rural constituencies at the present time and, therefore, can benefit tremendously their constituents from this.

They are now seeing their ability to deliver hampered by their Conservative cousins in Ottawa. Surely this should be enough, along with the convention that they witnessed on national television this past week, to realize they are in the wrong political Party. They should be changing their thinking, because they are not representing the best interests of their constituents as long as they stay in that Conservative Party. That is obvious. We see that as obvious by the actions of the federal Government.

It is amazing, Mr. Deputy Speaker, that they have not disowned that Party already, that national Party, totally. They still call themselves Conservatives, and I have to tell you I believe many of them are losing a lot of sleep over that at night, because they realize that name is going to do them a lot of harm in the months ahead. It is going to make it very difficult for them to deliver anything because they will not be in a position to do it. Being the temporary custodians of the public purse, they are very temporary, and it will become more temporary as they see it. It will be more obvious that it is going to be temporary to them as they see the actions of this federal Government undermining the provincial interests in this country, and particularly those provinces that need and require the support of a national Government, a strong national Government for fairness and equality in this country.

They are not going to get it from Conservative Governments. It is obvious. The Telephone System is one prime example that all of us should very carefully consider and reflect upon when we determine which political Parties we think we should be supporting in this country. I believe that those Members of the front bench, sitting in this House here today, Mr. Deputy Speaker, and those Members of the Liberal Party who probably were not Liberals, because you could not find many provincial Liberals 10 years ago in this province or even five years ago, who probably were not Liberals then, should re-read recent history so they get a clear understanding of what the position was of the Trudeau Liberals when it came to this same issue of deregulation, and how it will impact on the small communities in this country.

The Liberals were leading it, the Tories jumped in right after when they got into office. They never missed a step, they just kept on marching with that same policy that was put in place by the Liberal Government before them. There was no difference. There is no difference. A Liberal is a Tory is a Liberal is a Tory is a Liberal is a Tory, as you may know, Mr. Deputy Speaker. The fact is Tories are Liberals in a hurry and Liberals are slow Tories. There is really not a lot of difference.

It is the black cats and the white cats. Tommy Douglas used to talk about that in Mouseland where the mice used to elect the black fat cats and the white fat cats and they would change over every few years. They would boot out the white cats and they would put in the black cats and say, boy, we will fix them. Now we will get

some action—and nothing happened, except more hardship for them.

More hardship for those mice and that is the average people of Canada and, as long as they keep electing the black cats and the white cats, that is what they will get until they come to the understanding that the only way they are going to get results, insofar as their needs and their interests, is when they elect a mouse and that, of course, Mr. Deputy Speaker, is where Audrey fits in.

This will come. It may take a few years yet, but the Members know that and the Minister of Finance (Mr. Manness)—he is scratching his ear and acting very bored in here, but he knows very well that he got himself in the wrong political Party because of, maybe, his geographic location. He got pulled into it because of association with people and so on, in the area of the province he lived in, and the heritage and history of that area being associated with the Conservative Party; so he naturally went right for it.

\* (2025)

He did not think about why that was better for Manitobans, or what about fairness or equality in this country. Now it is all coming home to roost where his philosophy is poorly based, where it is ill-founded and on quicksand and loose ground. He does not have a firm base, because the federal Conservatives in Ottawa are making it abundantly clear that there is no fairness for the average people in this country as long as Conservatives are in office.

This Conservative Government in this province cannot beat that reality. That is the truth that they cannot escape from, and this will become more and more clear to them over the months and year ahead. Mr. Deputy Speaker, I use the example of the Telephone System and the improvements to the rural services, and how they will be hampered and impacted on by federal Government policies that are insensitive and lack understanding insofar as equality and fairness in this country. I use that example to demonstrate to this Government, to this Minister of Finance (Mr. Manness), where he has gone wrong in supporting the national Conservative Government. He cannot divorce himself from that fact of reality because his Party is a Conservative Government and, in majority in this province, would act the same way as the Mulroney Government. They are not going to be concerning themselves with a sensitive approach, in a caring approach for the needs of people in this province. We know that they would not do that if they were in majority in this province.

Right now they are being kept in check. They have to be perceived as being sensitive and responsive to the concerns and needs of the people of this province, and they believe that will get them elected. I have to say that they are doing a pretty good job in the sheep's clothing that these wolves are wearing. They are doing a pretty good job of demonstrating, of giving the perception to people that they are sensitive and concerned about the needs of the people of this province. We may some time find out the truth. I hope

we do not have to in the next few years, Mr. Deputy Speaker.

I hope that the people will see through it, and they will not give these people an opportunity to govern this province unhindered, in full majority, because they would be sorry very quickly after, just as they were with Sterling Lyon after the 1978 election.

Mr. Deputy Speaker, I want to speak about a few of the other areas that are impacted on by this Loan Act. As you can well appreciate, it is a broad-ranging area dealing with many different issues under The Loan Act, the Manitoba Water Services Board and the federal-provincial water and sewer agreement. I see a provision in this Loan Act for \$33,500,000 for a water and sewer agreement with the federal Government. That agreement does not exist.

The Minister of Industry, Trade and Tourism (Mr. Ernst) is sitting there, and he is supposed to be the chief negotiator for this province—another dismal failure. I hate to say that because the Member basically has good intentions. He wants to get a water and sewer agreement, I believe, but he is unable to do that, again because of who he is dealing with, an insensitive federal Government and federal Conservative Cabinet Ministers who do not have any clout in Cabinet. The federal Conservative Ministers, like the Honourable Jake Epp and Charlie Mayer, obviously do not have any impact on their federal Cabinet. They are not able to deliver programs for this province. They see us lagging behind year after year, worse than we were the year before, because they are not able to deliver what is necessary for the Province of Manitoba.

\* (2030)

The example of the water and sewer agreement is an excellent one here again, where a rural program, needed to counter the tremendously negative impact that is going to hit this province—is already doing it in terms of layoffs and closures of major operations in this province—as this adjustment to this free trade, as the Conservatives would like to call it, takes place. They are going to see major adjustment, and adjustment is probably not a very good word to use. In fact, it is going to be a major, devastating impact on the province.

To offset some of that effect, it is necessary to rejuvenate the water supply for major communities so that they can attract new potential industry to this province, so that there can be an element of economic activity in a decentralized way, not as this Government has done, only through a few civil servants being transferred. That does not give you decentralization of economic activity in this province. It simply transfers a few jobs. I want to see jobs in rural areas, so I support initiative to decentralize, but I want the Government to know that in no way do I believe that is an end in itself. There has to be much more done by this Government in terms of rural economic development programs.

One aspect of that, and the Minister of Rural Development (Mr. Penner) is here, is the provision of a water and sewer agreement to help those major centres upgrade the facilities that are necessary in order

to ensure they have a clean water supply, reliable water supply, that can be offered as an incentive to potential industry requiring water for their processing or whatever may be taking place in their operations.

That is something that is sadly lacking by this Government, because there seems to be no action. Month after month they continue to drag their feet, the federal Government drags their feet, without any decisive action on this issue of a water and sewer agreement. So they include it in Bill No. 34, in The Loan Act, but they do not have a deal negotiated.

One year ago the federal Government, who had gone through the election, it was only over now by some two weeks or two weeks since the election, a year and two weeks, but a year ago the election was just over. Some 13 months ago, 14 months ago, when the election was first called, the federal election, it seemed that there was an agreement imminent on water and sewer in this province. The Minister talked about it, Members of Parliament who were running for re-election, like Brian White in Dauphin-Swan River, talked about this water and sewer agreement that they felt was going to happen any minute. It did not happen before the election, there was no announcement of it, and in fact I guess the Conservative Government thought that they probably did not need a few extra votes in Manitoba, so that water and sewer agreement did not happen.

That is very unfortunate because there was a window of opportunity that was missed and lost by this Government to put pressure on the federal Government, but again I guess it demonstrates, as has been demonstrated in the past, that the provincial Government in this province, the people of the Province of Manitoba are not major players at the national scene. We do not have a major impact into the national thinking in this country as long as we have Conservatives and Liberals who only look to the strong to make the strong stronger and the weak weaker, and those who need more get less, and those who need less get more. That is the policy and philosophy of the federal Government and that is why Manitoba does not get attention at the national level.

