



Second Session — Thirty-First Legislature
of the
Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS**

26 Elizabeth II

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Speaker*



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MANITOBA LEGISLATIVE ASSEMBLY

Thirty-First Legislature

Members, Constituencies and Political Affiliation

<i>Name</i>	<i>Constituency</i>	<i>Political Affiliation</i>
ADAM, A.R. (Pete)	Ste. Rose	NDP
ANDERSON, Robert (Bob)	Springfield	P.C.
AXWORTHY, Lloyd	Fort Rouge	Lib.
BANMAN, Robert, Hon.	La Verendrye	P.C.
BARROW, Thomas A.	Flin Flon	NDP
BLAKE, David R.	Minnedosa	P.C.
BOSTROM, Harvey	Rupertsland	NDP
BOYCE, J.R. (Bud)	Winnipeg Centre	NDP
BROWN, Arnold	Rhineland	P.C.
CHERNIACK, Saul M., Q.C.	St. Johns	NDP
CORRIN, Brian	Wellington	NDP
COSENS, Keith A., Hon.	Gimli	P.C.
COWAN, Jay	Churchill	NDP
CRAIK, Donald W., Hon.	Riel	P.C.
DESJARDINS, Laurent L.	St. Boniface	NDP
DOERN, Russell J.	Elmwood	NDP
DOMINO, Len	St. Matthews	P.C.
DOWNEY, James E., Hon.	Arthur	P.C.
DRIEDGER, Albert	Emerson	P.C.
EINARSON, Henry	Rock Lake	P.C.
ENNS, Harry J., Hon.	Lakeside	P.C.
EVANS, Leonard S.	Brandon East	NDP
FERGUSON, James R.	Gladstone	P.C.
FOX, Peter	Kildonan	NDP
GALBRAITH, James	Dauphin	P.C.
GOURLAY, Douglas	Swan River	P.C.
GRAHAM, Harry E., Hon.	Birtle-Russell	P.C.
GREEN, Sidney, Q.C.	Inkster	NDP
HANUSCHAK, Ben	Burrows	NDP
HYDE, Lloyd G.	Portage la Prairie	P.C.
JENKINS, William W.	Logan	NDP
JOHNSTON, J. Frank, Hon.	Sturgeon Creek	P.C.
JORGENSEN, Warner H., Hon.	Morris	P.C.
KOVNATS, Abe	Radisson	P.C.
LYON, Sterling R., Q.C., Hon.	Charleswood	P.C.
MacMASTER, Ken, Hon.	Thompson	P.C.
McBRYDE, Ronald	The Pas	NDP
McGILL, Edward R., Hon.	Brandon West	P.C.
McGREGOR, Morris	Virden	P.C.
McKENZIE, J. Wally	Roblin	P.C.
MALINOWSKI, Donald	Point Douglas	NDP
MERCIER, Gerald W.J., Q.C., Hon.	Osborne	P.C.
MILLER, Saul A.	Seven Oaks	NDP
MINAKER, George	St. James	P.C.
ORCHARD, Donald W.	Pembina	P.C.
PARASIUK, Wilson	Transcona	NDP
PAWLEY, Howard, Q.C.	Selkirk	NDP
PRICE, Norma Hon.	Assiniboia	P.C.
RANSOM, Brian, Hon.	Souris-Killarney	P.C.
SCHREYER, Edward R.	Rossmere	NDP
SHERMAN, Louis R., Hon. (Bud)	Fort Garry	P.C.
SPIVAK, Sidney, Q.C., Hon.	River Heights	P.C.
STEEN, Warren	Crescentwood	P.C.
URUSKI, Billie	St. George	NDP
USKIW, Samuel	Lac du Bonnet	NDP
WALDING, D. James	St. Vital	NDP
WILSON, Robert G.	Wolseley	P.C.

THE LEGISLATIVE ASSEMBLY OF MANITOBA

Friday, April 14, 1978

Time: 10:00 a.m.

OPENING PRAYER by Mr. Speaker.

MR. SPEAKER, Hon. Harry E. Graham (Birtle-Russell): I should like to direct the attention of the Members to my gallery where there are 76 students of Grade 7 standing from the Lacerte Junior High School. These students are under the direction of Anna Sauze, Madam Doche and Mr. Arnaud. This school is located in the constituency of the Honourable Member for Radisson.

We also have 15 students of Grade 12 standing of Daniel McIntyre School under the direction of Mr. Swain. This school is located in the constituency of the Honourable Member for Wellington.

On behalf of all members, we welcome you here today.

Presenting Petitions . . . Reading and Receiving Petitions . . . Presenting Reports by Standing and Special Committees . . . Ministerial Statements and Tabling of Reports . . . Notices of Motion . . . Introduction of Bills . . . **ORAL QUESTIONS**

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. EDWARD SCHREYER (Rossmere): Mr. Speaker, on this beautiful spring morning, may I address a question to our lady Minister, here, and ask if she can advise — if she has good news for those Manitobans working at the minimum wage?

MR. SPEAKER: The Honourable Minister of Labour.

HON. NORMA L. PRICE (Assiniboia): Mr. Speaker, it is a policy decision of the Cabinet and it hasn't been discussed as yet.

MR. SCHREYER: Can the Honourable Minister advise this much, is it the intention of the government to reactivate a committee to pursue considerations relating to the minimum wage for recommendation to Cabinet, or will the government proceed by way of direct determination.

MRS. PRICE: Mr. Speaker, I have had dialogue with some of the members who have been on that board, and they feel, at this time, that there isn't — hasn't been four years' not just with the past government, but with the previous before too — that there isn't too much input that they can give because it is generally a policy decision of government, and as such they don't feel that there is too much they can add. In that respect, they are feeling that there is no need for a Minimum Wage Board.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SCHREYER: Mr. Speaker, can the Minister advise if she will reconsider that which is implied in her last answer, namely that there doesn't seem to be much need for a committee, given that at least from time to time there is need for detailed statistical analysis of various factors pertaining to cost of living, composite wage rates, all bearing on the minimum wage. Will the Honourable Minister undertake to review the implications of re-establishing such a committee?

MR. SPEAKER: The Honourable Minister of Labour.

MRS. PRICE: Mr. Speaker, there hasn't been anything done to disband the particular board and I certainly am prepared to leave it as it is and have discussion with them to see if there is anything that can be added to the problem.

MR. SCHREYER: I should like to ask the Minister of Health if he is not in a position to advise today as to whether there will or will not be construction or reconstruction of a hospital at Snow Lake. In that event, can the Minister say whether consideration would be given to the building of an all-weather air landing strip in order to provide for at least a minimum standard of emergency and necessary service, health service.

MR. SPEAKER: The Honourable Minister of Health.

HON. L.R. (Bud) SHERMAN (Fort Garry): Mr. Speaker, I understand that there have been news reports in some media indicating that the decision has been made to build the new hospital in Snow Lake. I want to advise the Honourable the Leader of the Opposition and members of the House that that is not correct. That decision has not been made but the question and the problem is under current and ongoing examination by me and by the government. I hope to be able to announce something fairly shortly. I am intending to go to Snow Lake next week for a firsthand look and a consultation with officials there.08-OE With respect to the second part of the honourable gentleman's question, that doesn't really come into my purview of responsibility, as he knows. I would have to consult with my colleagues, the Minister of Northern Affairs, the Minister of Public Works, with respect to that aspect of the Leader of the Opposition's inquiry. I would think that if we

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can move with respect to the hospital facility that that would rank perhaps as priority 1, or 1(a) over the all-weather airstrip.

MR. SPEA: Order please. I wonder if I can interrupt proceedings for a minute to announce that we have 36 students from Hopkins High School, from Hopkins, Minnesota. On behalf of all the members, we welcome you here today.

The Honourable Leader of the Opposition.

MR. SCHREYER: I should like to ask the Honourable Minister of Health — I quite agree that an airstrip would be a poor substitute for an adequate hospital. I should like to ask the Minister if he can give some indication at least as to the month by which he will have a definitive indication of intent.

MR. SHERMAN: Yes, Mr. Speaker. The month will be April and the week will be this coming week, next week.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. LLOYD AXWORTHY: Mr. Speaker, I have a question for the Minister of Consumer Affairs. Could he confirm to the House that in a court action that begins today concerning the jurisdiction of the Public Utilities Board over the Manitoba Telephone System, that Manitoba Telephone as an agent of the government intends to enter a brief challenging the responsibility of the Public Utilities Board to regulate rates of the telephone company in relation to things like cablevision, computer services, and so forth. Does this represent a statement of government policy or policy decision by the government?

MR. SPEAKER: The Honourable Minister of Consumer Affairs.

N. EDWARD MCGILL (Brandon West): Mr. Speaker, I can't confirm that immediately. I'll take that question as notice.

MR. AXWORTHY: A supplementary, Mr. Speaker, if the Minister will take that as notice, could he also assess whether the agreement signed between the Federal Government and the Provincial Government concerning the regulation and allocation of cable lines in the province would be abrogated if the Manitoba Telephone System persists in its proposal that the Public Utility Board does not have any regulatory control over that particular Crown corporation.

MR. MCGILL: Yes, Mr. Speaker. I'll accept that question as well.

MR. SPEAKER: The Honourable Member for St. Johns.

MR. SAUL CHERNIACK: Thank you, Mr. Speaker. I'd like to ask a question of the Minister of Health. I'd like to know whether the Member for Wolseley has stopped the government's consideration of changing the operations of the Misericordia Hospital.

MR. SPEAKER: The Honourable Minister of Health.

MR. SHERMAN: Well, Mr. Speaker, as the honourable member well knows, the Member for Wolseley is a powerful dynamic and effective representative. Both he and the Member for Crescentwood and the Member for River Heights have all been in close consultation with me on the subject of the Misericordia. I can't ascribe full credit to them for any decision that may be made but they certainly have been participants in that decision. The decision has not been made yet.

MR. CHERNIACK: Mr. Speaker. . . .settled permanently, and in the light of minister's yesterday's comments about the northeast corner of the city, relating to Concordia, can it be that the Minister is now suggesting to us, in mentioning Crescentwood, River Heights, and Wolseley, that he operates by blandishments?

MR. SHERMAN: Mr. Speaker, I operate by blandishments but I operate by catholic apolitical blandishments and that was the implication in my response to the Honourable Leader of the Opposition yesterday. The fact that there may be individuals associated with particular political parties, /n' including my ow pressing for an accomplishment of some sort should not be allowed to weigh upon the decision or to apply undue pressure or preference. I want to say to the Honourable Member for St. Johns that the decision with respect to the Misericordia is still open from a government's point of view. The decision with respect to Seven Oaks was made long ago. Construction is proceeding and, in fact, architects have been advised to produce drawings that would accommodate a larger configuration than was originally devised.

MR. SPEAKER: The Honourable Member for The Pas.

MR. RONALD McBRYDE: Mr. Speaker, a question to the same Minister. I wonder if the Minister of Health and Social Development while he's travelling up north next week will stop at The Pas and take a look at our jail facilities there that are in need of replacement and whether he'll have any good news to tell the people at The Pas at that time.

MR. SHERMAN: Mr. Speaker, I have a great desire to go to The Pas as quickly as possible. I don't know that I can do it next week. I hope to visit Snow Lake and Wabowden and Thompson. Because of other duties that I'm sure the honourable member as a former Minister of the Crown is well aware of, I don't know that I can extend the trip next week to The Pas but I certainly intend to visit The Pas within the next 30 days.

MR. McBRYDE: Mr. Speaker, I wonder if the Minister of Health and Social Development or the Minister of Public Works could tell us whether or not a decision has been made, because I think they were expecting to make a decision this week on the jail facilities at The Pas. Has a decision been made as yet?

MR. SHERMAN: I would defer to my colleague, the Honourable Minister of Public Works on that question in part, Mr. Speaker, but there is no decision that's been made that I'm aware of. I've been in consultation with my colleague on it and the question to which the honourable member refers is under very active current review. We hope to produce a decision very shortly.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SCHREYER: Well, Mr. Speaker, I have a question for the Deputy Premier, the Minister reporting for Telephones. It flows from a reply that he gave the other day which, upon reading I found to be, if I may say so, polite but equivocating. I'd like to ask the Honourable Minister if he will seriously undertake the task of reviewing with the Manitoba Telephone System the pros and cons with respect to the ongoing policy, and it has been ongoing through two administrations, this is not a partisan question, the ongoing policy of relentlessly continuing to replace telephone operators by automated equipment, and that in rural communities, rural towns, rural centres, the replacement the young female work force by mechanical equipment is proving deleterious to the social life of rural communities.

