

**LEGISLATIVE ASSEMBLY OF MANITOBA**  
**Thursday, 15 May, 1980**

**Time — 2:00 p.m.**

**OPENING PRAYER by Mr. Speaker.**

**MR. SPEAKER, Hon. Harry E. Graham (Birtle-Russell):** Presenting Petitions . . . Reading and Receiving Petitions.

**PRESENTING REPORTS BY STANDING  
AND SPECIAL COMMITTEES**

**MR. SPEAKER:** The Honourable Member for Wolseley.

**MR. ROBERT G. WILSON:** Thank you, Mr. Speaker. I beg to present the first report of the Standing Committee on Economic Development.

**MR. CLERK, Jack Reeves:** Your Committee met on Thursday, May 15, 1980 to consider the Annual Reports of Moose Lake Loggers Ltd. and Channel Area Loggers Ltd.

Mr. Orville H. Minish, President and Chairman, and Mr. R. Kivisto, General Manager of Moose Lake Loggers Ltd., and Channel Area Loggers Ltd., provided such information as was required by members of the Committee with respect to the companies.

The Annual Statements of Moose Lake Loggers Ltd., and Channel Area Loggers Ltd., for the year ending March 31, 1979, were adopted.

**MR. WILSON:** Mr. Speaker, I move, seconded by the Honourable Member for Portage that the report of the committee be received.

**MOTION presented and carried.**

**MR. SPEAKER:** Ministerial Statements and Tabling of Reports . . . Notices of Motion . . . Introduction of Bills.

**INTRODUCTION OF GUESTS**

**MR. SPEAKER:** Before we proceed, I should like to draw the honourable members' attention to the gallery where we have 50 students of Grade 4 standing from Southwood School in Steinbach. This school is under the direction of Mr. Richard Goertzen and is in the constituency of the Honourable Minister of Fitness and Amateur Sport.

We have 31 students of Grade 11 standing from Deloraine Collegiate, under the direction of Mr. Bob Caldwell. This school is in the constituency of the Honourable Minister of Agriculture.

We have 45 students of Grade 11 standing from Sisler High School, under the direction of Mr. Max Brown. This school is in the constituency of the Honourable Member for Inkster.

On behalf of all the honourable members, we welcome you here this afternoon.

**ORAL QUESTIONS**

**MR. SPEAKER:** The Honourable Member for Inkster.

**MR. SIDNEY GREEN:** Mr. Speaker, I'd like to direct a question to the Honourable Minister of Finance. In furtherance of his government's program of targeting in on impoverished people, is the Minister intending to alter the Medical Care Program so that it is available only to the poor and with people above the poverty line having to pay their own medical expenses, rather than having them paid socially as is presently the case?

**HON. DONALD W. CRAIK (Riel):** Mr. Speaker, that's for next year's budget.

**MR. GREEN:** Mr. Speaker, for next year's budget, may I ask the Minister whether it is the intention of the Minister of Finance in furtherance of his policy of targeting in on the poor people through a means test, whether it is his intention to alter the hospitalization program, so that those who can afford it will bear their expenses individually and those who can't will pay it on the basis of a needs test. Is that also his intention for next year's budget?

**MR. CRAIK:** Mr. Speaker, my first reply was a facetious reply to a facetious question and to reply to the member's second question would be equally facetious.

**MR. GREEN:** Mr. Speaker, since the Minister has gone beyond the realm of facetiousness in his stated program in this Budget, may I be advised from the Minister whether it is the government's intention to alter the educational program so that individuals who can afford it will pay for their own elementary and secondary education, and those who can't will have it provided by the state. Is that his intention in next year's budget?

**MR. CRAIK:** Mr. Speaker, it's highly unlikely, but if there is a government policy change to be announced it will in due course be announced.

**MR. GREEN:** Mr. Speaker, I would like to direct a question to the Minister of Economic Development, who appears to want to answer some questions and I haven't given him the opportunity to do so, so I will now.

Is it the Minister's intention or is he considering using the taxpayers' money to invest in an aircraft industry in Gimli?

**MR. SPEAKER:** The Honourable Minister of Economic Development.

**HON. J. FRANK JOHNSTON (Sturgeon Creek):** There is no intention of that at all at this time, Mr. Speaker. I have informed the House that there will be no negotiations with the aircraft company in Gimli until they come to us with a specific proposal and they're financing, etc, if the aircraft is viable.

**MR. GREEN:** Mr. Speaker, is the Honourable Minister saying that if there is a positive feasibility study — and I remind the Minister that there was one with regard to Saunders Aircraft — that the

government . . . Mr. Speaker, I'm talking about a positive . . . The Minister has referred to a feasibility study of viability, on which there was such a document with regard to Saunders. Is the Minister saying that he will consider putting public money into an aircraft industry in Gimli if such a study is received?