That is why Manitoba did not get sufficient attention during the Liberal years with some small exceptions from the City of Winnipeg when Lloyd Axworthy was Minister. That is why we have not gotten near the attention that we should get from the federal Conservative Government, because the Ministers do not have any clout and because they do not care about the people of Manitoba because they feel we do not have a major impact politically at the national level.

(Mr. Speaker in the Chair)

I say to the Minister of Finance (Mr. Manness), what is important about this issue is that an agreement—the Minister of Finance should remember that a federal-provincial water and sewer agreement is included in his Loan Act. I am talking about why that agreement has not been signed, for the Minister of Finance's information.

The fact is that the agreement is still languishing. We do not have, even though a year ago this Minister

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and the Members of Parliament were saying that it was imminent, we still do not have that agreement. Last spring when the budget took place, before the budget, Brian White in Dauphin said that the water and sewer agreement would be signed any minute, and at that time he said that a water treatment plant would be part of such an agreement for the people of Dauphin. But what do we see? Another six months gone by and still no agreement.

It is because, No. 1, the Minister of Industry, Trade and Tourism is not able to twist the arms of his federal counterparts or else he does not know what he is doing. He is either ineffective or else has no understanding of what the priorities are for the province. Maybe he has not been able to define the parameters of what the province wants. Maybe there is a legitimate reason why the federal Government is not able to come through, but I think it is because they do not care about this province and because we have federal Ministers from this province who are not effective and cannot deliver. That is why we do not have results in that particular area.

So it is rather interesting that the Minister of Finance (Mr. Manness) would include \$33,500,000 for a water and sewer agreement in this particular Loan Act when in fact there is no water and sewer agreement with the federal Government. Where is it? When are we going to see it? What are they waiting for? The communities out there are badly in need, desperately in need of these services. What is going on? What is the problem? -(Interjection)- Now the Member for Lac du Bonnet (Mr. Praznik) says I should talk to the feds. If they want me to go and do that for them, I will. Just say that they cannot do it and that the Members of the New Democratic Party, with their experience negotiating at the federal level during the time we were in Government, can deliver that program. Ask us to do it and we will get it done for them. If that is what the Members of the Government want, then we can do it for them.

The Minister of Finance (Mr. Manness) obviously cannot negotiate his way out of a wet paper bag, we saw that with Repap. We saw what he did. Now we see Repap in a desperate financial situation with no guarantees for the upgrading of The Pas mill and nothing for Swan River, no guarantees there because he did not get them in the agreement. He was so poor in his representation of the provincial interests at that particular time.

I say, Mr. Speaker, that if they want some help negotiating some of these agreements, we certainly on this side have lots of experience there because we had a great number of those agreements in forestry, in tourism, on Churchill and transportation, in Agri-Food, all of these agreements negotiated during the time that we were in Government. Of course, it takes two who are sincere, it takes the federal level who are sincere in their desire to achieve agreements and to help the provinces and to work co-operatively, and it takes a provincial Government who is sincere about delivering those kinds of programs to the rural areas of our province.

I do not believe that we have that on either the provincial level or the federal level, that is what is so

sadly lacking here, and that is why they are not getting together. That is why they are not able to plan together as is necessary for rural economic development in this province. They are not planning together and that is why we are not getting results, and the people of Manitoba are suffering. That is why we see our unemployment rates increasing. That is why we see record bankruptcies in this province. That is why we see people leaving this province for other areas of this country because they cannot find opportunity here, they cannot find jobs here and they are concerned about the direction this Government has taken, the lack of leadership that this Government is showing.

There is another prime example. We see in this Act, \$10,925,000 for Manitoba Data Services and what do they want to do? They want to sell. They want to give it away, Manitoba Data Services, they want to give it away. The Minister of Finance (Mr. Manness) says, "Give it away." Let us see what the price is. Let us see what he is doing here with the private sector on the Manitoba Data Services because they have served Manitobans well. They have had very reasonable rates for the clients, the various Government services that are provided through Data Services.

We know they are reasonable because—and if the Minister of Finance wants to challenge that statement that they are reasonable rates, let him stand, put it on the record and provide the comparisons that prove that is wrong. The fact is they are providing reasonable rates and excellent services for the charges that are being made to their clients. I want to say that a successful Crown corporation such as this can only be considered for sale because of dogmatic reasons, because of a philosophical straight-jacket that shows the true colours of this Conservative Government coming out, the same colours that caused Grant Devine in Saskatchewan to sell off all Crown corporations or many of those Crown corporations simply because he wants to put them in private hands, for no other reason.

\* (2040)

This Conservative Government shows its true colours when it goes on its merry way with blinders on, straight with tunnel vision, without looking at the consequences and the services and the benefits, to say that Crown corporation must be sold or given away as many of the Conservative Governments are apt to do with public enterprises when they want to get rid of them to some of their corporate friends for something like a dollar or very little more and with great tax write-offs and benefits for them. That is what they want to do with this Crown corporation that is making a profit. There is no reason for it. It is not a drain on the taxpayers' money; it is not a drain on the taxpayers of this province; it is making a profit; it is showing its ways; it is making its way without being a burden or a cost to the public. Why would they want to sell it? Why would they even talk about it?

They think it is perhaps politically popular to sell Crown corporations if they are not making money. I think perhaps it is if they are not making money. In some areas it is probably politically opportunistic to do so, but I think they are going to find out that if they

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are to try to sell the data services, to go forward with it and go through with that sale, that they are in fact going to see a major backlash even from the Tory bastions of southern Manitoba.

They also understand when it is in the province's interest to have services offered through Crown corporations and public corporations. They understand with the telephone system, they understand it with Hydro, they understand it with public insurance in this province even though they did not when Mr. Ed Schreyer, the Premier at that time, brought that forward in the early 1970s. They changed their mind and they understand that there are certain roles that the public enterprises can best serve. Certainly they realize that in some areas the private sector cannot provide the services as well.

I think that they will understand that with data services as well as it gets explained and discussed in more detail in this province if this Minister and this Government persist that they have to sell Manitoba Data Services, because in fact they will be making a huge mistake. I hope that the Ministers will consider that very carefully if they want to demonstrate that they are indeed sensitive to criticism in this Legislature, sensitive to the concerns of Manitobans, sensitive to suggestions that are put forward by all Parties in this province, they will consider that very carefully.

Mr. Speaker, there is also the issue of course of other Crown corporations. Now I understand I only have a couple of minutes left to speak. Let me in closing this particular speech just say that while we want to see these Bills move forward they are obviously necessary for the financial affairs of this province to move forward for orderly and good Government, as good as it can be under a Conservative Government as we have at the present time. We do have concerns about the policy directions and the programs, and the lack of programs, that this Government is putting in place.

I reiterate for those Members who pat themselves on the back from the Conservative Government that somehow they are the reason why the deficit has dropped this year and last year, that is not the reason. Let them never go to bed at night believing that they did that. They did not do it. They in fact did not make any significant cuts in programs or reordering of expenditures of this province. In fact, what they did is they removed some very good programs but what they benefitted from was a windfall in federal revenues that will not come very often. As a matter of fact, those revenues will decline. They benefitted from the budgets and planning, the fiscal planning, the economic planning, and the strategy that was put in place by the previous Government for taxation and for programming in this province, that is where they benefitted. The Minister of Finance (Mr. Manness) knows that only too well, that he walked into a very good situation insofar as the financial affairs of this province, contrary to what they said, and the media said, before the last election. Thank you, Mr. Speaker, more and more people will become aware of that in the years ahead.

**An Honourable Member:** It was a heck of a speech, John.

**Mr. Plohman:** I realize that. What was that?

**An Honourable Member:** I was very pleased with it myself.

**Mr. Speaker:** The Honourable Minister of Finance will be closing debate?

**Mr. Manness:** Thank you very much, Mr. Speaker. It is a pleasure at this time to—

**Mr. Speaker:** Order, please; order, please. I was just asking, would the Honourable Minister be closing debate? The Honourable Member for Elmwood, do you wish to speak on this Bill?