MR. SPEAKER: The Honourable Minister of Consumer Affairs.

MR. MCGILL: Yes, Mr. Speaker, to the Honourable the Leader of the Opposition. I recall his question on April 11th in relation to automation and the response that I gave at that time. I think, Mr. Speaker, that, as I said at that time, MTS must be constantly relating automation and improvement of its equipment, a new technology, with the responsibilities it has to its employees, to the people who have served it well over the years. I think that MTS up to this time has been most alert to those matters and has been ensuring that careful consultation is undertaken in advance with affected employees and, in all cases, permanent employees are offered positions in other System jobs and locations. Retraining is offered wherever necessary to fit the employees for other employment.

At the same time, the MTS, as a regulated corporation, must be able to demonstrate that its rates and costs are highly favourable with other telephone companies. As an example, MTS bills some 380'000 customers, each variable by configuration of equipment and calling patterns. Without a computerized system, this activity would require thousands of employees rather than just hundreds. The answer, of course, is, Mr. Speaker, that careful planning and careful timing and a great deal of discretion is required and exercised in introducing automation or new equipment. The MTS is conscious of this requirement.

It should be stressed, Mr. Speaker, that MTS has been and continues to be one of the principal employers in the province. The system now has 3,562 employees. That was in 1962 and now employs 4,700. In this respect, Mr. Speaker, I think it might be of interest to the Honourable the Leader of the Opposition to be aware that had no automation taken place in Manitoba by MTS over the years and if we were still connecting one line to another by hand, it would require every Manitoban over the age of 13 years to work for MTS in order to do it.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SCHREYER: Mr. Speaker, I thank the Honourable Minister for his thorough and, I think, rather technocratic reply. I repeat, Sir, my question is — I think I can really say — non-partisan in nature since the problem has been ongoing through several administrations. My question, Sir, to the Minister is to ask him if he will now indicate, or take as notice, the following question. Is it not perhaps the appropriate time now to reconsider ongoing policy which is perhaps somewhat excessively technocratic, to ascertain whether it would not be in the better interests of rural centres to have at least a measured pause in the relentless pace of replacement of the female work force in rural centres by automated equipment, none of which goes to provide for a balance of the sex of the labour force in our smaller rural communities?

MR. MCGILL: Well, yes, Mr. Speaker, certainly we'll give that serious consideration. I don't know when it would be possible or at what specific time in the modernization or technological improvement of telephone services one should say that we stop or pause or wait for other developments to occur. It would be very difficult. I would hate to have the responsibility of selecting that particular time and to perhaps ask the telephone system to disregard the new technology in favour of the present technology when we might be seriously handicapping our system in respect to its efficiency and ability to compete on terms that are equal or better than other ground corporations or telephone systems in our country.

While I'm on my feet, Mr. Speaker, I wonder if I might reply to the question in the same vein from the Member for Churchill who was concerned about the improvement of telephone services in the north. I can tell him, Mr. Speaker, that at God's River and God's Lake Narrows there is a schedule to receive toll pay station service by May 1st of this year, May 1st, 1978. God's Lake Narrows is expected to receive local dial service and improved toll service by September of this year.

To date, Mr. Speaker, approximately \$18.7 million has been spent on improved service to Northern Manitoba resulting in the provision of standard local dial service to 36 communities and improved toll service to 33 communities and toll pay station service to 23 communities. By September of 1978, service will be completed for all but three of the total of 63 northern communities scheduled for improved telephone service.

MR. SPEAKER: The Honourable Member for Winnipeg Centre.

MR. J. R. (Bud) BOYCE: Mr. Speaker, to the Attorney-General. I wonder if he will take as notice the question: Will you look into the allegations made recently in the east, on CBC, that private confidential police information is being leaked to private agencies?

MR. SPEAKER: The Honourable Attorney-General.

HON. GERALD W. J. MERCIER (Osborne): Yes, Mr. Speaker.

MR. BOYCE: I wonder if the Minister will give some priority to this question because as it was reported in the Financial Post recently, the expenditure in the Province of Ontario is going from \$100 million to \$175 million in private police forces in that province.

MR. MERCIER: Mr. Speaker, I'm not aware of this matter but as soon as I get an opportunity to review what it is all about then I will determine what priority I will give it.

MR. BOYCE: Mr. Speaker, since so much of the policing in our country is being transferred over to those people for which the elected officials have no responsibility or control, I think it is a matter of concern and will the Attorney-General assure this House that he is monitoring the MacDonald Commission to advise how this investigation is affecting the policing in Manitoba?

MR. SPEAKER: The Honourable Member for Transcona.

MR. WILSON PARASIUK: Mr. Speaker, earlier this week I was in the Legislative Library in the Public Archives Building and a matter of grave concern was raised with me which I would like to now raise with the Minister of Public Works. Can he confirm that earlier this week, toilets in the Public Archives Building ran out of toilet paper and none was available for a day or so because the department hadn't adequately stocked the toilets in that building?

MR. SPEAKER: The Honourable Minister of Public Works.

HON. HARRY J. ENNS (Lakeside): Mr. Speaker, I'll accept that question as notice knowing that this is a matter of urgent attention.

MR. PARASIUK: Yes, Mr. Speaker, a supplementary to the Minister. I'm asking him if the Minister is forcing civil servants in that building to practice the acute protracted restraint which his premier promised in the last election campaign.

MR. ENNS: Mr. Speaker, I believe if the Honourable Member for Transcona did in fact experience this situation, he probably has a matter of personal privilege or grievance.

MR. PARASIUK: A final supplementary, Mr. Speaker. Now that we've ascertained that the Minister of Public Works can't even operate a toilet properly, I'd like to direct my question to the Minister of Labour as Minister responsible for the Industrial Workplace Safety and Health Act. Would she investigate this matter to determine whether in fact the industrial health of civil servants in that building is not being threatened by this action and whether in fact the workers' safety isn't being threatened by the possible explosion in that building?

MR. SPEAKER: Order please. Order please. May I suggest to the honourable member that facetious questions only add to the amusement of the Chamber. The Honourable Member for Inkster.

MR. SIDNEY GREEN: Mr. Speaker, perhaps the Member for Transcona should advise the people that they can always use the Task Force Report.

Mr. Speaker, I direct a question to the Minister, the Deputy Premier present today. I wonder whether the Deputy Premier has been left a written answer or, if not, whether he could answer the question as to whether or not the Province of Manitoba was consulted and did, in fact, give tacit approval as suggested by Mr. Chretien that all of the provinces gave some type of go-ahead to the Federal Government with respect to the Federal Government using a sledge hammer to tell the provinces how they are to tax and how they are not to tax, whether the Province of Manitoba was consulted in advance by Mr. Chretien and either acquiesced or approved of what the Federal Government has done.

MR. SPEAKER: The Honourable Minister of Consumer Affairs.

MR. MCGILL: Mr. Speaker, in reply to the Member for Inkster, I'm sure that in view of the statements that the First Minister has made on this subject generally that he would wish to reply directly to the member's question so I will take it as notice on his behalf.

MR. SPEAKER: The Honourable Member for Elmwood.

MR. RUSSELL DOERN: Mr. Speaker, I want to direct a question to the Minister of Health. In view of the backlog of some 2,400 senior citizens waiting for personal home care beds, is the Minister prepared to make more hospital beds available to these people?

MR. SPEAKER: The Honourable Minister of Health.

MR. SHERMAN: Mr. Speaker, I'm not sure what the reference is in the honourable member's question, whether he's referring to acute care beds, active treatment, extended treatment. The decision with respect to personal care beds and the needs in that field, as I attempted to indicate yesterday, is one that is going to take continuing examination. We have no plans at the moment to build additional personal care beds because we do not have the money to build them. We hope to build them as quickly as we can, that will take some time. We know that additional personal care beds are needed; we hope to be able to move in that direction as quickly as possible.

MR. DOERN: Mr. Speaker, I'm making reference to information released by the Minister to the media yesterday in which he indicated that it costs four and a-half times the amount per year to operate an acute care bed in a hospital compared to a personal care home and three times the amount to build. Did he not draw to the attention of his colleagues the fact that the government could save money by building more personal care home beds and transferring patients out of hospitals?

MR. SHERMAN: Well, Mr. Speaker, that may be true, theoretically, but money is money. It's like the fifty cent dollar. If you haven't got the fifty cents what's the point in having another party offer you the other fifty cents. What I'm trying to explain to the honourable member is that we do not have the money to capitalize and fund additional personal care homes at this time. We recognize that there is a priority area there. We want to do it as quickly as we can.

MR. DOERN: Mr. Speaker, I would then ask the Minister how it was — and I would be very interested to hear his answer — how is it that the Minister of Highways was able to obtain an additional \$40 million — which came from somewhere — over a budget that was increased last year significantly in Highways from this administration and he was only able to obtain \$20 million?

MR. SPEAKER: The Honourable Minister of Highways.

MR. ENNS: Mr. Speaker, I have listened now from several sources the gross inability of learned friends opposite, usually teachers or university professors, that obviously have great difficulty in basic arithmetic and basic mathematics. The increase in Highways fundings as the First Minister and as the Member for Fort Rouge ought to know, is in the order of the kind that he has been recommending that ought to be done generally in government service. The increase in highway is 7.3 percent — 7.3 percent. I have not gone out of my way, Mr. Speaker, to correct this arithmetic on their part because if honourable members opposite, and if the leaders of the New Democratic Party and the Liberal party want to go around this province suggesting that a 7 percent increase in much-needed and neglected road work is not in order, then they are my guests, and I have no difficulty in accepting, Mr. Speaker, the position that they are taking on it.

But I do wish to place on the public record, and that's my point of privilege, Mr. Speaker, that I'm speaking on, that the repeated, erroneous suggestion that a 40 percent increase in Highways simply

is not that. I can understand their difficulty with the combining of capital and current accounts, but I repeat, the increases in Highway are 7.3 percent.

MR. SPEAKER: Order please. The Honourable Leader of the Opposition. Order please. Has the Honourable Member for Elmwood a point of privilege?

MR. DOERN: I do, Mr. Speaker. I will table for this House later, and for the refreshment of the memory of the . . .

MR. SPEAKER: Order please. That is not a point of privilege.

MR. DOERN: Mr. Speaker, I refer to the following piece of information, that an Information Services bulletin has indicated a \$40 million increase in the Highways budget, equivalent to 33-1/3 percent over last year. I will table that document for the information of . . .

MR. SPEAKER: Order please. The member had no point of privilege whatsoever. The Honourable Minister of Education.

HON. KEITH A. COSENS (Gimli): Mr. Speaker, I took the question as Notice from the Member for The Pas regarding Inter-Universities North and I can inform him at this time from the information I have received from the Universities Grants Commission that Inter-Universities North will be operating with a budget of some \$120,000, the director has been retained and they are hopeful that they will be able to provide university courses in the major centres in the North this coming year.

MR. SPEAKER: The Honourable Member for Rupertsland.

MR. HARVEY BOSTROM: Thank you, Mr. Speaker. My question is to the Minister of Northern Affairs and Renewable Resources. I would like to know if the Minister has anything further to report to the House regarding the allegations of misconduct made against the chairman of the Freshwater Fish Marketing Corporation, and the allegations of mismanagement made against he and senior management officials of the Freshwater Fish Marketing Corporation. In other words, is he satisfied that these charges have been answered satisfactorily?

MR. SPEAKER: The Honourable Minister of Northern Affairs.

HON. KEN MacMASTER (Thompson): Well, Mr. Speaker, in answer to the Honourable Member for Rupertsland, the Federal Government, I understand, has satisfied itself that the two charges against the chairman have been cleared to their satisfaction. He is guilty of nothing in that particular regard.

I understand also that the board, the FFMC board itself, is satisfied that in general, the allegations that were made in the newspaper weren't of significant nature. As far as my satisfaction with the management and the operation of the FFMC, I am far from satisfied. I should add to that — I think you are aware, but the Honourable Romeo LeBlanc, Federal Minister for Fisheries, is having a meeting here in Winnipeg next Monday and the five Ministers responsible — four Ministers and a commissioner — responsible for Fisheries in the provinces in Western Canada will be attending that meeting to discuss some of the problems as we see them, with the operation of the FFMC.