**MR. JOHNSTON:** Mr. Speaker, if the feasibility study which will be examined by the federal government, who are basically the experts on aircraft industry in feasibility in Canada, we have to rely on their expertise and it would have been much better if the previous government had relied on some expertise of the federal government. Mr. Speaker, I can also say that this province will not really have any negotiations in any way, shape or form until the company gives us their proposal; and certainly we won't do what the previous government did — put 40 billion into an uncertified aircraft.

**MR. SPEAKER:** The Honourable Member for Radisson.

**MR. ABE KOVNATS:** Thank you, Mr. Speaker. I would like to direct my questions to the Honourable Minister of Labour to follow up on some questioning yesterday from the Honourable Member for Churchill concerning the Dominion Bridge Company. Can the Honourable Minister advise whether the company does expect any major layoffs to occur in the next short time.

**MR. SPEAKER:** The Honourable Minister of Labour.

**HON. KEN MacMASTER (Thompson):** Mr. Speaker, I wish I had been here yesterday, I might have put some of these silly stories that are raised in an alarmist fashion by members opposite. No, Dominion Bridge does not plan any major layoffs and to the best of our records they have not had a major layoff in the last ten years.

**MR. SPEAKER:** The Honourable Member for Radisson with a supplementary.

**MR. KOVNATS:** To the same Minister, has the Department of Labour ever received any notification from Dominion Bridge about the possibility of a layoff?

**MR. MacMASTER:** Yes, I have, Mr. Speaker, there's been notification given by the company because you must appreciate the company operates on a large contract basis and notification has been given to us of the possibility of it this year and now we have been informed that large contracts are coming in. We were given notification in 1979; notification was received by the Department of Labour in 1978; notification was received by the Department of Labour under the NDP government in 1977; and the same type of notification was given in 1976.

**MR. KOVNATS:** Can the Honourable Minister advise whether the staff have been advised or apprised of a possible layoff?

**MR. MacMASTER:** Because of the alarm that's been spread by stories of no founding by the members opposite, the company is now advising all their employees personally, who I should say, Mr. Speaker, people who work in the plant, who know what the situation is and who were somewhat shocked to find the types of announcements that were being made and suggestions that were being made in this House. The company is now in fact going around confirming with them that there is not a problem this year.

**MR. SPEAKER:** The Honourable Member for Fort Rouge.

**MRS. JUNE WESTBURY:** Mr. Speaker, my question is addressed to the Minister of Finance or the Minister of Community Services. This refers to the 4 million budgeted for day care services in the budget. Would the Minister please tell us then, is the total estimated amount for day care in 1980, 9.4 million?

**MR. SPEAKER:** The Honourable Minister of Community Services.

**HON. GEORGE MINAKER (St. James):** Mr. Speaker, in answer to the question, the total amounts of money that are available for day care and noon and after school care will total some 9.4 million.

**MRS. WESTBURY:** Could the Minister then indicate — there is already money for noon and after school programs under general purpose grants, I guess. If that is included then the total with 4 million added comes to more than 9.4 million. How much of this does he anticipate will be spent in the year 1980?

**MR. MINAKER:** Mr. Speaker, the additional program will be implemented in September of this year and it will depend on the demand how many dollars will flow into that particular program. As the honourable member is aware, it will take time for different groups to come forward and to become organized to handle the spaces, so they will be offered as of September 1.

**MR. SPEAKER:** The Honourable Member for Fort Rouge with a final supplementary.

**MRS. WESTBURY:** Yes, I would like to know how much the Minister anticipates will be expended in the year 1980. He says if people come forward it will be spent. Also, I want to know how much of that 4 million is recoverable from Canada, please.

**MR. MINAKER:** Mr. Speaker, we have to allow provision that the full amount will be taken up in our budget in anticipation that it will, but past performance has indicated that doesn't necessarily happen, so the full amount is provided for in this year's budget addition.

I would have to say to the Honourable Member for Fort Rouge that it's difficult to anticipate the exact amount that will be cost-shared with the federal government because of the portion that will be allotted to the Noon and After School Program that

is, at the present time, not cost-shareable with the federal government.

**MR. SPEAKER:** The Honourable Member for Dauphin.

**MR. JIM GALBRAITH:** Thank you, Mr. Speaker. I have a question for the Minister of Finance. Could the Minister advise the House if he has any indication when the 190 workers at the ManFor Plant at The Pas may be recalled?

**MR. SPEAKER:** The Honourable Minister of Finance.

**MR. CRAIK:** Mr. Speaker, in reply to the Member for Dauphin's question, we've been advised by the corporation that the work force that was originally notified of a four-week layoff because of the soft market in lumber, will be called back a week early for May 20, rather than a week later; and that there has been some firming up of the lumber market but there is still some softness there as well. At this point in time the corporation feels confident that they can move ahead again with the full complement of employment.