**Mr. Jim Maloway (Elmwood):** Yes, I do, Mr. Speaker.

**Mr. Speaker:** The Honourable Member for Elmwood.

**An Honourable Member:** He supported bluster bag Barrett.

**Mr. Maloway:** As the Minister of Health (Mr. Orchard) is already starting to talk about what happened at the Winnipeg Convention Centre this past week, I think he will soon realize that the majority of delegates decided on Audrey McLaughlin as our Leader. I think time will tell and history will prove that she will have been the best choice this weekend. It is certainly time in this country's history to have a woman as a federal Leader, and I am very happy that the NDP did make history this past weekend and do the same.

If anything, I think there is some degree of worry on the part of the other Parties at the federal level, because now there will be a new set of dynamics that they will have to deal with in the next election. They may be surprised. They may be surprised to find that in fact she does pick up perhaps even more seats than the candidate that I had supported would in the election.

It is very difficult to tell. There were very good reasons for both of these candidates to be elected and we only hope, of course, we did make the best decision. I think in the end we probably did.

Mr. Speaker, I know we are just dying to get on with the debate on Bill No. 34, The Loan Act, 1989, and of course I rise to support this Bill. I believe out of our 12 Members of the caucus there is only one more of our Members to speak on this Bill, one more of our Members to put our views on this Bill on the record. We feel it very important to address one of the Government financial Bills and put our opinions on the record and indicate that we support this Bill.

It would be very interesting to see where the Liberals come out on this Bill as well. They voted against tax cuts now on, I believe, two previous occasions, and one wonders whether they will do a flip-flop and decide to vote with the Government on one of these Bills, so they can go out on the hustings when the election does occur and claim they did support tax cuts for people on at least one of the occasions. I have not seen any evidence they are planning to do that yet, but of course they still have time to wander around.

**An Honourable Member:** They have to make a decision.

**Mr. Maloway:** I am sure they find themselves in a very difficult position, because in fact the balloon inflated overnight and now they find it losing air little by little. As the days, the weeks, and the months go on, the Liberal Party is getting more and more deflated. I think perhaps they are going to find themselves with a lot less seats come the next election, certainly if it is in the longer term.

I think if the election is held within the next few months perhaps the Liberals will have some opportunities to hold their own.— (interjection)— The Member for St. James (Mr. Edwards) wants to know when my nomination is, and I am very pleased to tell him it is this Thursday evening. He is welcome to come out to Elmwood, he is welcome to canvass, but while he is doing that I want him to remember his seat is in some jeopardy as well, because it does not have a history of supporting Liberals. It has a history of supporting the NDP. It has a history of supporting the Conservative Party, and he may be a very short blip in the annals of electoral politics in Manitoba.

A lot of the Liberals, before they get too aggressive—I notice they are already talking about picking up Elmwood constituency, they are talking about picking up other constituencies—before they get too confident I suggest they sit back and consider a little bit. They are certainly not in very good electoral shape at the moment. I do not know what their polls or their pollsters are telling them, but they certainly cannot be happy with the news they are getting.

The other thing the Member should recognize is that the Liberal Party, because of their inexperience, have boxed themselves in, in the sense they have found themselves having to, or being in a position of voting against what has been regarded as a fairly popular budget and fairly popular budgetary moves. They will pay for those positions and they should be prepared to defend those positions. I do not want them to try to cloud the issue in the election and suggest somehow they were in favour of the tax cuts to people, when in fact the record speaks clearly to the opposite.

\* (2050)

We will, in our advertising, our television advertising, our door-to-door work during the election, let people know where the Liberals stood in the year and a half from the last election, as I am sure the Government will as well. As they nip at them from the right wing, we shall be doing the same from the left. The Liberal Party will deflate as quickly as it inflated.

I am hoping that I will wake up after the next election and realize that it was all a dream, it really was a mirage, that there really is not a Liberal Party and perhaps the same leader that sort of took advantage and seized an opportunity that should have been there for the current Government, that should have been seized by the current Government but was not taken by them, that same leader who seized that opportunity at the time will in fact take them right back down. I think that

is probably as fitting a comment as any on the leadership of the Liberal Party. I am beginning to feel with time that in fact there is more talent over there on the Liberal Party than just the Leader of the Party (Mrs. Carstairs), and there are probably a couple of people over there who could probably lead the Party much more effectively than the current Leader is. Bill 34—

**Mr. Speaker:** Order, please; order, please. The Honourable Member is debating what Bill?

**Mr. Maloway:** 34, The Loan Act. I was simply pointing out—

**Mr. Speaker:** Order. Order, please. I would ask the Honourable Member then, to have his remarks strictly relevant to the principle of Bill 34, The Loan Act. The purpose of this Act is to provide capital supply to the agencies and organizations listed in the schedule of the Bill.

**Mr. Maloway:** Mr. Speaker, I would not have it any other way. I thought my comments were relevant to the Bill and relevant to the process involved in debating the Bill, how we as a caucus had dealt with the Bill, and how the Liberal caucus is responding to the Bill. The fact of the matter is that every Member of our caucus will have spoken to this Bill by the time it is passed on Wednesday. I do not know how many Members of the Liberal Party have spoken to the Bill, but I am sure that there are nowhere near that number. We are supporting the Bill; they are not supporting the Bill. The Bill is part and parcel of the Government's program, the implementation of its budget.

Mr. Speaker, Hydro is dealt with in the Bill, and I did want to spend a few minutes discussing the history of Hydro in the province, because it is a resource and an area of development that the Conservatives have opposed on many, many occasions over the past few years. When we were in Government, we built Hydro projects in the North, we developed the North, we provided employment and training for numerous people in this province. All the while, the Conservative Government either outright refused to support the development or nit-picked or found things wrong with the program.

The Liberal Party, of course, has taken the same tactic. The Liberal Party called Limestone "Lemonstone" in the last election, but the fact of the matter is that we all should recognize that Hydro development is in the long-term best interests of the population of this province, this country, and in fact the world.

What are the alternatives to Hydro development? If we do not develop our Hydro resources, what we have to look at is the development of nuclear power. Certainly the recent history of nuclear power in the Soviet Union, in Chernobyl, in Three Mile Island and other near crisis situations with near meltdowns and so on, this kind of disaster and near disaster and the long-term consequences have given rise to an attitude in our society that we have to stay the course with Hydro development.

I think that the people who developed the Hydro plan years and years ago deserve a lot of credit for the foresight that they showed at the time to develop the full potential of Manitoba resources. One can argue that it was just natural because it was a vast untapped resource at the time. It was one of the resources that was abundant and available here in Manitoba, and it was only sensible that we developed it. It was good, forward thinking because of the detractors in our Legislature and in our society at the time.

Had the Governments of the Day not proceeded over the opposition of the nay sayers, we would have found ourselves in a box where we would have had nuclear power peaking and dropping in popularity, and the nuclear industry coming to a stall. We would not have had this infrastructure there. We would have had to play catch-up. We would have had to develop these hydro projects one on top of the other in an effort to get them on stream and at a tremendously higher cost than was incurred when they were built.

One can argue—and the Minister of Finance (Mr. Manness) when he was in Opposition used to talk about that. I remember him and his financial models that he used to bring out, and all of these other ideas he had as to what was wrong with our Government in terms of finances. He used to talk about the fact we were spending so much in interest payments, that Limestone was a terrible idea because of the interest rates being paid, and had we sold, were we going to be able to sell this power. The world was going to come to an end if this Government continued doing what it was doing at the time.

He is in a position now and this Government is in a position now because of the environmental concerns about nuclear power and the expanding desire for power in our society. He is in a position right now to look forward to announcing Conawapa, the next development. In fact, I believe that had our Member for Flin Flon (Mr. Storie) not announced the Conawapa project on at least two occasions, had they not done that, the Government was planning I believe to hold this announcement until the election was called, and it would be just one of the major, major pieces in their program for a re-election bid. I am sure the Minister of Finance is smiling a bit

**An Honourable Member:** Are you going to oppose it?

**Mr. Maloway:** I am sure—well, no, the Member for Lac du Bonnet (Mr. Praznik) asked me whether we are going to oppose it. I do not think so. I think we would be greatly in favour. It is another area of agreement that we have with this Government because had we been in power, we would be announcing Conawapa as well.