MR. SPEAKER: The Honourable Minister of Health.

MR. SHERMAN: Mr. Speaker, yesterday I promised the Honourable the Leader of the Opposition an answer with respect to a question he asked me relative to our intention to levy equivalent personal care home per diems against persons who are occupying active treatment beds and have been panelled for personal care homes. The question from the honourable gentleman was, how would the money be disbursed, or how would it be credited. The answer is that the hospitals in question will receive the money but it will be an offset against their funding through the Health Services Commission; in other words, it's calculated into the budgets that are being set for them. In other words, a 2.9 percent budget increase for a hospital that has some patients in that category includes the reckoning of a recovery from those particular patients which would be a recovery of the equivalent personal care home charge.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SCHREYER: A supplementary, Mr. Speaker. May I ask the Minister if he can advise if there is a specific formula or maximum that is applicable under this new policy to the active treatment bed hospitals in the sense that, will it be the intention to have panelled persons requiring extended care, placed in — and if there is no room in personal care homes, placed in active treatment beds to the extent of all available beds, or will there be a requirement of 5 or 10 percent reserve in order to give the hospital sufficient flexibility to maintain normal operations?

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MR. SHERMAN: At this juncture, Mr. Speaker, no measures or provisions have been laid down with respect to extended care patients. The sense of my discussions that I've had with the Manitoba Health Organizations and individual hospital administrators up to this point leads me to believe that it may well be desirable to make a provision that would reserve a specific number of such beds for such cases. Whether it be 5 percent or 10 percent I suppose is subject to question, but that is my inclination at the moment.

MR. SCHREYER: Can the Minister indicate if he is of the view that there is significant capacity in our active treatment bed hospitals to accommodate any significant number of persons panelled for personal care, given that — I recall so well two and three years ago his attack on the government of that day for reason of alleged shortage of acute hospital beds. Where are they all

MR. SHERMAN: Well, Mr. Speaker, I can't answer that question definitively without further examination of the bed totals, but it's certainly my impression at this juncture that the Province of Manitoba, in totality, has more active treatment beds, more acute beds than is generally recognized as the desirable and necessary number on a ratio basis. The problem in Manitoba of course is that the condition is not universal as the Leader of the Opposition well knows. The situation in rural hospitals is quite different to the situation in the hospitals in the City of Winnipeg. I think that in some rural hospitals there is no question that there is the capacity in the active treatment component to accommodate personal care and extended care patients. It's not so easy in the city. I would hope that part of that problem would be resolved once the Seven Oaks Hospital is completed, Sir.

MR. SPEAKER: The Honourable Leader of the Opposition. **MR. SCHREYER:** Well, just very briefly, Sir, can the Minister indicate if the concept which has been indicated will be principally, if not almost entirely relevant in the rural hospitals and that in Greater Winnipeg this will be largely theoretical rather than real.

MR. SHERMAN: Whether what I said with respect to the difference is largely theoretical? I would think that in the rural hospitals there is considerable room for putting panelled people into acute care beds, but not to anywhere near the same degree in Winnipeg. —(Interjection)— That's correct, Sir.

MR. SPEAKER: Before we proceed any further I want to apologize to the Honourable Member for Rupertsland for interrupting his questioning to receive an answer from the Minister of Health. The Member for Rupertsland may proceed with his supplement. The Honourable Member for Brandon East.

MR. LEONARD S. EVANS: Thank you, Mr. Speaker, I'd like to address a question to the Minister of Labour which flows from an answer she gave to the question put earlier this morning by the Leader of the Opposition. Was the Minister, in a reference to the Minimum Wage Board, telling the House that the Minimum Wage Board is no longer actively constituted or was she inferring or suggesting that the Minimum Wage Board of Manitoba was in the process of being phased out?

MR. SPEAKER: The Honourable Minister of Labour.

MRS. PRICE: Mr. Speaker, in answer to the question from the Member for Brandon East, as I mentioned this goes back into your era that they had mentioned that they didn't think that there was much need for their Board to continue. They are willing to but they didn't see that there was much need to because the decisions regarding wages is a matter of policy of government.

MR. EVANS: I thank the Honourable Minister for that answer. In view of that position of the Board and in view of the recent announcement by Statistics Canada that the consumer price index on an annual basis is running at close to nine percent. Inflation is close to nine percent in Canada which brings in effect the real wage down. Would the Honourable Minister consider having her staff, in the Department of Labour if not the Minimum Wage Board then, conduct a study on the impact on the real wage or the real wage that is now earned by those thousands of people in Manitoba who are at the minimum wage level.

MR. SPEAKER: The Honourable Minister of Labour.

MRS. PRICE: I'll see what figures I can come up with, Mr. Speaker, for the Member for Brandon East.

MR. EVANS: Thank you, Mr. Speaker. I thank the Honourable Minister. I am glad she is prepared to undertake that study or have her staff undertake that study. I wonder if it would then be possible for her to report to the House or prepare some kind of report on the impact of inflation on the real minimum wage. In other words, to what extent is the real minimum wage going down because of inflation. Could she report that to the House because I think many members would like to know that.

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MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Speaker: A question to the Minister of Health going back to his previous answers on the question of the availability of acute care beds in the City of Winnipeg for extended care patients. In view of his statement that there is little capacity for that kind of use, could he confirm or determine whether some of the major hospitals in the City of Winnipeg are also, as a result of the budget restraints, cutting back on the number of beds that they are making available in the different wards supplying acute care beds, therefore exacerbating the shortages already taking place.

MR. SPEAKER: The Honourable Minister of Health.

MR. SHERMAN: I can't confirm that, Mr. Speaker. I have spent some time this week at the Manitoba Health Organization's work shops and seminars that have been under way in the city; I have been in contact with a lot of hospital administrators and board members and I can't confirm that. I know that there is that concern, I recognize the implications of the honourable member's question — he may know of incidences that I don't know of.

MR. AXWORTHY: Well specifically, Mr. Speaker, could I ask the Minister if he would undertake to examine whether in the St. Boniface Hospital directions have been given by the administrative staff to close down beds in certain wards in that hospital which could be available for extended care patients.

MR. SHERMAN: Yes, I'll do that, Mr. Speaker.

MR. AXWORTHY: One final supplementary, Mr. Speaker, on the same line of question. Again in view of the particular squeeze that is now being effected for personal care beds, does he have any intention to expand or extend the supply of continuing care services enabling elderly people who do need some form of medical attention or home service attention to receive it in their own homes. I gather there has been a freeze put on the continuing care program, so are you now prepared to release that freeze and make extended services available.

MR. SHERMAN: Mr. Speaker, it is certainly my devout hope to expand the Home Care Program. I can't assure the honourable member that it is going to be done this year but I feel that that avenue represents, really represents our only hope in solving the bed problem and the bed question.

MATTERS OF PRIVILEGE

MR. SPEAKER: The Honourable Member for Elmwood.

MR. DOERN: Mr. Speaker, I rise on a matter of privilege. I would like to, because of the fact that comments I made in the House were challenged by the Minister of Public Works, I would like to table for the benefit of the members an Information Services bulletin dated March 31st, in which the following information is provided.

MR. SPEAKER: Order, order please. May I suggest to the honourable member that this is a public document, it's freely available and doesn't have to be tabled. The Honourable Member for Elmwood.

MR. DOERN: My privilege is this, that in an Information Services bulletin dated March 31st, the following information was stated: that education expenditures will rise by \$20 million, that health and social development spending will rise by 21.7 million, and this is the key sentence, "highway spending as shown in the printed estimates is up by one-third from \$120 million in 1977-78 to 160.5 million in 1978-79, a \$40.5 million increase." And I say that those are the facts of the matter and that the statement made by the Minister of Public Works is inaccurate.

MR. SPEAKER: The Honourable Minister of Highways on the same point of privilege.

MR. ENNS: On a point of privilege, because of what the honourable member is — I think perhaps in a most kind way — accusing me of not being able to add, and I am suggesting that he can't add. I am also suggesting to all members of the House that I'd be more than happy to deal with this matter where it ought to be dealt with during the course of the department's estimates on highways. But for edification of members opposite actual new construction last year numbered some \$67 million; that has gone up and allocated to \$75 million. Actual maintenance has gone up from \$80 million to \$85 million and I will demonstrate to the honourable members opposite without a shadow of doubt that the actual increase in dollars is 7.3 percent in the Department of Highways for the year 1978-79. The fact of the matter that somebody in Government Services Information Branch can't add that doesn't change the matter either.

MR. SPEAKER: Order please. Order please. The Honourable Leader of the Opposition on the same point of privilege.

MR. SCHREYER: Yes, Mr. Speaker, that is just to —(Interjection)—

MR. JORGENSON: . . . without any further discussion that there is no question of privilege. It's phony.

MR. SCHREYER: Mr. Speaker, the House Leader is perhaps correct, but it is for you to determine, Sir. The privilege that has been raised is that the Minister of Highways has accused certain members on this side of not being able to add when, in fact, — and he may have some, he may have some justification — but the privilege that he raised, Sir, is that that not one, but two government documents would seem to indicate otherwise. The Estimates Book itself shows increments, both in terms of global departmental Estimates and specifically construction, and then the government, the "official" Information Services, neither of which we have anything to do with here on this side. So if someone can't add it cannot be those professors or teachers over here somewhere.

MR. SPEAKER: Order please. I want to make a ruling at this particular time and indicate to all members that a point of privilege ought rarely to occur in the House. In fact a point of privilege is a very serious matter. Now whether there is a difference between one set of figures and another, in my opinion, does not indicate a point of privilege. That is a debatable point. So that I find that the member's point of privilege is, in fact, not a point of privilege. The Honourable Member for Inkster.

MR. GREEN: Mr. Speaker, I have a serious matter of privilege to raise. The serious matter of privilege, Mr. Speaker, is that Government Information Services is lying to the public. Publications of Government Information Services, the organ of the government, is lying to the public.

MR. SPEAKER: Is that a privilege of the House or a point of privilege?

MR. GREEN: It's a matter of the privileges of the House that the government, the Government Information Services, under the jurisdiction of a Minister of the Crown, is lying to the public in stating that the Highways' Budget has gone up by 30 percent.

MR. SPEAKER: The Honourable Minister of Highways.

MR. ENNS: Mr. Speaker, responding on the same matter of privilege, and it is a matter of privilege of the House. The fact of the matter is that the combining together of capital and current accounting is a basic change that has been made in the presentation of Estimates. It has presented some difficulties, not just for honourable members opposite, but also obviously for members working, or people working within government, such as Government Information Services officers. I would be happy to undertake the rather serious charge that is made by the Honourable House Leader of the New Democratic group and look at that situation. I can only inform through you, Mr. Speaker, the facts as I've presented and portrayed them are accurate, and any other ones simply have not understood the combination and the practice that has been exercised in the past where certain amounts have been in capital, other amounts have been in current, and we have now a combination of capital and current Estimates. I know, Mr. Speaker, the actual dollars that I have fought very hard for to get in the new highway construction program, and I know the amounts of the actual dollars that I got, and they are not anywhere near the figures that our honourable members are talking about.

MR. SPEAKER: Order please. Order please. We can only deal with one subject matter at a time. I find myself in a rather difficult position that there has been a point of privilege of the House raised but I find myself with no motion before me, and it is a question that I, myself, cannot deal with. I feel that it is an obligation of the House to deal with that matter. The Honourable Member for Inkster.

MR. GREEN: Mr. Speaker, perhaps I can help out. I raised it as a matter of privilege to honourable members. The Honourable Minister of Highways agreed that there is a problem and he said that he would be explaining it during his Estimates. As far as I am concerned that takes care of the matter.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SCHREYER: Yes, I should like to get confirmation lest that it be less than completely clear as to exactly when we shall be taking up the Estimates of the Department of Highways because the contention that the combining of current and capital is what causes this problem I suggest, Sir, is not correct. The reconciliation statement on Page 44 is quite clear. These Estimate Books I believe to be quite accurate, reasonably so, and the discrepancy of \$44 million cannot be explained on the basis of the combining of current and capital. That's taken care of on Page 44.

MR. SPEAKER: The Honourable Government House Leader.