The interesting thing is where are the Liberals going to be. Are they going to refer to Conawapa in the same sort of vein that they talked about "Lemonstone" as they talked about the Limestone Project? Are they going to go around and talk about Conawapa? Well, this is a question that I ask because they feel they are Opposition they have to oppose. Government has a good idea that is sensible and should be supported,

and they feel somehow there is more mileage to make opposing things just for the sake of opposing them.—(interjection)—The Member for Lac du Bonnet (Mr. Praznik) makes a comment, probably true, that their Leader has not issued the orders yet. He has not given them the marching orders nor told them what to think.

The Member for Springfield (Mr. Roch) who always has a problem knowing what to think will not have any difficulty following these marching orders. Mind you, there are not a lot of places this Member can go. He has run through the NDP, he has run through the Conservatives. Well, there is the Reform Party that will probably be gaining some sort of roots in his constituency, and it may show some ray of hope for him as the Liberals start deflating and collapsing.

Watch him as the Liberal ship starts to sink under the waves. He will come to the surface once again, rise again, and join the Reform Party. I look forward to seeing that. I think I will live long enough. I have watched this Member for the last 15 years go through the three Parties. I think I can wait a little while longer to see where he will finally end up. I look forward to the day when he and I will be in the seniors citizens home together. I mean he is only, I believe, a year older than I am. We would be discussing the trail we took starting out together as we did.

In fact, I introduced the Member to the Member he beat in the '86 election. He met him in my basement in 1975 when he was working for me in City Council elections in Memorial all of those years ago. That is where he met Andy Anstett, in my basement all of those years ago. I hate to think I may have started something here, but in fact the Member has not really done that Party any good.

The Member for River Heights (Mrs. Carstairs), the Leader of that Party would have been wise to counsel and caution that Member against leaving the Conservative Party. She should have suggested he go back whence he came. She did not do that and I think she will pay the price. I know the Conservatives are happy to be rid of him.—(interjection)—

\* (2100)

Now the Member for Inkster (Mr. Lamoureux) is concerned once again about the Bill. I would like to know when he plans to stand up and speak on this Bill. I would like to know when we are going to hear definitively where the Liberal Party stands on these Bills.

They are on record as opposing the tax breaks this Government has been offering to people this coming year. They are on record as opposing those by voting against them. In fact, they are going to try to make the best of the situation, try on a door-to-door basis, I am sure, to say they are really in favour of reduced taxes. That is exactly what they are going to do come the election. I know they are not going to say that they are opposed to tax decreases. I am very interested to know how they are going to do it.

The question is not if they are going to do it, or when they are going to do it, it is going to be how they are

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going to do it. How are they going to go into Charleswood and say and defend their position on this budget, the fact that they voted against the tax breaks? The Member for Charleswood (Mr. Ernst) is going to make mincemeat out of them. In fact, what they are going to do is try to concoct a way out of the box, and that is what I will be interested in seeing—how they come back from the box they find themselves in.

Mr. Speaker, we dealt with the Hydro situation in this province and the federal Government was singled out by the Member for Dauphin (Mr. Plohman) as not exactly a friend of this Government in the last little while, and in fact the Member said that a Tory is a Tory is a Tory. My friend the Highways Minister, when I asked him about his federal Leader, Brian Mulroney, he said, "I do not know the guy." That is the kind of attitude that this Government has been trying to—and when you consider the history of the relationship between the Prime Minister and the current Premier (Mr. Filmon) since 1984, you understand why the situation has developed the way it has.

In fact this Government, because of its positions that it took on the French language situation back in 1983-84, got itself into disfavour with the federal Government at the time, and the Prime Minister has a long memory. He has been making this province pay for the mistake of the Premier from all those years ago, and in fact nothing this Premier does can get him on the right side.

I think many times this Premier must wish that the federal Government would just disappear. In fact, he must have been one of the biggest cheerleaders for John Turner in the last election. I am sure he was hoping and praying that the Liberals would win the last election so he could get rid of that albatross around his neck, that albatross that should sink him, because people in this province, when they identify a Conservative Government provincially, should connect it—

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**Mr. Speaker:** Order, please. The Honourable Member for Radisson (Mr. Patterson), on a point of order.

**Mr. Allan Patterson (Radisson):** May I ask what Bill the Member is addressing?

**Mr. Speaker:** The Honourable Member for Elmwood, on the same point of order.

**Mr. Maloway:** The Member for Radisson should pay attention and he would know what Bill we are addressing. It is Bill No. 34, The Loans Act, and I would like to know whether he intends to speak to the Bill.

**Mr. Speaker:** I would like to thank the Honourable Member for Elmwood. The Honourable Member for Elmwood.

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**Mr. Maloway:** I think what the Member for Lac du Bonnet (Mr. Praznik) has just mentioned is a very, very important point. I mean, what we want to know is, where

do the Liberals stand? We have been asking that question. Where do they stand? They are against tax breaks for people. That much is clear. What we want to know is how they are going to vote on this Bill and how they are going to come to terms and to grips with the fact that they have voted against these tax breaks.

Now, Mr. Speaker, I would like to get back to the relationship of this Government to the federal Government of this country. The fact of the matter is that they are desperately trying to get out of the bag that they have been put in by this federal Government. On Meech Lake, they announced the Meech Lake Agreement one week; the next week they withdraw it. On the GST the Minister of Finance makes a statement saying the consumption taxes are okay and that there is really nothing terrible about the concept of a GST. Those were his comments. A week later, obviously the advisors got to him and he changed his tune and the Premier fell in line with the position that this Government is against a tax.

(Mr. Deputy Speaker in the Chair)

The Minister of Finance (Mr. Manness) says there has been no change in his position. Well, maybe his private position, but his public position, there has certainly been a change in it, because in fact they have suggested that the GST is not acceptable.

I listened in to a news conference that the Minister of Finance had with the press the other day and they were asking him whether or not he thought that 5 percent would be better than 7 percent. He said, well, you know maybe it would be a slight improvement to have 5 percent over seven, but his Leader the same day earlier made it clear, as clear as he can, that in fact they are opposed to this tax completely. That is a far cry from what the Minister of Finance clearly put on the record two or three weeks earlier, clearly put on the record before that, and they realized that that would not sell.

In fact, what we are really seeing here is the difference between how a minority Conservative Government acts and a majority Conservative Government, because in fact if the Conservatives ever form that majority Government, God help the people of Manitoba. We are going to see shades of Sterling Lyon once again. As I said before, the animals will be let out of their cages to run wild, and the Minister of Health (Mr. Orchard)—I will give him some credit; he has moderated a bit. They have worked on him a bit. It would not take him much to revert back to that old Member that we have known so well over these years.

What they are doing is, in a way, through smoke and mirrors, perpetrating a bit of a hoax on the people by trying to appear as Bill Davis Tories, as moderates, because in fact they have not changed all that much. Their agenda on privatization is still the same as it has always been. Their position on deregulation is still the same as it was before.

The day after they get a majority Government, watch the privatization advisor who is on loan from England to Grant Devine in Saskatchewan. Watch him board the bus because he will not be on a train. We know

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that. Watch him board the bus to Manitoba to advise that Minister of Finance (Mr. Manness) as to what can be privatized and what cannot be.

What they have done so far is they are working on the MPIC General Insurance lines. They are working on the Data Services. Even in a minority situation they have started the initial steps, the studies, working on different angles that they could somehow work to political advantage, because there is a certain amount of appeal for privatization in certain areas where the public perceives the industry to be unpopular. For example, in the federal venue, the Post Office has been widely regarded in a very negative light by the public. So that is something that a Conservative Government would sink their teeth into because they know that they can spin that web of privatization and the myth of turning what the people already own back to the people and dismantle the Post Office. They know that they can get public support for something like that.

It would be much more difficult for them to go after Autopac where there is \$287 million of investment that Autopac has accumulated over the years. The Minister of Finance (Mr. Manness) knows that. Invested in small towns, in hospitals around this province, he knows that he would run into a big problem trying to privatize Autopac, especially in a minority Government situation.

\* (2110)

But give them a majority Government and see the Jekyll and Hyde that they are. They will turn around 360 degrees and they will buy themselves back into favour with the Prime Minister. Meech Lake will be passed. That is what they are concerned about. They are concerned about going to the polls before the Meech Lake situation resolves itself. That is one of the things holding them back from going for an early election because they know that there is that resistance to them out there. There is that lingering fear about what Sterling Lyon was all about, where they could go in a majority Government situation.

The people out there have that resistance and have that lingering fear that if they elect a majority Conservative Government Meech Lake is a foregone conclusion, that Brian will be at their doorstep snapping his fingers, they will hop to attention, and he will do that, as he did and turned it around.

I am obviously not happy about it, and it was to the detriment of the people of Canada, but the federal Conservative Government was going down the drain until they bought the constituency in Quebec for Mr. Bouchard. I forget how much money was spent in there—a hundred million dollars—I am not sure how much it was, but a tremendous amount of money was pumped into that riding to elect Mr. Bouchard.

After that period we saw the Conservative Government gradually coming back, and they won that last election on false pretences. They promised a national day care program. What happened to it, where is it? A year down the road, where is it?

All the mega projects that the Conservative federal Government announced—remember the run up to the

last federal election. Every few days they were announcing the Lloydminster heavy oil plant, they were announcing this plant, they were announcing that plant, and all of a sudden a month or two after the election, what happened to all the mega projects. Where are they, down the drain because of the deficit.

Now where was this deficit during the election? Where was it in the run up to the election? Did it just appear? Obviously that is what it did, it just appeared out of nowhere, and it has been a major concern in the last little while. When we were in Government we heard constantly from the Opposition, the deficit was a major problem. They talked about it constantly. When they are in Government and so on they can tend to forget, they can forget about these things.- (interjection)-

The Attorney General (Mr. McCrae) is talking about the days when we had "Dr. Debt" for the Finance Minister. The fact of the matter is that this Finance Minister (Mr. Manness) simply reintroduced Dr. Debt's budget. Dr. Debt did all the work. He did all the surgery, and this Finance Minister simply waited in the recovery room and picked up the patient and walked out with the patient. He should be charged with kidnapping of the patient.

Dr. Debt, in many respects, was the author of his own destruction, so we cannot blame the current Finance Minister for stealing the patient. The patient was given to him, and was almost stolen by another suitor. That has been the problem of both our Parties for the last year and a half, the real suitor, the suitor that almost stole the patient. That is what we are dealing with right now.

We are trying to decide how best to deal with that Party, how to isolate that Party and show that they do not have a vision of Manitoba, do not have the positions, and do not have a policy, the policies that Manitobans need. I think we are starting to do a more effective job of exposing them, but I think it is too early yet to test the theory that the job has been done.

In the short run, if we decide to test that theory we may find that the undecided shifts back, and we find the Liberal Party over on the Government side. Heaven forbid that we should go through that, because we know that they promised last year—was it \$700 million worth of new spending? They are so much more irresponsible than the Conservatives were when they were in Opposition.

We used to sit back and shudder when the Conservatives were in Opposition. The Finance Minister, I remember, was probably the most responsible Member of that caucus. He used to shake his head when the Member for Niakwa used to stand up and say how he could have it both ways, and the Members were one day asking for their roads to be paved and the bridges to be built and not enough money was spent here or there.

The current Minister of Finance (Mr. Manness) would shake his head and shudder at what his colleagues were up to. I am sure he tried to sort of put them in line in the backrooms, but it never worked. They were always out of control, running here, running there. We

thought that was a terrible situation. Then we got these guys. Then the Liberals showed up, and things have never been the same. These guys were quite responsible compared to what we have seen from the Liberals, I mean, \$700 million, they cannot even put their minds around that.

Most of them do not even remember that. It is old history to them, because they operate from day to day. They do not know what they had for breakfast. That is the problem with them. They go out and promise all of these things—I wish I had brought my list with me. We have them all typed out, I believe it is \$700 million. They go on with all of these promises and then they talk about the deficit.

The Member for Springfield (Mr. Roch) is one of the worst people for that. Talking about how the deficit is robbing peoples' future and how we have to get it taken care of.—(interjection)—The Member for Springfield has made some real barn-burners himself over the years. I remember his speech on the human rights. I think some of those Liberal Members ought to pull out his speech on The Human Rights Act and read it over, if they have not already done so. That speech will dog that Member until the day he does go to the senior citizens home, and there are a few other examples.

Mr. Deputy Speaker, I am running out of time very quickly, and I just managed to get into the Hydro-Electric Board.

The Minister of Highways (Mr. Albert Driedger) is in front of me now. I did want to let him know that earlier on when I was trying to tie the provincial Conservative Government in with the federal Conservatives and Prime Minister Brian Mulroney, and he said we do not know the guy, we do not know the guy, it is shades of the former Member for Niakwa, when he said we could have it both ways. They are playing a very, very dangerous game, albeit successful so far in trying to distance themselves.

The Attorney General (Mr. McCrae), who is sitting in front of me now, I remember him during the CF-18 situation when I guess we misjudged, because if we had just had the election, our election in '86, a few months later—mind you the federal Government would not have announced the decision in the middle of an election or the run-off—but had they done it, had we been lucky enough to be able to position that election in the middle of CF-18, we would have had 45 seats.

The Attorney General, what was his solution at the time? I could understand where he was coming from, because the Conservative Party was enormously unpopular because of the CF-18 decision. In fact, he suggested that the Conservative Party change its name. I do not know what they were planning to call themselves, but they were trying desperately to get themselves out of the box.

Obviously they have taken that one step further here and come up with ways to distance themselves from the federal Party. It is natural because they do not have any friends. They have more friends in this House on this side than they do in Ottawa. They can count their friends in Ottawa in their Government—

**An Honourable Member:** On one hand.

\* (2120)

**Mr. Maloway:** Yes. Even their federal M.P.s in Manitoba—(interjection)—That is right. Jake Epp, their leading light here in Manitoba does not want anything to do with them. They may as well call themselves the New Reform Party or some new thing, because they certainly do not seem to be doing all that well in getting anything or any kind of attention from the federal Government. In fact, any attention they get is bad. It is bad news from the federal Government.

Once again, if and when they get a majority Government, the people will pay because in fact that is when the reconciliation will occur. The people who are running this Government right now are the same professional advertisers, the same professional speech writers who managed the federal Government, who used to manage the "Big Blue Machine." Those are the people who are behind both horses in the race here, and are running them as Tweedledee and Tweedledum.

My friend, the Member for Dauphin (Mr. Plohman), talked about the white horse and the black horse. They are both—(interjection)—the white mice and the black mice. What you have is Conservatives, the same thing, cousins, close cousins, close friends, simply operating under a different name, under a different colour, under the pretext of being different, hoping to fool enough of the voters to get themselves into a majority situation.

Once that situation is resolved and you have the majority Government, then watch them hack and slash. Watch the privatization program come front and centre. Watch them try to sell Autopac. Watch the Minister of Highways (Mr. Albert Driedger) start tolling the roads. This is the toll road. The highways talked about tolling the roads earlier on—a year ago—and he was taken into the woodshed by his Premier (Mr. Filmon) and told: no, Albert, not now, please not now. Let us win the majority first. He was trying to sink them before they got out, and that is really the problem.

They may in fact be successful, because of the Liberal Government's drop in favour. They may be successful, because of the budget we left them, the fact that they have simply copied our programs and are trying to administer them a little better. They may in fact pull their way through. The fact of the matter is it is people like the Minister of Highways (Mr. Albert Driedger) who remind the voters that the image of Sterling Lyon is not that far away. Every once in a while it sort of jumps out of the box, and then the damage control people have to put him back in. The Minister of Consumer and Corporate Affairs (Mr. Connery) is the best example—

**Mr. Deputy Speaker:** Order. Order, please. The Honourable Member's time has expired. The Honourable Member for Logan.

**Ms. Maureen Hemphill (Logan):** I move, seconded by the Member for Thompson (Mr. Ashton), that debate be adjourned.

**MOTION presented and carried.**

**BILL NO. 53—THE ENERGY RATE  
STABILIZATION AMENDMENT ACT**

**Mr. Deputy Speaker:** On the proposed motion of the Honourable Minister of Finance (Mr. Manness), Bill No. 53, The Energy Rate Stabilization Amendment Act; (Loi modifiant la Loi sur la stabilisation des emprunts d'Hydro-Manitoba à l'étranger).