MR. WARNER JORGENSON (Morris): : Well, Mr. Speaker, I should like to respond to the point of order raised by the Opposition House Leader to tell him that, at his suggestion, not mine, but his, because the opposition has a right to determine the Estimates that go outside the House. . . I asked him the other day and he told me that following Agriculture they want to take up the Department of Highways and Public Works. Now when that happens is up to my honourable friends opposite. The longer that they delay the passage of the Estimates of the Department of Agriculture the longer it will be before the Estimates of the Department of Public Works and Highways comes up for consideration.

I might add, while I'm on my feet, Sir, that it is my intention to introduce the Departments of, well, Mines and Resources have already been introduced, followed by Education, followed by Health and Social Development.

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

MR. D. JAMES WALDING: Mr. Speaker, I rise on a matter of House privilege. Mr. Speaker, there is a long standing tradition in the House that when reports are tabled in the House they are made available to members of the House before they are released to the press. It is my information that the Annual Report of the Ombudsman for 1977 was made available to the news media some time yesterday and was featured on news reports early in the evening of yesterday. The report was distributed to members at approximately 9 p.m. last night. Now this is not a report that comes from a Minister, Mr. Speaker. You will be aware that the Ombudsman is an officer of the House, and I will quote Section 42 of his Act which has to do with reporting and it says, "The Ombudsman shall report annually to the Assembly through the Speaker on the exercise and performance of his functions and duties under the Act." It would then seem, Mr. Speaker, that you have some involvement in the tabling of this report, and I would ask you if you have any information as to why it was released to the press prior to its distribution to members, or perhaps you would take it under advisement and report back to the House.

MR. SPEAKER: Order please. May I suggest to the Honourable Member for St. Vital if he has any criticism to be made of the activities of the Speaker he knows full well the avenue that he has to bring that matter to the attention of the House. The Honourable Member for St. Vital.

MR. WALDING: Mr. Speaker, I did not raise it as a matter of criticism of the Speaker, and I'm not suggesting that there is any criticism of the Speaker. I am only asking that, on behalf of the members, you investigate this matter and report back to us your findings.

MR. SPEAKER: The Honourable Government House Leader.

MR. JORGENSON: I can save you the trouble. It's somewhat of a trivial matter although I don't treat any criticism that emanates opposite as trivial. The House does not have much control over when the Ombudsman meets with the press, or holds press conferences, or appears on television. When it was learned that he had had a press conference, we immediately tabled the report to ensure that members would get it as close as possible to the release of the document by the Ombudsman.

ORDERS OF THE DAY — BUDGET DEBATE

MR. SPEAKER: On the Adjourned Debate on the Proposed Motion of Honourable Minister of Finance. The Honourable Member for Wolseley has 12 minutes.

MR. R.G. (Bob) WILSON: Mr. Speaker, a budget talk, I suggest, should talk about the future economy and about money, but yesterday I digressed a little and talked about the high-living habits of members opposite. I dealt with some of the questionable expense accounts of Ministers, and I talked about the very high-living tastes and the pastel taste of the former Minister of Public Works, the Member for Elmwood, for his purchase of over \$160,000 worth of art works, and of course his very elaborate penthouse in the Woodsworth Building, which has since been renovated and made ready again for Municipal Affairs.

But yesterday I was most anxious to place some of my ideas on the record for debate, and material for some think-tanks throughout the province. To this member, tourism holds one of the answers to improvement in our economy, and I am hopeful, with the new 87 cent Canadian dollar, it will cause the Task Force to re-examine their policy suggestions of a 20 percent cut in tourism spending. I feel \$25.9 million — down about 10 percent — is a most questionable decision by these people, and I know that the private sector, because of the education of the last eight years, will be slow in picking up the slack.

Many prime areas will not be covered in marketing because of these cutbacks, and I suggest the Tourism department must go to the Federal Government and demand additional funding similar to Alberta, and help sell our story, because it would seem to me that we take second place to even

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Halifax, because I notice the Night Hawk flights aren't even coming this way. It is certainly something, a matter of prestige that Air Canada and the other carriers should be ignoring Winnipeg, and I think we have to raise those questions with the Federal department.

But unlike the former government, I hope, and I'm glad the member is here, that we do indeed cooperate with the Federal Canadian Tourism offices, because every concerned citizen should write their local M.P. and demand a fairer share of the Federal Tourism Budget in light of these suggested cutbacks. And combined with the new liquor laws that we may or may not see, the new community festivals which are springing up in all the rural communities, and some have fantastic success stories as well as Folklorama in Winnipeg, I feel that a healthy tourism industry will mean new jobs, new dollars and new funds, and an improved quality of life in Manitoba.

However, I am very disturbed because changes are slow in coming, and I become older each day and anxiously hope that my leader will someday utilize all his elected members, and all his elected manpower to help out in some of these troubled areas. I think that possibly we should have a couple of Legislative Assistants to be appointed to look into sports because it seems to me that a blueprint to follow might be the MAS sport report, a report on sports development, a healthy population which will save countless of dollars in the health estimates — I call it an ounce of prevention. I would like to see, in the same area somebody's study, it could be under this section, the lotteries hoarding of funds. I would like to see the community clubs benefit from the lotteries. The money is too slow in filtering down, and I think the former Minister, and now the Member for St. Boniface, has sometimes held on to over \$2 million, and this is the kind of thing that we should be examining.

And under culture, I think the area needs money towards development, development of talents, not bricks and mortars like some would have.

And in the fishing industry, I think we have to seriously renegotiate some of the questionable Federal Fish Marketing policies, and, Mr. Speaker, we must sell our fish. We have a rough fish and fish roe product that we've got to have excluded from the Marketing Board to allow the fishermen to get this viable industry moving again.

The mink industry, with all this rough fish, all the beef by-products available, and even the suggested pickerel garden waste of Peter Moss's staff — they've got so much walleye that they can filter and I should say fertilize their garden. I think we should study the possibilities of getting this once-proud industry viable again, because millions of dollars have been lost.

And I couldn't go without talking about Eddystone, and I'm sorry the Member for Ste. Rose isn't here, because the Parkland Regional Development Corporation has a new food processing idea, which would be a nice fish-oriented industry for the Ste. Rose constituency, and I can only say, "Wake up, Monsieur Adam."

To the Minister of Labour, again this is my own personal thoughts, I would like to see her introduce a tip credit salary to secondary positions in the hospitality and tourism industry. Ontario has recently introduced 30 cents an hour, however, my experience, and I seem to like the American way — it's a proven winner — because visitors complain about our attitude. They complain about our service, and this industry would hire many extra citizens and students, as I talked about before it's a job-creation industry, and I guarantee through discussions with people in the industry, that there would be this increased employment.

And I'm sorry that I don't have the time this morning, but I would like to have dealt with prime examples, but the Budget did contain some great news under Health and Welfare, and I say 'Bravo' to the increase in funding for cancer research and treatment, because in on December 16th, 1975, I believe it was, I was on the founding committee of the citizen's committee in the interest of cancer treatment, and I am very pleased with these particular new injection of funds, but I think we have to give cancer treatment and prevention our increased priority.

Under my own ideas, again, I think the purchase of welfare appliances . . . I seriously question why the amount for purchases is so high for these special appliances for welfare recipients. May I suggest that, since only one or two furniture dealers enjoy the lion's share of the business, that government purchase by tender be started because in this way I predict that fridges and stoves would come in at about half the price of the present voucher system. When government says they will pay \$94.50, I can guarantee you the price is \$94.50.

Under day care, I'm sorry the Member for Elmwood isn't here, but how well I remember that artistic member from Elmwood calling a press conference to spell doomsday and spread nonsense causing undue mental anguish — and I'm serious about this — mental anguish to many many working mothers in the Wolseley constituency.

To the Minister of Health and to the Minister of Education, my thanks for the funds to carry out day care and after-school feeding programs in my riding. I would not support the Wolseley Liberal candidate, and others who want universal day care on demand for all children two years of age and over. They become then wards of the state. But, however, I also support the suggestion of the Member for St. Boniface, who said that over-professionalism in day care is killing the program because of restraint. Why should a Ph.D. be required to run these centres?

And I'd like to see under Urban Affairs — and I'm glad I can put it on the record because of my experience there — that municipalities need more say in their future. I think that some of the growth taxes, and I can think of tobacco and others, should be given to the municipalities, some

consideration. I think we have to show some leadership on this side of the House in funding areas, in major funding areas. I can think of some of them that are lying dormant. It comes to mind the Rail Relocation Study because I think this study has been silent too long. And I say, what about the CPR tracks? Didn't the CPR buy land in Weston to relocate and why must this City have to wait until the year 2000? If we could accomplish, in our term of office, the construction industry would have no tears for years to come and we would get the credit for this accomplishment, with the help of the Federal Government and certainly with the help of the opposition. I say to the Member for Winnipeg Centre, what a fantastic urban redevelopment.

What about Great-West Life, their East Yard Study? And where is the federal million dollars now that was put out for the development of the park at the Red and the Assiniboine? And to the Minister of Highways, I suggest you sell the new government garage to the Federal Government, especially if Joe Clarke gets in, because I'm sure they'll need more space for the Post Office or whatever. As a person concerned about expenses, the \$3,500 a month utility bill really bothers me. I'd like to see the same Minister get started on tourism, road signage, signage for museums and historical markers. 17-02

Unfortunately my time is running out but I would have liked to have dealt, as a new member, to tell you the feeling of optimism, the new feeling of hope, and with the help of the new breed of civil servant, I'm sure we can govern more effectively. I hope that those of us given a chance sometime in the next four years, will pull this province into production, cause others to think and possibly engage in a really true practical government. I know we can do it; I think we've shown signs of doing it and I think the image and the enthusiasm of the people of Manitoba is there and I look forward to offering some of my other suggestions in the future to this side of the House. In Public Accounts I again hope to be able to bring forward some of the very questionable spending habits of members opposite and I think that we should — lest we forget — remind the public, through the media, of the vast waste of taxpayers' dollars caused by members opposite.

MR. SPEAKER: The Honourable Member for Brandon East.

MR. EVANS: Thank you, Mr. Speaker. I rise to join in the Budget Debate. Unfortunately we barely have a quorum but I guess that's not unusual for Friday mornings. —(Interjection)— Wait until this afternoon, the House Leader says, we'll have problems. I sympathize with him and I agree with him, as a matter of fact.

Mr. Speaker, I just listened to the Member for Wolseley telling us about his belief that this new government and the Budget that has been brought down by this new government is going to — in so many words — improve the economy and we're on a practical course now with better administration, we in Manitoba are going to be better off.

Unfortunately, or maybe fortunately, I cannot agree with the honourable member's analysis and conclusions. As a matter of fact, my conclusions are completely reverse, that the policies espoused in this particular document, the Budget Address of the Minister of Finance, are not good policies either in economic or social terms for the people of this province. The Budget Address which purports to be a non-political document, of course, is simply just that, it is a very political document. And, incidentally, there's nothing wrong with it being a political document because it is a document of a political body, of a political Minister, and that is fair game because ultimately politics involves policy and if anywhere we should be getting policy, and there's nothing to apologize in terms of having a document which states a political position. If it didn't, I couldn't see it being a Budget Address and this is why I found it very amusing to refer to it as a non-political document because, as we know, it is filled with various political statements, it's filled with various partisan statements. Unfortunately, it has too many worn-out ideas; it has all kinds of cliches and there is a real task, Mr. Speaker, in sorting out the right-wing rhetoric from the statements of fact or from statements of valid observation. Unfortunately there are too many statements based on misleading statistics. I hope to demonstrate shortly, take one or two examples, to show where these statements are misleading because of the data or the wrong use of the data involved.

I would suggest, Mr. Speaker, that it's a document filled with many distortions, many exaggerations about the fiscal health of the government in the years past. The fact is that the fiscal health of Manitoba over the past eight years was indeed very good, compared favourably with other jurisdictions, federal and provincial, and the fact that Manitoba received a AA rating only a year and a-half or two years ago was evidence of the fact that the fiscal health of this province was very good indeed.

There is no doubt about the thrust within the Budget Address. The philosophy is very clear. The philosophy goes like this: That in Manitoba we can achieve economic growth if we do at least three things: If we lower deficits — better still have a surplus, I suppose — but if we lower deficits or eliminate deficits. No. 2, if we have less government spending — considerably less government spending, and No. 3, if we have a very low and preferably no public debt whatsoever. If we have these three things, we move in these directions, then we will have economic growth because then the private sector, private enterprise will have greater faith in the future of Manitoba and investment will magically appear and jobs will be created and we will go forward.