The Honourable Member for Flin Flon (Mr. Storie) has 24 minutes remaining.

**Mr. Jerry Storie (Flin Flon):** Mr. Deputy Speaker, I began my comments on this Bill a little unexpectedly, and I had to receive some additional information from Manitoba Hydro and the Public Utilities Board before I wanted to complete my remarks. I have subsequently had an opportunity to get that information and to sift through it and determine what impact this particular piece of legislation might have on the Hydro rates in particular for the Province of Manitoba.

Mr. Deputy Speaker, I also had an opportunity to discuss this with the Minister of Finance (Mr. Manness), because I wanted to determine how the province had gone about covering off the costs of the currency fluctuations for Manitoba Hydro in this particular year, and was told quite candidly by the Minister that the province had in effect prepaid the obligation at the end of the fiscal year, had actually forwarded that amount or prepaid that amount, to Manitoba Hydro.

Mr. Deputy Speaker, it raises an interesting problem I guess for the ratepayers of the province and for those who are going to be trying to determine what the impact of this piece of legislation will be over the longer term. To give the Minister of Finance some credit, the fact of the matter is that this piece of legislation will have no immediate impact on the rates for Manitoba Hydro as of April 1, 1990, which is the time that the rate increase that is before the PUB presently is due to take effect.

I had already indicated earlier that the rate increase that is being applied for is some 5.5 percent for residential consumers. While that in itself is above the inflation rate, and some would consider inflationary, I am sure that was put forward by the Manitoba Hydro Board to reflect the drought conditions, to reflect the loss of revenue that came to Manitoba Hydro, as a result of somewhat limited export revenue to Manitoba Hydro, so it may be understandable.

I will leave the final conclusion on the appropriateness of the level of increase to the Public Utilities Board. I know as the Minister responsible for Manitoba Hydro (Mr. Neufeld) knows that there will be interveners in that process. They will be examining in detail not only the structure of the application and the changes that are being made to the various rate classifications within the proposal. I know as well that they are going to be examining the impact of this legislation on future Hydro rate increases.

\* (2130)

It is convenient for the Minister to be able say that the rate increases are going to be kept to 5.5 percent,

and this will be due solely to the fact that the Minister has in effect taken \$67 million that could have been used for other purposes and applied it in a prepaid fashion to this obligation of the Province of Manitoba. What has actually occurred is the taxpayers—he has taken from one pocket and put into the other pocket to avoid having a significant rate increase applied to Manitoba Hydro.

The fact of the matter is if the province had been more forthright and had said, yes, we are amending this Act, this Tory Act, 1979 Tory Act, yes, we are amending it, yes, there is a cost, they would have had to apply for an increase over 15 percent, over 15 percent, assuming that the figures provided in the Hydro rate application before the PUB were accurate. I reference that because the application suggests that a 4.5 percent general rate increase is going to raise approximately \$25 million.

Mr. Deputy Speaker, the taxpayer should be aware that, although from a different pocket, they are paying for the removal of this Energy Rate Stabilization Act. The fact that the Minister of Finance (Mr. Manness) could avail himself of a windfall that came from mining taxes and federal transfers in this particular period should not be left on the record as some form of good management.

The Energy Rate Stabilization Act was a mistake, the Hydro rate freeze was a mistake. It jeopardized Manitoba Hydro. It jeopardized its financial stability. It is a total ill-thought-out policy of interference in our Crown corporation.

Mr. Deputy Speaker, I know that when ERSA was introduced that there were many at Manitoba Hydro, probably within the Government itself, who said that this kind of interference, this limitation that is being placed on Manitoba Hydro which in effect said you cannot raise your rates. Never mind your circumstances, never mind the deteriorating reserves, you cannot raise your rates. I said in earlier remarks to this Bill that the original projections made by Mr. Craik, who was then the Minister responsible for Manitoba Hydro, that this would cost the province only \$100 million or approximately \$110 million was wildly inaccurate to say the least.

Mr. Deputy Speaker, the fact of the matter is that the Minister has succeeded in this particular year because of his rather whimsical decision to take some of the surplus that was at his disposal at the end of the fiscal year and apply it in this way to Manitoba Hydro in an attempt to bury the fact that this is costing the taxpayers of Manitoba. I do not believe there is 1 percent, not 1 percent of the population, who appreciate that the Minister of Finance (Mr. Manness) has acted in this particular way. I do not believe there is 1 percent of the population. If they knew I am sure they would want to know why this was necessary.

Mr. Deputy Speaker, the fact of the matter is that it has been done. The only question that remains to be asked is: what is the impact going to be on next year's rate increase? We know this year we are being asked to pay an additional 5.5 percent for residential consumers. The question is going to be: what is the

subsequent year's rate increase going to have to be? Well, let me speculate for a minute, and let me say that in 1986 when the first portion of the Energy Rate Stabilization was amended by this Legislature, it was estimated at that time that in 1988-89 the cost to the province would be some \$74 million. That turned out to be somewhat high because the Minister of Finance (Mr. Manness) confirmed to me that some \$67 million was the estimated cost of the ERSA obligations by the province. Further, the estimates of cost to the provincial Treasury as a result of ERSA in the subsequent year, in other words the year 1990-91 was something like \$55 million, somewhere in that range.

The point I am making is that Manitoba Hydro ratepayers have a big surprise waiting for them, a big surprise. You can certainly see the agenda of this Government because they do not expect to be around by April of 1991, when the taxpayers are going to be asked to pay another 5 percent, 7 percent, 10 percent on top of the normal rate increases, to pay for the ERSA obligations, because they are now assuming all of the responsibility for currency fluctuations in both the Japanese yen and the Swiss franc. Those fluctuations can be very dramatic and it is not clear. You have to be somewhat of a crystal ball gazer to be able to predict with any certainty where those exchange rates are going to go, and what the ultimate cost is going to be.

I think it is safe to say that the obligation for Manitoba Hydro is going to be significant. I think if you assume that what you are doing in effect by giving Manitoba Hydro the obligation of paying the exchange fluctuation, is gambling that the Japanese economy will not be any better off relatively than the Canadian economy. I think that is a poor gamble. The fact of the matter is that the obligation for Manitoba Hydro is going to be certainly in the tens of millions of dollars. What is going to happen to the ratepayers? That is the real question. What does this Bill do to the ratepayers of Manitoba? What is going to be their long-term obligation? As I have said, Mr. Deputy Speaker, this year is fine because it is covered off by a prepayment, but next year there is no such prepayment proposed.

This legislation, unless I am mistaken, and the Minister may want to correct me, there is no continuing obligation to prevent rate shock to Manitoba Hydro consumers through this legislation. The obligations, as far as I can see them at the present time have ended with the payment that the Minister of Finance (Mr. Manness) has already made on behalf of the province to Manitoba Hydro.

As I said, it is perhaps convenient that Manitoba Hydro goes to the public this year with a 5.5 percent increase only, when we know that this legislation, when we adopt it, is going to be leaving the ratepayers at significant risk into the future. That is what we want to put on the record. That is why we are going to spend some time in committee talking about this issue with the Minister of Finance (Mr. Manness) and hopefully with the people of Manitoba.

It has to be made clear, and we are going to want the Minister responsible for Manitoba Hydro to be clear and the Minister of Finance to be clear on what this

is going to cost. I certainly, for one, do not want to be guilty of supporting this legislation without having the average Manitoban clear on what we are doing and what the obligations are going to be, and who is responsible. The fact that we will support this legislation because, I believe, its initial introduction into this House was a policy, a practical mistake, I believe we have to amend this legislation, we have to repeal the legislation, but, Mr. Deputy Speaker, we cannot be blind nor should we be blind to the ultimate cost.

If you want to just guess, if you want to speculate on what the ultimate cost may be, you could certainly put it in the range of from between \$50 million and \$60 million with a reasonable degree of certainty. No one can predict with absolute certainty, but it is going to be substantial. For Manitoba Hydro ratepayers it is going to mean an additional rate increase somewhere along the line. The alternative of course is not to do it and to let the reserves continue to deteriorate. I do not think anybody in this Chamber wants that to happen. The reserves of Manitoba Hydro are already significantly deteriorated. In the last two years alone Manitoba Hydro has lost some \$44 million; dollars that have been drawn down from the financial reserves of Manitoba Hydro.

We are leaving ourselves and Manitoba Hydro in an extremely precarious situation unless we build those reserves. We know if the drought conditions, for example, were to continue and if the ability of Manitoba Hydro to export power is further eroded over the coming year, and certainly if you look at the precipitation levels thus far in this winter season, it is looking depressing. There are no reserves of moisture being built up, reserves that Manitoba Hydro are going to count on.

\* (2140)

**An Honourable Member:** It is because we have no rain.

**Mr. Storie:** No snow, for the Minister of Finance (Mr. Manness), it is cold out.

**An Honourable Member:** It does not rain in the North in November or December.

**Mr. Storie:** The Minister of Finance seems to think he is already in Palm Springs. Mr. Deputy Speaker, we quite often get snow in Manitoba before December. I do not know where the Minister of Finance usually spends his Novembers, but it obviously is not in Manitoba. I have certainly seen snow, but the Minister of Finance may be a little confused right now because on his drive into the Legislature every morning he probably sees that there is no snow and he may think it is August, but it is not August. It is December and snow is quite normal.

Mr. Deputy Speaker, I do not want to kid with this issue because the fact of the matter is it is serious issue for Manitoba Hydro. Anyway I was talking about the reserves before I was sidetracked so unceremoniously by the Minister of Finance.

**An Honourable Member:** What you were talking about makes no sense.

**Mr. Storie:** Mr. Deputy Speaker, the Minister of Finance says whatever I was talking about makes no sense. Well then, I have a challenge for the Minister of Finance. I want the Minister of Finance to permit a question after I have finished my time. I want the Minister of Finance to be honest with the people of Manitoba; I want the Minister of Finance to tell the people of Manitoba what this piece of legislation is going to cost them in the fiscal year 1990-91.

**An Honourable Member:** None.

**Mr. Storie:** The Minister says, none. The ratepayers of Manitoba Hydro, how much are they going to assume, how much additional?

**An Honourable Member:** No, the taxpayers have paid at least . . . .

**Mr. Storie:** Mr. Deputy Speaker, he is saying the taxpayers, I am saying the ratepayers. The Minister of Finance knows that response is conditional, it is conditional on what happens to the Canadian dollar and he knows it.

**An Honourable Member:** Well, do you see it going below 80?

**Mr. Storie:** Well, Mr. Deputy Speaker, he asked me do I see it going below 80? It would certainly be no surprise if it goes below 80, it has been down as low as 70 and in those kinds of scenarios, certainly in the mid-70s the obligation to Manitoba Hydro is tremendous, it is extremely damaging to the ratepayers of Manitoba Hydro. The Minister of Finance may want to say, this will have absolutely no effect and in fact the Minister may be right. This year obviously, because they have repaid the obligation, there is no effect, but 1990-91-92 we have no way of saying with any degree of certainty what will happen. Certainly if we get into a recession, the prospect for the dollar going back to where it was in the mid-1980s.

**An Honourable Member:** Why do you not pass this to committee and we will answer those questions?

**Mr. Storie:** Well, Mr. Deputy Speaker, we are going to pass this to committee, I can assure the Minister of Finance that we will be passing this on and it will be probably sooner than the Minister would care to have it passed on to committee.

Mr. Deputy Speaker, the Minister of Finance will want to give some assurance to the ratepayers of Manitoba that the passage of this, because of the particular circumstances, financial circumstances of the Canadian dollar, and the windfall that the Minister had to play with, is not fooling anybody, that this may in fact come back to haunt the ratepayers of Manitoba Hydro.

Mr. Deputy Speaker, the fact of the matter is that Manitoba Hydro requires some additional reserves. There should be no doubt about that. In fact, I am sure there are many Manitobans trying to decipher where this Government stands when it comes to the reserves at Manitoba Hydro. The Premier (Mr. Filmon) some year

and a half ago was indicating he felt that Manitoba Hydro's reserves should be in the neighbourhood of \$210 million to \$215 million.

(Mr. Speaker in the Chair)

Well, Mr. Speaker, I can tell you, having looked at the latest financial statement from Manitoba Hydro it is clear that they are a long, long, long way from having reserves anywhere approximating \$210 million or \$220 million. In fact, for Manitoba Hydro to accumulate that kind of reserve would require tremendous increases above and beyond the 5.5 percent residential increase that we are seeing this year.

In fact, if the drought conditions do not improve, it is very likely that the 5.5 percent increase, the 4.5 percent general increase that the Hydro board is seeking right now from the PUB will be more than eaten up by the losses that it incurs in the 1990-'91 year. We had losses this year of approximately \$18 million so we certainly could see Manitoba Hydro's reserve position continue to deteriorate next year, and perhaps the Minister of Finance (Mr. Manness) and the Minister responsible for Hydro (Mr. Neufeld) do not believe their own dire warnings about the fiscal position of Manitoba Hydro.

The Minister of Finance (Mr. Manness), the Premier (Mr. Filmon), the Member for Lakeside (Mr. Enns) were always concerned about the reserves available in Manitoba Hydro, certainly when they were in Opposition. Now, Mr. Speaker, we find that they are being very cautious with the rate increases.

Mr. Speaker, the Minister is not listening. I know it is late in the evening, but he is not listening. We are not talking about the money that he stole from the taxpayers of Manitoba to throw into Manitoba Hydro without telling anybody; we are not talking about those funds.

## POINT OF ORDER

**Mr. Speaker:** Order, please. The Honourable Minister of Finance, on a point of order.

**Hon. Clayton Manness (Minister of Finance):** Mr. Speaker, I do not know the Rule Book of the House frontwards and backwards, but I do know when the Member says that I stole monies, I know he is out of order.

**An Honourable Member:** Yes, he certainly is.

**Mr. Speaker:** Order, please. The Honourable Member for Thompson, on the same point of order.

**Mr. Steve Ashton (Second Opposition House Leader):** Mr. Speaker, I do believe the Member was referring figuratively. I do not think he accused the Minister in any personal way of stealing. I know the Member for Flin Flon (Mr. Storie) is quite aware of the Rules, and that stealing is listed as being unparliamentary, but I believe a review of Hansard would show it was a figurative phrase that we often use in this House. I do not believe it was meant as an offence to the Minister of Finance (Mr. Manness).

Monday, December 4, 1989

**Mr. Speaker:** The Honourable Member for Flin Flon, on the same point of order.

**Mr. Jerry Storie (Flin Flon):** Mr. Speaker, the Member for Thompson who jumped so quickly to my defence, and I appreciate it, was quite right. I was speaking figuratively. I withdraw any—

**Mr. Speaker:** I would like to thank the Honourable Member for Flin Flon.

**Mr. Storie:** —concern that might exist about imputing motives to the Minister of Finance (Mr. Manness).

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**Mr. Storie:** What I meant to say, Mr. Speaker, but I unconditionally withdraw that word, was that he surreptitiously transferred excess funds from the taxpayers of Manitoba rather than cut the deficit, rather than use those funds to support health care, rather than use that money to support child care workers, rather than support more day care spaces. He surreptitiously used those monies to subsidize the ratepayers of Manitoba Hydro. That is what he did.

The Minister of Finance says, well, we did that every year. Yes, we did that every year since 1979 when the Conservative Government decided to play politics with Manitoba Hydro. Let there be no doubt about it. I acknowledge that, and the Minister of Finance just did.

Mr. Speaker, the point I am trying to make is that, while the Minister of Finance (Mr. Manness) seems prepared to acknowledge what he has done in this House, the fact of the matter is that this was done in such a way that the average Manitoban does not know what has occurred. They do not know. They do not know what the Minister of Finance and his little coterie of Ministers decided to do with \$67 million of taxpayers' money in a year when many other things are going wrong in this province.