Well, Mr. Speaker, these assumptions, these three points that I make are indeed nothing but mythical points. They are indeed myths and unfortunately we now have an administration guiding the destiny of this province with a set of mythical principles that I can say, very categorically, are

considered to be mythical principles by very established, oriented economists. Mythical principles that are considered to be so, not necessarily by left-wing economists but by very orthodox economists.

MR. SPEAKER: Does the Member for St. Johns have a point of order?

MR. CHERNIACK: No, Mr. Speaker, I'm having a discussion with a friend.

MR. SPEAKER: The Honourable Member for Brandon East.

MR. EVANS: Thank you, Mr. Speaker. Not only will this point of view, this economic philosophy or set of economic policies, not create expansion but, in fact, the very reverse will happen. We will not only have no expansion but we will experience a slowdown in economic growth. We will have more unemployment being created and we will have more people leaving Manitoba perhaps. Certainly we will leave the people with a lower standard of living.

There are some specific proposals referred to in the document. Actually it's a rather, in terms of budgetary proposals, in terms of tax changes or spending changes, I would suggest that the document is a very uninteresting document. It's a rather dull document. There are very few specific proposals of any significance. I would suggest, Mr. Speaker, there are three or four that we could look to but I suggest that perhaps only one, the sales tax reduction, has some semblance of interest about it. Looking at some of the proposals, the senior citizens' school tax assistance suggestion or proposal of \$100 I would suggest, in totality, is not very significant. The majority of senior citizens who live in and own their own homes now I think are already covered for that portion of their property tax. Certainly those that are going to be receiving some of this \$100 will be among the richer of the senior citizens of this province. But, more important than that, I won't take that \$100 credit away; I wouldn't take it away from the senior citizens. But, more important, Mr. Speaker, is the sin of omission, I would suggest. The sin of omission is that there has been no adjustment in the general property tax credit system for all ratepayers in Manitoba. The NDP administration, after bringing in the property tax credit system to alleviate the burden on municipal ratepayers, year by year adjusted, in an upward direction, the level of tax credit in order to account for inflation, in order to account for rising municipal costs which are reflected in rising municipal taxes. By not raising the property tax rebate level this year, this government, in effect, is in the process of shifting the burden of taxation to the municipal ratepayers. That's what significant, I would suggest, Mr. Speaker. What is significant here is the omission, the failure to move in that direction.

Reference is made to a Youth Employment Program which has some resemblance to our Jobs in Small Business Program which we introduced last year. I'm glad to see at least the government is recognizing that there is a serious problem of unemployment among our youth. According to the latest survey of Statistics Canada there are approximately 17,000 young people unemployed in the Province of Manitoba, that is people between the ages of — whatever they cut it off at — 16 and 24, whatever they define as the young people in our country. That is a very high number and it is a number, I suggest, that will not be brought down very significantly by this program. I suggest that the Youth Employment Program is relatively insufficient, insignificant, and certainly there's a drop in the bucket, so the speak, in coming to grips with the unemployment question. But at least it's a recognition on the part of the government that all is not well in the land, that there is a great deal of disquietude, that there is a great deal of concern and that there is a growing feeling of frustration, a growing sense of anger among the young people of this province because they're coming out of our institutions, coming out of the high schools or coming out of the colleges or coming out of the universities and they cannot find work. I daresay there are many in this room who probably know it firsthand of some of these young people who cannot find work in the Province of Manitoba today. This is perhaps the tragedy of the Year of our Lord, 1978. The tragedy is that there are — (Interjection)— I beg your pardon?

MR. DOMINO: How many jobs were created over the last four years for these people?

MR. EVANS: Well, Mr. Speaker, I'm glad the Honourable Member for St. Matthews asked that question because I can tell the honourable member, as he should know, but I'll remind him, that last year we had a \$33.5 million Job Creation Program which was essentially geared to the young people — \$33.5 million for job creation last year. And that didn't include the STEP program, the STEP program was on top of that. —(Interjection)— Well, Mr. Speaker, the Member for St. Matthews is confessing his ignorance of the program because that program did not pay minimum wages, it paid the prevailing wage rate for whatever the occupational skill was involved. So please do your homework and stop publicly professing your ignorance of that program.

The other point I would make, Mr. Speaker, is that among the specific proposals in the Budget, there was a proposal to increase taxes, namely the two cents per gallon on gasoline and motor fuel is now going to be taken into General Revenue away from Autopac which means that there will be an upward pressure on Autopac premiums which, in effect, is tantamount to a tax increase on the people of Manitoba.

As I said, the most interesting part of the specific proposals was the sales tax reduction. This is the

most important part of the Budget announcements, I suggest, thanks to the Federal Government. But really, Mr. Speaker, we are only deluding ourselves if we think that this is going to be significant for creating jobs in Manitoba, because it will do very, very little, very, very little to increase employment in the Province of Manitoba. The fact is unfortunately that most of the manufactured goods that we consume, the non food items which we consume, are manufactured outside of the borders of Manitoba. I say non food items, because food is already exempted from sales tax so there's so impact on food, so we're talking about non food items. And when you're looking refrigerators, stoves, automobiles, whatever you may wish to look at — dishes, towels, whatever — the fact is that while there is a reduction in the sales tax and therefore perhaps stimulating of consumer spending, it will do nothing to increase jobs in the manufacturing sector, or practically nothing in terms of jobs in the processing or manufacturing sector in Manitoba simply because of the fact that we import the vast bulk of these. It may be good for the Steinbach automobile dealers or the Winnipeg automobile dealers, but frankly I cannot see any real increase in employment, even in the retail level.

Among other things I'd say it's insignificant for employment creation because it's too short, and I think it's probably too short even to make an impact on central Canada, where most of our manufactured goods in Canada are produced. I agree that a lot of them are imported from abroad; we're going to stimulate employment abroad, of course, but we're going to stimulate — the Federal Government thinks that they're going to stimulate employment in Ontario and perhaps Quebec but really, even in that part of Canada I would suggest that it's too short of a period to make an impact for the simple reason that there are very, very high levels of existing inventories in the manufacturing sector of Canada today and we won't be encouraging investment immediately at least — if anything there will be a very great lag because of the very high levels of existing inventories — and until those inventories are reduced you won't see manufacturers wanting to go out to add to the capacity of their industries to increase.

Well, so much for some of the specific proposals. I'd like to take a few minutes, Mr. Speaker, if I may, to point out some of the very serious mistakes and errors that are contained within this document and some, I believe, are indeed misleading statistics. I'll only pick out two or three; I note on page 5, for example, there's a statement relating to the clear limits beyond which government should not go. This is a reference in general to excessive spending by government and there's the impression left here that we've reached our limit in Manitoba in terms of government spending and that we simply cannot go beyond that. Well, that's hogwash, that is hogwash and I would say the historical trend is for a greater and greater amount of government spending, not necessarily because you or I or the members of this Assembly want to see more government spending, but because the people of this province, or the people of this country want more government involvement in whatever field.

I would say historically — you know, at one time education was private enterprise. At one time, to send your child to school in Upper or Lower Canada, you had to pay the schoolmaster a fee, as you pay a lawyer a fee today. Over the years education has become public education, it has become socialized; indeed, at one time highways were privately built. You built a highway in front of your farm or someone might build a highway and charge a toll, a user fee. Highways have become socialized. At one time health was completely private enterprise, today it is largely socialized. So I say the historic trend is there for greater government spending. And the greater government spending that has been created is essentially in the fields of education and health and social development. And to some degree, highways — we are seeing it in the socialized transportation efforts of the Minister of Highways in spending more on highways.

But the fact is, Mr. Speaker, that this statement is misleading or leaves the wrong imprints since our spending and revenue are just about equal, and the figures I have are government revenue as a percentage of GNP in Manitoba, between 17 and 18 percent. 17 and 18 percent of the Gross Provincial Product is comprised of government revenue — 17 to 18 percent, whereas the total for Canada as a whole, that is taking the federal and all the provincial governments together and coming up with a percentage, is somewhere in the order of 37 to 38 percent. In other words, if you take government in Canada, federal and provincial combined, and say what percentage of government spending is there of the Gross National Product, the figure is between 37 and 38 percent in the year 1977, whereas in Manitoba it's only somewhere between 17 and 18 percent, only half of what the national situation is. So I say that this statement leaves a wrong inference, that there are limits in Manitoba beyond which we should not go. Surely there are limits, but the inference is left that we are at this limit, we can't go beyond, and we continue to get excuses from the Minister of Health that he can't build personal care homes hire enough staff in the mental institutions or the or he can't hospitals or what have you — everybody has to cut back because we don't have the money — well, that is utter nonsense.

The other misleading statement you see on page 13 of the document where reference is made to a forecast increase of only 6.5 percent — I'll read the statement. "We have already received some encouraging news in the form of the most recent Statistics Canada forecast of new capital investment intentions. For 1978 the increase in private sector investment in Manitoba is expected to be higher than the national average and higher than last year. Although the forecast increase is only 6.5 percent, probably less than the rate of inflation, it is still significant in relative terms." Well, that's a paragraph on page 13 of the Budget Address. This is obviously overly optimistic, but not only that, it's contradicted by the Statistics Canada outlook survey for public and private investment in Canada.

And the most recent survey release — this is a survey based upon questions asked in the private sector and in the public sector as to what your investment intentions are — and the document released on March 9, 1978 by Statistics Canada clearly shows that there's nowhere near an increase of 6.5 percent forecast. The Manitoba forecast for 1978 over 1971 is 1 percent, not 6.5 percent, so I say this is completely false. This information is completely misleading. It's 1 percent. —(Interjection)— Well, you can read the document yourself, you can do your arithmetic, although I'm not going to recommend the Minister of Highways do arithmetic because I don't trust his arithmetic. But according to the Stats Canada survey, private and public investment in Canada, released in March of this year, the amount of investment increase in Manitoba will be 1 percent, not 6.5 percent as the Minister of Finance says.

Or if you just take manufacturing — maybe you don't like that because total investment includes utilities, it includes investment on transportation, includes investment by government departments — okay, just take manufacturing, which is private, essentially private — and in Manitoba the increase in manufacturing investment is estimated to be 1.5 percent, and that's still a long way from 6.5.

It's stated that it's expected to be higher than the national average. Well, this is absolutely false too, because in the same document the national average is going up 6.1 percent. 6.1 percent compared to 1 percent for Manitoba, or if you look at manufacturing, the Canadian manufacturing investment is expected to go up 6 percent and Manitoba is only going up 1.5 percent. So you see, there is a clear example of a misleading statement by the Minister of Finance.

Page 36, Mr. Speaker, relates to observations as to how the economy is affected by taxes and government spending. I say these statements I have great difficulty with appreciating the logic and the common sense of them because, and I'll read this paragraph, page 36: "But we have argued consistently that the Federal Government should make room for a tax cut by bringing its spending under control and by reducing its deficit, and it has done neither with the result that the impact of this reduction measure on the economy may not be as beneficial as it might otherwise have been." Well that is sheer and utter nonsense, totally false, utter nonsense, because if the Federal Government did cut back on its deficit now we'd have all that much more unemployment. There's absolutely no question. The Minister of Finance is saying, "Well, they should have cut their deficit at the same time." Well, that's utterly ridiculous. And any right-wing economist will tell you that too. You look at any of the basic textbooks, elementary textbook introduction, will tell you that if you cut back on deficit at a time like this, you're going to have more unemployment. There's no question about that, that's not a left-wing, right-wing argument, that's accepted by the establishment among the economists in the land today, in the United States and Western Europe and so on.

Page 38 supports this nonsensical observation. This is a paragraph on page 38 of the Budget Address — "I suggest in the most serious way I can that it is immediately incumbent on the present Federal Government to reduce, as we have in Manitoba, the level of expenditures to compensate for this tax reduction." And get this: "The failure to do so will largely negate the hoped-for short term stimulative benefits which this reduction may provide." Well that, Mr. Speaker, shows the complete ignorance, the complete lack of understanding by the Minister of Finance, as to how the economy works, and I am very tempted to make a gift of an introductory book on economics to the Minister of Finance, and if he was here today I would present that to him.

As a matter of fact, maybe I'll table it, Mr. Speaker; this is by Reuben Bellan, who is a well-known economist in Manitoba, Dean of Studies of St. Johns College — I know my friend the Minister of Health is a good Anglican, I believe he is — no, maybe he isn't, I don't know — at any rate, Reuben Bellan, the Dean of Studies of St. Johns College, University of Manitoba, "Principles of Economics in the Canadian Economy." But you know, I could bring here a hundred introductory textbooks which would tell me very quickly that in contrast to this statement by the Minister of Finance, that the Minister of Finance knows nothing about economics, and that he should take an introductory course at least in the subject, because it shows a complete lack of understanding as to how the economy works. If you cut spending, as he said, the failure to do so, the failure to cut spending will largely negate the hoped for short term stimulative benefits which this reduction may provide. And this is just simply untrue.

Well, I said at the beginning, Mr. Speaker, that the philosophy contained in the Throne Speech was essentially mythical; in a sense it was based on three myths. One was that deficits are bad and should always be avoided. Well the fact is, Mr. Speaker, whether we like it or not, when a recession hits — a recession comes automatically. You get a recession automatically as tax revenues fall, whether they be sales taxes or income taxes, they fall, and at the same time welfare payments increase, or at the federal level unemployment insurance payments increase, and other programs cannot be adjusted downward immediately, so you always get a recession. So when Manitoba, or any other province, or Canada or any country suffers a recession you automatically get a deficit. Okay.

So you have an automatic deficit but you can also have a discretionary deficit, a deficit deliberately brought about to be stimulative of the economy, and that is what the Minister of Finance under the NDP government did, the Member for Seven Oaks, when he introduced a 33.5 job creation program last year. We knew that that would create some deficit but it was done deliberately to create thousands of jobs in this province because of the failure of the private enterprise system to create jobs in the Province of Manitoba or indeed in the country. That is a clear example of discretionary deficit spending and it's a good example of what is needed to overcome unemployment, to the extent that we can overcome unemployment.

I would suggest, Mr. Speaker, if the members are very concerned about deficits, if they would like to do an exercise in calculating what our budgetary position would be if we were at full employment now, I think you could calculate that Manitoba would probably have a very healthy surplus if you calculated our budgetary position at a full employment level. You make a calculation of the tax revenues you receive at full employment and the expenditures that would be incurred at full employment and I daresay the figures would show that we have a surplus, a very healthy surplus in the Manitoba budgetary scene. Incidentally, the Government of Ontario has undergone this exercise for some years now and I would recommend it to the Minister of Finance who is unfortunately not in the House but it is one way and it's done by many other jurisdictions, it's one way of judging just what your budgetary policy should be.

The other myth is that debt is always bad and should always be avoided and better to have no debt at all. Well, I don't know how I can explain this to the honourable members, but it's like telling someone, well, whenever you buy a house you must always pay cash for it; you never take a mortgage out, you must wait and save all your money until you can buy it for cash. Well, that's taking it to the extreme of saying there should be no debt. That of course is nonsense. The fact is that in the private sector and in the personal household sector, debt is part and parcel of the way we operate and no good business that I know of operates without carrying some debt. It's done deliberately. The Government of Manitoba or any jurisdiction cannot operate without having some debt, so to think that you can eliminate debt is to buy the hairy theories of social credit that we must always operate with no debt whatsoever. That is patent nonsense also. But the fact is that debt is considered to be a no no, it's considered to be bad by the Tory administration.

I'd like to remind the members opposite that back in the dirty thirties, the great depression of the 1930s, that we had very little debts in Canada. As a matter of fact at the end of the thirties, in 1939, the Canadian debt was three billion dollars, three billion dollars for all of Canada — the Canadian debt. In 1945 our debt had increased enormously, it had increased from three billion to \$13 billion (sic) by 1945, the end of the Second World War. Mr. Speaker, were we worse off in 1945 than we were in 1939? The answer is obviously no. We were better off when we had a greater amount of debt. We had full employment at last when the Second World War came along and at the end of the Second World War we had a large amount of debt and we were far better off than we were in the thirties when the debt level was very very low. So, Mr. Speaker, debt is part and parcel of government administration and I would suggest the Manitoba debt is not out of line and you can look at all the figures — I've got some figures but I am not going to waste time repeating the figures on the debt charges as a percentage of our gross general expenditures because I think that point has been made by other members on this side.

What I would like to do is to dwell a moment on the differential between gross debt and net debt. This government continues to insist that we only look at the gross debt of Manitoba, that we should not take into consideration that we have assets on the other side of the ledger sheet, assets such as the Manitoba Hydro or Manitoba Telephone System, to balance the debt that has been acquired by the Crown or the guarantee of the debt that the Crown is involved in, that it's only the gross debt that we should look at. Well I suggest that the premier of this province and others of the government administration who think that way are in total opposition and contradiction to statements made by the Honourable Duff Roblin, the Honourable Gurney Evans, who was Minister of Finance in the late sixties, because in their Budget Address they took pains, 1966, 1967, 1968, to point out the difference between gross debt and net debt. I will just read a couple of sentences from the budget of 1966 by the Honourable Duff Roblin. He says, "In addition to the net direct public debt which is supported from tax funds, account must also be taken of the self-sustaining investment guaranteed by Manitoba. These investments are classified as part of the guaranteed debt of the province but represent no charge on the consolidated fund. In some jurisdictions these items do not enter into the public accounts at all as the services are operated by private enterprise but in Manitoba, Hydro, Telephones, which while publicly owned and operated represent no burden on the taxpayer. They supply services to users at a cost among the lowest in the nation."

And yet for the last several years we have been listening to the members opposite rant and rave about the horror of the gross debt and here we have Duff Roblin, the premier of Manitoba in 1966 when he brought down his budget, state categorically that the net debt in effect is the more important one, more significant one to look at because the net debt takes account of the fact that you have assets to balance off the debt incurred or the guarantees incurred for your publicly owned utilities.

And I quote Mr. Roblin again, "Owing to the needs of the Nelson River Program and the Manitoba Telephone System expansion among others, the volume of investment guaranteed by the province will continue to grow." This is 1966. "It represents however not a tax burden but a gain from economic investment." And that's the Conservative premier of Manitoba in 1966.

In 1967, the Honourable Gurney Evans, Conservative Minister of Finance says, again in relation to self-sustaining investments, "This is a measure of some of the developmental expenditures that must be made if we are to progress as a province. There are of course assets to offset this growth in debt," and he goes on to refer to the new power plants and systems and new communication plants throughout the province. But get this — I'm quoting from Gurney Evans again, this is 1967, "In fact, were we to sell off our utilities at their approximate book values alone as of March 31st, 1966, we would realize \$635 million which is more than our entire guaranteed debt outstanding..". Replacement values would be even higher I say if it was true in 1967 it's true in 1977 and it's true in

1978, that to look at the gross debt is completely misleading when you consider that you have assets to offset that portion of the debt.

In 1968, the Honourable Gurney Evans again in referring to the provincial debt says, "These self-sustaining," well, I'll read here, "Many have been confused by the variety of ways that the public debt of our province has been shown in various publications throughout Canada. Manitoba must show a picture which is complete and which fairly represents her outstanding liabilities. For this reason I have shown the debt of the province in two ways." And then he goes on to show the direct debt a traditional way and the net direct debt which the Conservative government of the day introduced as a concept I suppose. And he says, one more sentence here, "These self-sustaining investments, that is our guarantees of the utilities, Hydro and the Telephone System, these self-sustaining investments represent the tining drive of the government to enlarge and strengthen the developmental base of the province, a basis which is essential to our economic growth."

Well, Mr. Speaker, I don't know how much more I have to say to make the point that their myth that debt is always bad and should be avoided like the plague, is nothing but a myth and is therefore unfortunately as a myth is causing Manitobans to be misguided by the present administration.

The third myth is with regard to government spending. Government spending always seems to be considered to be essentially barren, non-productive, and the less of it the better. That's implied in the speeches of the First Minister; it's implied in the Budget Address. But the fact is, Mr. Speaker, government spending is essential, it is productive, in fact I would argue that a great amount, a great percentage of the public employees of Manitoba, of the Civil Service of Manitoba are engaged in pursuits and occupations and activities within the government which makes a much greater contribution to the welfare of this province than many who are engaged in the private sector. I refer to activities in Health, Social Welfare, Education, and so on, that these activities are indeed in many many ways much more productive and much more necessary and useful than a great deal that we see going on in the private sector today.

As a matter of fact I would suggest that a great deal that goes on in the private sector today is very wasteful. If you want to see waste, you look at the private sector and that's where you'll see waste. You know, we've got a system whereby we have excessive advertising, we've got all kinds of useless products being pushed, cosmetics, ad nauseam of one variety or another. I'm not against the use of cosmetics but the ad nauseam, the pushing of one brand of cosmetics over another, I would suggest is not that vital to the well-being of the Province of Manitoba or to the society. There are all kinds of junk foods that are being produced, all kinds of waste, and talking about banks —(Interjection)— the Member for Minnedosa is talking from his seat. You know, I would say in the entire retail sector that we have excessive retail outlets which is a misallocation of resources, which is a waste of resources. Really, we have too many branch banks in Canada . . .

MR. BLAKE: . . . just serving the public.

MR. EVANS: . . . we have too many branches of banks, in fact we're the most banks' people of any in the world, we have more banks per thousand people or fewer people per bank branch than any other country in the world.

MR. BLAKE: Providing the public service at cost.

MR. EVANS: And as a consumer I guess it's okay but I am saying that that's a misallocation of resources to have excessive numbers of bank buildings or excessive numbers of service stations, or what have you. So indeed there is a lot of waste to be found in the private sector. In fact, the waste that occurs in the private sector would cause any waste that exists in the public sector to pale into insignificance. What is wasted in the public sector because it's much smaller than the private sector, pales into insignificance. —(Interjection)— It's not Cy Gonick. It's . . .

A MEMBER: I'll dig up one of his speeches. . . I'll dig up one of his speeches. . .

MR. EVANS: Well, you can read any observer of modern society and he'll tell you we're living in a wasteful society. —(Interjection)— Three minutes? Thank you, Mr. Speaker. I'm running out of time.

I just want to state in conclusion then, Mr. Speaker, that government spending has increased historically because of the socialization that has occurred of the educational system; it was private enterprise at one time — because of the socialization that has occurred in Medicine, the socialization that has occurred in Health, and it also occurred in this province because of transfer payments to municipalities and the transfer payments to property owners and tenants and I guess it's occurring now because of more socialized roads that are going to be built in this province.

Mr. Speaker, unfortunately the Minister of Finance has painted an overly rosy picture for the next year; the Conference Board in Canada shows that Manitoba is either going to be the lowest in terms of growth or the second lowest in terms of growth of any of the provinces, whatever statistics you look at and I'll be glad to discuss that at another occasion when I have more time.

But the budget to me, Mr. Speaker, demonstrates that we have a government that is completely misunderstanding of the economic process, that it is operating on the basis of myths, that because of this misguided government that we have that doesn't know a damn thing about economics, we're

having vital services being cut, we're having roads built ahead of services to people, we're seeing in this budget with this government, burdens of taxes passed on to the municipal ratepayers because that is happening, and they're passing on the burdens to various large groups of users in this province, whether they be users of the bus system, whether they be people who are in hospitals, whether they be people in Personal Care homes, the burdens are being pushed on them.

On top of all that their policies are creating even more unemployment and particularly among the youth and I say that the reductions in government spending that they are trying to bring about and their policies are going to reduce the gross provincial product in Manitoba. They are going to create more unemployment, they're going to cause greater loss of production in goods and services because anybody who has to stay at home twiddling their thumbs when they want to be out there and work like 17,000 young people of Manitoba want to be, cannot be productive and cannot add to the wealth of this province. So I say it is far more important to create jobs, it is far more important to have people out there producing goods and services than to balance a budget. That is simply misguided economic philosophy.

I say, Mr. Speaker, therefore, that Tory times are tough times. The people of Manitoba are finding that out and as the years ensue between now and the next election, the people will be judging, they'll be judging this government for its incompetence, for its lack of understanding of the economy, for the sheer folly of their economic philosophy and economic policies, and they will judge them for their callousness and for their lack of concern for the average Manitoban and particularly for the disadvantaged, whether they be the sick, the poor, the elderly, or what have you. And that, Mr. Speaker, will lead to their downfall in the next election. Thank you.

MR. SPEAKER: The Honourable Member for Pembina.