Mr. Speaker, this Minister has been lucky throughout his tenure as Minister of Finance. He inherited a windfall from the federal Government, inherited the fruits of others' labours, and particularly the other Minister of Finance. Now he is in a position where he can not steal away, but he can shift funds from the taxpayers to support Manitoba Hydro and he knows he has done that. This Bill, while we are prepared to pass it, has a cost to Manitoba ratepayers, has a cost in the future.

\* (2150)

**Mr. Ashton:** I appreciate the opportunity to participate in this debate. It is an area of particular interest to myself, because I was a Member of the Manitoba Hydro Board, and I had the opportunity to see first-hand as a member of the board the difficulties that we ended up in, in this province, because of what was a political decision by the Sterling Lyon Government just referenced by the Member for Flin Flon.

The whole background to this Bill and the energy rate stabilization that was set up is basically based on

that decision that was made by the Conservatives at that time to freeze hydro rates. What they attempted to do was essentially net out the whole question of different exchange rates. They attempted to suggest that somehow they were going to be able to freeze rates without any impact on the utility.

In fact, Mr. Speaker, it had a major impact on the utility. It had a major impact, in particular on the reserves of Manitoba Hydro. I remember sitting on the board and looking at the reserves and seeing that the reserves were far less than are required to protect Manitoba Hydro against the possibility of a drought. What has happened is that since that time we have been essentially trying to correct the mistake of the Sterling Lyon Government in one of its more politically motivated moves in the hydro rate freeze.

We have been dealing with it through what were regular rate increases in the '80s that were kept within inflation to recognize the impact that would have on consumers and was kept very much in that range, but we found that the reserves, which are left in a very precarious situation, proved to be by and large inadequate to deal with the situation we are faced with today. That is, that event that I know in the Hydro Board we used to talk of, of a drought which can occur once every 30 or 40 years has essentially hit this province over the last couple of years. What has happened is it has had an impact on Manitoba Hydro and will have a major impact, even more in the future if there is a continuation of the current drought.

I agree with the Member for Flin Flon (Mr. Storie), there is a continuing problem. I know there has been a fair amount of snowfall this year, but if there is not a major snowfall we are going to find a major problem with the lakes, rivers and streams in this province that feed into the hydro system that are so important in terms of producing revenue out of Manitoba Hydro. We are going to find that we are going to be in a situation of a major problem with Manitoba Hydro.

I think that has to be put clearly on the record, because when we are dealing with this Bill, The Energy Rate Stabilization Amendment Act, Bill 53, we are still in 1979, 10 years later, essentially dealing with the implications of the hydro rate freeze. I am surprised that other Members have not participated in this debate because this is an important Bill. I believe that there has to be some clear indication from Members opposite about what is going to happen to hydro rates.

Reading statements by the current chairperson of the board, Mr. Brian Ransom, the former Conservative Cabinet Minister and former Conservative MLA, I really wonder what is going to happen to rates in this province, hydro rates in the future, and not because of Limestone or other construction projects—that is proven not to be the major problem facing Hydro. In fact, as was referenced earlier in debate on another Bill today, the construction costs of Limestone came in at close to \$1.8 billion, far lower than the \$3 billion originally estimated and far lower, I might add, than the \$5 billion figure quoted by the Leader of the Liberal Opposition (Mrs. Carstairs). That is, I think, indicative that the future direction of hydro rates is going to be dependant very much so on the water reserves situation, also the

changes, the phase out of the Energy Rate Stabilization Fund, which was put in place as part of that hydro rate freeze 10 years ago.

I do want to talk just briefly about another area of hydro rates that I think is important, and that is an issue that was raised with me by an individual who represents the community of Thicket Portage, because it is interesting, I think, that sometimes in the broader scale of things in this Legislature we miss what has been happening in communities. That is, there have been steady increases in many communities that do not have direct-line power, who only have diesel power, despite representations to the Public Utilities Board, despite representations, I believe, that have taken place with the current Government.

I think that in looking at the current hydro rate structure, we really have to ask the question how we in good conscience can ask communities without line power—and I point to Thicket Portage and Pikwitonei and other communities—why they should be paying for an overall increase that is related to the overall systems need of Manitoba Hydro which are related in a very direct fashion to the moves that were taken in regard to energy rate stabilization. That has had a direct impact on the need of Hydro as a system for an overall increase.

That is why I would raise this and I do hope that the Minister of Finance (Mr. Manness) will relay this to the Minister responsible for Hydro (Mr. Neufeld), that communities without line power, I think deserve a break from the increases in costs that are taking place, because in those communities they face a high enough cost of living as it is. They are facing a high cost of living that is going to be compounded in many of those communities by the fact that they are now going to be losing the Northern Tax Allowance.

That is an issue that has to be raised when we are dealing with this Bill. I would like to state on the record that I would hope the Government would put pressure on Manitoba Hydro to ensure that there are no increases for diesel customers this year, for those who do not have direct line power and that they not be asked to pay the price for the overall increases that are required to maintain Manitoba Hydro's system. I think that is an important point.

Getting back to the issue of energy rate stabilization, I find it interesting, Mr. Speaker, in looking at the history of this particular area, the type of debate we have had in this Legislature in the last number of years in regard to foreign borrowing. It is interesting how over the period of time a lot of it is really time dependant. We have seen that the Conservatives, when they were in Opposition, made a great deal of fuss about borrowing in currencies other than the U.S. dollar.

We have been fortunate in recent years, the Minister of Finance (Mr. Manness) has been fortunate in terms of what has been happening, and indirectly Hydro and others that have been borrowing up until now directly through the Department of Finance so that there has been an appreciation of the Canadian currency, therefore putting less of a burden in terms of our repayments. But we have also seen an appreciation in this last period of time in regard to the European currencies and in the Japanese currency, although to

a lesser extent. I think it is important when we are dealing with the energy rate stabilization fund to reflect on what has been happening in the last number of years and analyze very carefully the statements that are being made by the Minister of Finance.

I think that the Member for Flin Flon (Mr. Storie) had an excellent point, that we in the New Democratic Party will be allowing this to go to committee, but we will be asking very specifically, Mr. Speaker, what the impact is going to be on, not just the taxpayers, because in this case we are essentially shifting back the burden to the ratepayers. For many years it was shifted in the opposite direction. Taxpayers picked up the bill for the exchange fluctuations as part of, I believe it was, the 1979 package of the rate freeze. That is what is happening in reverse now. It is being shifted onto the ratepayers, and the Member for Flin Flon asked a very important, direct point and that is to make sure that the ratepayers do not assume an overly large burden over the next period of time during the adjustment, in addition to the regular increases, in fact the increasing rate of increases I expect to see from this Government, given the statements made by the chairperson of the board, Brian Ransom.

With those comments I will continue my comments on the Bill, I believe it is—oh pardon me, we still have one minute left. I have no difficulty continuing on this because it is an important issue. I do believe that during the interim period, the minority Government period, there will not be major increases in terms of hydro. But I believe that if this Conservative Government were to form a majority there would be a major increase in hydro rates because of the philosophy of the Conservative appointed chairperson and Conservative appointed board. That is one of in a very short period of time trying to recoup the deterioration in terms of the Reserve Fund and trying to transfer the rate fluctuations over to the ratepayers.

I believe that the Member for Flin Flon raises an excellent point because one of the questions that has to be asked, Mr. Speaker, one question we will be asking in committee in upcoming years is: what is going to happen to rates in Manitoba because of the philosophy of this Finance Minister (Mr. Manness), the philosophy of this Energy Minister (Mr. Neufeld), the philosophy of the Manitoba Hydro Board and some of the changes similar to the changes that are in this Bill that are going to take place?

Are people going to wake up a few months after the election and see major increases in hydro rates, Mr. Speaker? I believe that is a question that this Government has to answer, not just in debate on this Bill, but in terms of its overall economic policy. They have to answer, what will the rate increases be to the ratepayers, the hydro consumers of this province, not only with the passage of this Bill, but with their overall hydro policies.

**Mr. Speaker:** The hour being 10 p.m., this House is now adjourned and stands adjourned until 1:30 p.m. tomorrow (Tuesday).

When this matter is again before the House, the Honourable Member will have 31 minutes remaining.