MR. DON ORCHARD: Thank you, Mr. Speaker. In the course of the Budget Debate, I listened with great intent and I approached the Budget Debate with no small amount of hesitation because as a newcomer to the Legislature, I really questioned as to whether I knew enough about the political system and the way that governments operated, the way that they budgeted, etc., etc., and I hesitated to participate. But

in the course of listening to some of the presentations from members opposite, particularly some of the more lengthy ones and maybe the lengthiest one yet, I have no hesitation at all in participating.

The reasoning and the rationale behind the ND Party's economic theories would quickly, devastatingly lead this province into financial disaster. And they, in their commending of the deficit financing, creating jobs, they have no concern for the job experience that's gained by their make work projects. They consider painting a garden fence to be an excellent worthwhile summer occupation and full of job recommendation for future. Our job program as spelled out in the Budget by the Honourable Minister of Finance has given some 2,000 job potential to young people, to businessmen, to farmers, where they can be taken into the productive job labour force, given some training that will help them to be gainfully employed for the rest of their lives — not painting fences as our friends opposite would have, but gainfully employed in business and in worthwhile occupations.

I really must commend the Honourable Minister of Finance, Mr. Craik, for a Budget which, I think, dealt with the situation in Manitoba today very adequately, Mr. Speaker. He has developed a tax credit program, tax reduction program which has something for all Manitobans and, fully in view of the restraint that is necessary and very essential to the salvation of this province. I commend the man on a Budget which was difficult to come up with but he did a resounding job.

Now, over the past few days in the Budget Debate we've heard a number of whines and complaints and cries of foul from members opposite. We've heard the "big lie" theory, the reference to a smear campaign, particularly yesterday the Member for Elmwood made no end of reference to the smear campaign that we were using, that the government backbenchers and government members had nothing else to resort to but a smear campaign against the former government. Well, you know, some people would call it a smear campaign, but most intelligent Manitobans would call it a truth campaign. Because, you know, the truth is painful, Mr. Speaker, and when the facts of mismanagement and fiscal irresponsibility come full force to the public, certainly it hurts and certainly, if I was sitting on that side and had the wretched record behind me that they have, I'd be complaining about a smear campaign too, because the truth really does hurt.

My colleagues and I are only interested in setting the record straight for the people of Manitoba, for the voters. Now the Leader of the Opposition, and I'm sorry he's not here, but the Leader of the Opposition has been particularly sensitive to criticism of the last short while. We've had numerous occasions upon which the Leader of the Opposition has chosen to defend his personal record. As a matter of fact I've been tempted to go over and check and see if his seat, perchance, might be spring-loaded — he's jumping to his feet so often in courses of our factual presentations over here — but I can't really condemn the man for his spring-loaded jumping to his feet to defend the record. He has to defend the record. He has to try to defend the record would be a better way to put it, no matter how desperate the efforts may be — no matter how desperate.

It would almost make you think that, if you'll pardon the expression, he would like to leave a lily white record of his past performance in the province, but that is a little difficult at this stage of the game. He should have thought of his lily white record some six, seven years ago in the start of his

administration. But then maybe he wants to make the record very, very clean because he has maybe some ulterior motives in politics, and maybe the Leader of the Opposition might find the pastures a little greener further east in that great Town of Ottawa. And maybe we'll find out shortly whether the Leader of the Opposition will or will not be with us. —(Interjection)— Yes, could well be.

Maybe if we're fair to the man, the Leader of the Opposition, we should give him credit. He really probably belongs in the Ottawa political scene — a political scene where restraint is a 10 plus percent increase in the Budget. That's the kind of restraint that the former premier would very much enjoy and very much like to administer. He doesn't really like to see the kind of restraint that we on this side of the House see fit as to bring the fiscal policies of the province in line. He doesn't like to see a 3 percent increase in Budget because it further hurts the record that he is trying to defend in some of his 18, 20 percent increases in Budget from year to year.

But, in all fairness to the Leader of the Opposition, I'd very much like to help him defend his record, and we've got an excellent document in here to help the former leader of this province, the Member for Rossmere, to defend his former government's record. We've got that vulnerable document of facts and figures, the Task Force Report. I'd like to refer honourable members opposite to Page 29 of Volume 1 of the Task Force, and we can see from Table 1 the trend in fiscal responsibility demonstrated by our honourable members opposite and how they did such a credible and good job of running the government.

We can start out with 1970 as being the first year that our honourable friends opposite were in government and brought a Budget down. Well, what did we see? We saw a 21 percent increase in government expenditures over the previous year. Then we go to the next year and it's an 18 percent increase. Now here's where the Leader of the Opposition political credibility — two years into his fourth year Administration he says — I can hear it rumbling in the backbenches and they're starting to decide in Caucus how they're going to win the next election and they say, "Boys, we're only two years away from an election so let's pull the old deceit trick, and let's only increase the Budget by 14 percent next year, and then the next year we'll bring in a Budget only 11 percent bigger and we'll give the impression to all Manitobans that we're trying hard to keep costs under control, and maybe that'll get us by the next election" — and sure enough, it did.

Then immediately after 1973 Budget, where there was some 11 percent increase, we immediately see 1974 back to the normal ND Party spending habits — 19 percent increase over the previous year, 22 the next year, 22 the next year, and then all of a sudden we fall into election jitters again, and here comes the Budget for 1977 with a meagre 13 percent increase, trying to woo the public. Let's fool them a little bit and let's try to get elected again.

But, honourable members, we know that didn't work this time. We know that didn't work at all, as demonstrated on October 11th. The people of Manitoba had said that from 1974 through to 1977 that an \$8 million deficit, a \$55 million deficit, a \$98 million deficit and an \$82 million deficit did not indicate fiscal responsibility to govern the province and they put the boots to you, and rightfully so. —(Interjection)— That's right. That's what I said. The people of Manitoba put the boots to them — that 49.5 percent, or whatever that figure is.

Now, you know, I have to give the Leader of the Opposition a certain amount of credit because he did try to bring spending under control, and I only question his motives from the very timeliness of a slow-down of his increase in expenditures being so nicely timed with election time. That's maybe coincidental. But then, if we follow through the logic of members opposite wherein they described our election campaign last time as "the big lie", I believe has been used by members opposite, well, I would question whether the little gimmicks that the Honourable Leader of the Opposition and his ND Party of the last eight years were pulling off every election time might not be described as "the big deceit" policy. Let's fool them into thinking that we're doing a good job, that we're going to try to put the clamps on expenditures. Just for election year we'll drop that increase to 10.8 percent and we'll fool the public — "the big deceit" policy. Gentlemen, it worked once. It didn't work the second time, and I have to agree with the Member for Lakeside, never again. No longer "the big deceit" policy from the ND Party.

Now, we hear the Leader of the Opposition in his two hour tirade the other night, he tried to justify these increases in government spending, these deficits that have been pushed upon the taxpayer of Manitoba by saying, "Look, you fools, look. Can't you understand? In the time that we were in power the gross provincial product went up tremendously. It doubled in our term in office. We did a fantastic job. And, of course, because the GPP doubled, we had to spend a little more money."

Well, that brings me to my next example then. Page 30 out of the Task Force Report, Table 2, gives us a little idea of just how responsible that argument is from the ND Party's Leader — the Leader that you can trust. Consider 1970, we had a 5.2 percent increase in the gross provincial product and at the same time we had a 21 percent increase in government spending. Is that the kind of fiscal responsibility that the taxpayers of Manitoba voted for? And following through we've got 9.4 percent increase in GPP in 1971, 18 percent increase in government. There's only one year, one year, honourable members of this Assembly, where the Leader of the Opposition and his fiscal policies were responsible and that was 1973. There was a 19.6 percent increase in GPP in 1973 — that was an election year — you've got the trend. And at the same time he only increased his expenditures 10.8 percent. If we go to Table 4 on Page 32 we find that 1973 is the only year in the last six years of NDP Administration where they had a surplus Budget, and, gentlemen, they take credit for that. They take credit for that and they brag and they tell us what a wonderful job of administration they have done.

But I want to point out where that Budget surplus came from in 1973.

If we refer to another document here, which I think is fairly important in consideration of our gross provincial product from say about 1973 on to 1976, if we take the 1976 yearbook of Manitoba Agriculture, and the Honourable Member for Ste. Rose will want to note this, I think, with quite an interest seeing as how he's deeply involved in Agriculture.

Now 1973, I wouldn't like to use such terminology on the ND Party, but I think 1973 was a fluke for them. They lucked in. They got a Budget surplus of some \$14 million on the heels of a \$17 million deficit in 1972, and they really lucked in. It would have been a continuous trend of six years of deficits in a row had it not been for one sector of Manitoba's economy. And, gentlemen, can I ask you what sector that is? Agriculture. Agriculture has been suggested.

Now following my arguments here, and I'll present some facts and I know that the Honourable Member for Ste. Rose will take these directly to Caucus and soothe the tired blood over there with a few facts and figures that are correct. 1970, 1970 on Page 49 of Manitoba Agriculture Handbook for 1976: 1970, the total production value in the Province of Manitoba was \$459 million; 1973, total production of agricultural products in Manitoba was \$1,000,000,290.00. That's roughly a multiple of three — a multiple of three. Now, let's carry that through and, as I say, I don't like to accuse the ND Party of lucking in and pulling off a fluke on getting that Budget surplus in 1973, but let's follow through to one of the last pages in this farm handbook to Page 104, and let's take a look at what happened from 1970 to 1973 in terms of Farm Net Income. In 1970 farm net income was \$110 million. Do you know what it was gentlemen in 1973? It was \$374 million. More than triple. And what I would offer as a suggestion to honourable friends opposite is that's where they managed their budgetary surplus. Never before in the history of this province had so much income tax been collected from the farm community and that gave them not only a balanced budget but a surplus budget. They fluked in; they fluked in.

But what does our Honourable Leader of the Opposition say? We have been fantastic at managing the economy. Everything we've done has worked out perfectly. We take credit for everything. And what it was — we know on this side of the House — it was the farm economy and the free market system that gave us the prices and the production to raise the gross production in agriculture to triple what it was just three years before and to raise the net farm income to more than three times what it was before. That's the place where that government derived their budgetary surplus from, not to the credit of any of their administration policies but they fluked in, they lucked in, they had a bingo year.

Now, if I might just point out for honourable friends opposite who are very much interested in agriculture as is evidenced over there because they all eat. Now if we go to Page 49, I want to point out a few things here. We have crops in 1970 at \$233 million. Now that includes wheat, oats, barley, food grains, rough grains, gentlemen. Now in 1973 that had increased to \$929 million — that's four times the production. Livestock did not follow a similar trend because hog production for some strange reason, under their administration decreased, I don't know why, but hog production just didn't keep up its end in the livestock. And another key area is the other crops. From 1970 to 1973, they went from \$3 million to \$6 million and then if we go to 1976, they went to \$10 million. Now those other crops, for the benefit of honourable members opposite, those other crops were such things as corn, sugar beets, a few of the specialty crops and do you know what? Black beans lost money, the Honourable Member for Winnipeg Centre, that lost money. That cost the taxpayer of Manitoba a lot of money. Had it not been for black beans, if it were not for black beans in 1975, we might have had another million dollars in production value in the Province of Manitoba. I'm glad you pointed that out because these figures are erroneous, they don't take into consideration the mismanagement of the black bean account that the members opposite and former Minister of Agriculture went through. That kind of mismanagement isn't included in the facts.

But what this points out, for the members opposite, what this points out for them is the very great importance of agricultural crop research in developing new cropping trends for the Province of Manitoba, an area that our federal friends in Ottawa under the Liberal administration, that other administration, has not recognized as being valuable to the farming community and to the economy of the country and the economy of Manitoba, Saskatchewan and Alberta, and neither did our honourable friends opposite. The former Minister of Agriculture probably did not know the meaning of agricultural research and its true value. He didn't have his Deputy Minister properly fill him in on it and that's a crime because that is a source of triple the revenue and it's going up every year because of new crops.

I'd like to expand a little bit more on this increase of the gross provincial product as it came directly from agriculture because I think honourable members opposite would appreciate getting the facts straight and knowing what they're voting on in Agricultural Estimates, for the Member for Ste. Rose in the future, this one sector of agriculture. Now the figures I've given you are the figures of direct farm production. They don't include the multiplier effect of farm production as it applies in increased transportation, increased grain handling and hauling. It doesn't include the increased banking that's being done because of the increased dollars that are going through farm accounts. It doesn't include the increase in business done by the service sector, servicing agriculture and that includes the fertilizer industry, the chemical industry, the machinery dealers, the machinery manufacturing, the grain storage construction industry, the housing construction, because a lot of farmers because of that little bubble in income renovated or built new houses. Those benefits from the increased production in agriculture are not figured in to the 1976 year book of Manitoba agriculture. What I'm

trying to point out to members opposite is the true value of agriculture and what it has done to them to make their administration in 1973 look like it was somewhat responsible when in fact it was totally irresponsible had it not been for agriculture, the contribution from agriculture, they would have run another deficit but instead they lucked in and they had a surplus.

I want to point out to honourable members opposite that that contribution directly from agricultural production was accomplished by some 33,000 farm units, 33,000 primary producers did that. Consider one other sector in our economy that does so much with so few people. It's a fantastic industry; it needs the nurturing and the fostering of the type of administration that the Progressive Conservative Party can provide in government. Vis-a-vis this tremendous increase that occurred to the NDP government in 1973 from agriculture — directly from agriculture — what did they do? What did they do in their administration to reward the farming community for their tremendous input into the financial stability of the province? What did they do? Well, first off, they went full-tilt into the state farm project. We have to have farms to compete against those free enterprisers out there so we're going to buy a bunch of land and we're going to put it into our state farm program. That's the first thing they did for the farming community. The second thing they did they built, the government garage is one example, and numerous other projects instead of putting the dollars directly into the road system, a road system very much needed in rural Manitoba to get products to market, to get people to their business meetings so that they can carry on the business of farming a lot better. They didn't put any money into roads — heavens no. What a waste of money and, as a consequence, today we've got a road system that in 1969 was one of the best in the western provinces and now is the worst one but that didn't matter to our honourable members opposite when they were in government. Let the country people starve. We don't have any members out there; we don't have any obligation to those people. But, these wasteful programs where they would spend money on government garages and other programs and nefarious schemes and wizardry instead of spending them on drainage and roads and agricultural research, what did that get for them? What did that get for them in the last election? —(Interjection)— That's right, we retained the Honourable Member for Ste. Rose; we retained him. But, with all the leadership you can trust in agriculture, with all the leadership you can trust in agriculture, the voters in the farming communities saw fit to vote in a solid agricultural representation to the Progressive Conservative Party and they not only did that but they removed three of the fringe areas of agriculture held by two of the former Cabinet Ministers. That's the kind of response the people of Manitoba did to thank the NDP government for their wonderful agricultural programs.

And because of their dedication to help the farming community and because I have already mentioned that our administration is definitely going to do something for the farming community, I don't say with any hesitation at all, that the Member for Springfield, the Member for Dauphin, the Member for Gimli will all return next time because they know which government is most responsible to handle programs for the farming community. Our members will stay.

Now, I get a little tired of the Leader of the Opposition's very defensive, very defensive program. He's developing all kinds of statistics and trends and he says, "Well, you know, our deficit was completely legitimate. I mean, every province was doing it. Look at Ontario. They deficit finance far worse than we are." And he brings out the classic example that in the term of his administration that the Manitoba bond rating system went up to AA after six years of ND administration. It went up to AA and at the same time he's berating Ontario for their horrible deficits, their uorrible overspending, their terrible mismanagement but he failed to mention to this House that Ontario's bond rating is AAA despite all that mismanagement and ours is only AA under their administration. Shocking, shocking, half-truths, half-truths, misleading information, traditional facts.

Another thing that he fails to mention when he's mentioning this AA bond rating that the Province of Manitoba received after six years of ND administration was the very fact that during those six years three of them were the best agricultural years that this province has ever enjoyed with the greatest increase in gross provincial product, the greatest increase in net revenue to the farming community. Those all helped to make an administration viable and to give a province a good financial base. He didn't mention that.

He also didn't mention that in the period of his administration that the farm retail values, land values, had gone up and as a consequence every municipality had a reassessment. Some of them went up 30 or 40 percent and those helped to make the province look much much more stable and sound financially. He didn't mention that because that might not look like he did as good a job if there were some legitimate reasons for AA rating under his administration rather than the bungling that they were going through.

But I don't really want to take too much more time in some of the Leader of the Opposition's questionable comparisons between provinces. He also likes to compare to Alberta and what a wasteful spending province Alberta is and how just horrible spenders they are, they're the highest per capita spender in Canada. But what he fails to mention in Alberta is that Alberta has more land under irrigation than any other province in Canada. Alberta has the best road system of any province in Canada and the greatest number of road systems. Do you members opposite realize that in Alberta they are farming at the level of Flin Flon and there is a road system developed that far north throughout the whole width of the province not just through a narrow corner like we have. They have airports into all major communities and jet ports into all major communities in Alberta. There is some of the responsible spending that Albertans do. And he forgets to mention one very pertinent fact.

When you have the dollars, you spend them, and Alberta currently has the money to spend and they are doing an excellent job of it, an excellent job of it.

MR. SPEAKER: The Honourable Member for Elmwood.

MR. DOERN: I'd like to ask the member whether he would yield to a question.

MR. ORCHARD: Could I yield to a question after I finish my delivery? Okay, I'll yield to a question. You'll take this into note on . . .

MR. DOERN: Well, Mr. Speaker, I just would like to ask the honourable member if Kuwait and Saudi Arabia do not have the same advantages?

MR. ORCHARD: Not being a learned man in the economic situation of the world, I would have to take that question as notice and provide the member opposite with the proper facts. I wouldn't want to make a statement that might incriminate my lack of knowledge and I just can't consider answering that.

Now getting back to some of the specifics in the Minister of Finance's Budget. I have to once again wholeheartedly commend the Minister of Finance for a budget which met many of the concerns and needs of the people of this province. The first one that I want to bring out — and this is getting back to the recognition of who creates some gross provincial product in this province. The agricultural community does, I've already established that. And what is one of the items in the Budget Speech? It involves removing the restrictions on farm licensed trucks to burn purple diesel fuel. Now members opposite and particularly I wish the Member for Lac du Bonnet was in the House because I know that that move to make purple diesel fuel legal in tandem trucks and farm licensed tractor-trailers, he must think that's a totally incredible move, that's such a strange thing. We have done that in six short months of administration and it is my knowledge that they were presented with that particular amendment to the Motor Fuel Tax Act five years ago. And did they do anything about it? No. Let's sit on it; we don't have any seats down in rural Manitoba; we don't have to do anything for them. So they left it up until a responsible administration came in to rectify the problems in agriculture and that's one of them — cost of production.

At the same time, I give the of Minister of Finance full credit, full credit, for taking and giving municipalities full tax exemption on colored diesel fuel for off-road use, instead of the incredibly complex bureaucratic, red-tape system that the members opposite stuffed on them for the last several years. We've solved the problems and we're simplifying the bureaucracy and we're giving them what they deserve — non-taxable fuel on off-road equipment.

Take another prime example, another prime example, and I alluded to this in the Throne Speech Debate. Our friends opposite have a conception of the free enterprise system and the private sector as those multinational giants of INCO, Great-West Life, etc., etc., etc., and at the same time, they don't recognize the small intermediate sized corporation. That was very obvious by that very delightful tax they brought in, that corporate capital tax. That delightful tax that taxed even your accounts receivable in the bank and they had a limit on it of \$100,000.00. Anything above \$100,000 was subject to the tax. Now, that was really getting at the big multinational giant — \$100,000 in assets. We've got to get those guys the NDP must have said. We have to put those corporations in their place.

And what did we do? Responsibly, to those business people we have raised the limit to \$500,000, and what that did in terms of the taxation picture is it removed 70 percent of the taxable corporations from the taxable area. The small and intermediate corporations who provide the majority of the employment in this province are no longer subject to that rather complicated and rather unuseful tax should we put it, regressive tax is the remark I wanted to make, and all it did was reduce the total tax revenue intake by some 13 or 14 percent.

Now that is responsible budgeting from this side of the House, from this party, contrary to the type of blatant — I almost would like to quote the Minister of Highways in his description of the ND treatment of the private sector, but I hesitate to do so. — (Interjection) — Quote him? I can't, I just can't do that.

But at any rate another thing that came up in the Budget measure which is very important, very important, and shows the direction and the consideration that this government gives to the conservation of energy; namely, the removal of the sales tax from insulation no matter who buys it, no matter what it is used for. In other words we are saying that conservation of energy is good whether you are in business or living in your home, and I think that that is a fantastically responsible decision made by the Minister of Finance in developing the Budget.

At the same time he has removed the sales tax from that other major heat saver; namely, the triple-glazed window and triple-glazed door. And what for? To help this province save imported energy and expensive hydro.

Another area that he has very realistically and very correctly removed the sales tax from is in the unfurnished trailers, and in the modular homes, to make housing more affordable for the lower income class that those people over there said they so well represented and did nothing for, and we have done it. We have taken off the majority of the sales tax on mobile homes and modular homes, much to the credit of the Minister of Finance.

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Consider one other area that came out in the Budget just the other day. Consider the employment grants. Consider the employment grants as they relate to productive work by students in this province. Approximately 2,000 students will be employed because of the Minister of Finance's program, Employment Grant Program — 2,000 students. And what are they going to be doing? Are they going to be going out and picking pieces of paper off the parks and lawns? Are they going to be painting fences? Catching butterflies? Was that part of the program last year? That was a grant for last year, right? Okay. What are they going to be doing? They are going to be working in businesses; they are going to be working on farms; and they are going to be getting usable job experience. For the rest of their job life they will be able to refer back to last summer and indicate that they had worked in such-and-such a business doing specific duties, productive duties. And that is the name of the game when you start to talk "Employment of our Youth". Not the silly programs that the Member from Brandon East was talking about — the catch-the-butterflies, the pick-up-the-paper programs, not those — but meaningful employment in business and farms, where they have something to latch onto and something to use in the years down the road.

Take one other item in the Budget — senior citizens, senior citizens. We are the people, according to the ND Party in the last election, who would throw the senior citizens out on the street. Who wouldn't do a thing for them, and what have we done already? We have added another \$100 to their property tax credit to bring 75 percent of the old senior citizens living in their own homes a completely free of education tax. If that isn't responsible government, I don't know what is. Truly responsible!

That Budget, in my estimation and view, and I will wrap up in a couple or three minutes, if that would be possible. That Budget was a truly responsible document from a truly responsible Minister of Finance, representing a truly responsible government. It has something in the Budget for each and every citizen of Manitoba, whether he be a senior citizen, to the working man, to the farmer, to the businessman. Everyone in this province gains something.

MR. SPEAKER: Order please.

The hour being 12:30, the Member will have only three minutes left unless the House gives him permission to complete his statement now. (Agreed).

MR. ORCHARD: Thank you, Mr. Speaker. I will wind up in three minutes.

No, that Budget combined an \$85 million tax saving to every Manitoban, very very worthwhile tax saving to every Manitoban. It provided something for each and every Manitoban as I have mentioned from senior citizen to working men, to businessmen, to farmer. It provided an awful lot to the students of our province — 2,000 jobs for this summer. Highly commendable from that aspect.

I would just at this point in time want to put my strong and thorough commendation on the record for the Minister of Finance in that he had the infinitely great ability to inherit the financial mess left on October 11th, and turn it around into a Budget with something for everybody, with a Budget that is taking in the needs of the farmer, in road construction — much needed and delayed road construction. It is a Budget which, honourable members of this Chamber, was in tune with the needs and the aspirations of many many Manitobans. It was in tune with the need for restraint — a 3 percent increase in Budget compared to, if we were to follow the suggestions of honourable members opposite, would have to be a 20 percent increase in Budget to build all these public works projects that are going to employ all the people. We have kept our Budget spending down — 3 percent increase, well under the inflation rate. And it is in tune with the need to eliminate the nuisance tax structure left to us by the legacy of the ND government, and it is a Budget which is going to stimulate the economy of this province, stimulate the individuals of this province, giving them more disposable dollars, giving them tax breaks on inputs that they need to save dollars down the road; namely, insulation; gives them the opportunity to buy a mobile home at a reduced tax price. The Budget truly has something for everyone and I want to put myself strongly on the record as highly endorsing that Budget. Thank you, Mr. Speaker.

MR. SPEAKER: The hour being 12:30, I am leaving the Chair to return at 2:30.