**MR. SPEAKER:** The Honourable Member for Rossmere.

**MR. VIC SCHROEDER:** Thank you, Mr. Speaker. A question for the Minister of Finance with respect to the savings in interest charges to school boards as a result of accelerated payments by the province. Could he advise the House as to the amount of savings it is anticipated that school boards will incur in their fiscal year, 1980, as a result of the changes announced by the government in the budget?

**MR. SPEAKER:** The Honourable Minister of Finance.

**MR. CRAIK:** Mr. Speaker, I don't have the numbers here. The amount announced was 4 million and I believe that is probably for a full year of costs. Whether the full amount would apply in total to 1980, I can't reply to that specifically although I believe that is the case. Since the normal advancement procedure was to bring 40 percent of the year's total into April, we'll still be pretty close to reaching that date, so there shouldn't be a large difference from the total of 4 million indicated.

**MR. SCHROEDER:** Thank you, Mr. Speaker. Again to the Minister of Finance. Is he then saying that the 40 percent payment, which would be ordinarily payable in April now with the amendment, that 40 percent will be paid now or shortly, within the next several weeks or months?

**MR. CRAIK:** Yes, Mr. Speaker, it'll apply this year. It's obviously missed the April date already but it will take effect this year so the savings will occur this year.

**MR. SCHROEDER:** One final question then, Mr. Speaker. Could I ask the Minister where this 4 million shows up as an extra expense by the province?

**MR. CRAIK:** Mr. Speaker, it turns out it's contained totally in the Finance Estimates that are contained either in the Main Estimates or in the Supplementary Supply.

**MR. SPEAKER:** The Honourable Member for Churchill.

**MR. JAY COWAN:** Thank you, Mr. Speaker. My question is to the Minister of Labour. In response to questions earlier in this question period, is the Minister now prepared to comment on plant closures that were mentioned yesterday at Custom Profile or layoffs that have taken place this year at Ray-O-Vac, Behlen-Wickes, and Bell Foundry, to name but a few?

**MR. MacMASTER:** I can check out those particular companies, Mr. Speaker. I do know that there were companies made reference to that are in the farm implement business and I think the Member for Churchill should be made aware, somebody in his caucus should tell him that there is a problem in the farming community in Manitoba today which is having disastrous effects, or possibly disastrous effects, for the farming people and also the industrialists that work in making up the equipment and the machinery that supplies that farming community. I don't think that we should be coming up with alarmist-type statements in the House such as was made yesterday. I don't think it does anything good for the men who are working in the plants and I don't think it does anything good for their families who sit at home and read and hear this type of nonsense that was spit out here yesterday.

**MR. COWAN:** To the Minister and to the First Minister who is intent on making remarks from his seat, Mr. Speaker, may I just ask the following question? Can the Minister confirm that the plant closures that are taking place at Custom Profile are taking place in regard to the disastrous economic situation that is facing the housing industry in the province of Manitoba; and that the layoffs that are taking place at Ray-O-Vac and Behlen-Wickes and Bell Foundry have very little to do with farming per se but are taking place because of the disastrous economic conditions that are faced in this province because we do have a problem, Mr. Speaker. We have a problem in this province and it's the provincial government that is a problem and that is creating situations that are forcing closures and layoffs . . .

**MR. SPEAKER:** Order please. Order please. The Honourable Minister of Labour.

**MR. MacMASTER:** Mr. Speaker, we get into the famous NDP line of questioning. They give a whole list of problems and then when you start picking it apart you find that today, now, the Member for Churchill has decided wisely, one day later, to forget about Dominion Bridge. Today, Mr. Speaker, he has decided to forget about most of the farm implement companies but I think he should deal with the Behlen-Wickes thing and he should again get somebody in this caucus to tell him what they produce.

**MR. SPEAKER:** The Honourable Member for Churchill with a final supplementary.

**MR. COWAN:** Mr. Speaker, I would only direct the Minister to look at the Hansard . . .

**MR. SPEAKER:** Order, order please. Order please. If the honourable member has a question, I would ask him to put it.

**MR. COWAN:** There is a question to the Minister and I would hope the Minister would make his comments as he has made today after reviewing the record and reviewing the questions . . .

**MR. SPEAKER:** Order please. Order please. May I suggest to the honourable member if he is seeking information that he place his question before the House.

The Honourable Member for Churchill.

**MR. COWAN:** Mr. Speaker, I am seeking information. Perhaps the Minister is now prepared to comment on the layoffs that will take place at Allied Farm Equipment which is involved, of course, with the farming industry; and also if he is prepared now to comment on another layoff that has come to my attention that will be taking place next week at Strong Scott; and is he prepared to indicate what budgetary policy his government is going to put in place to stop this disastrous economic tailspin from continuing in the province of Manitoba?

**MR. SPEAKER:** The Honourable Minister of Labour.

**MR. MacMASTER:** Mr. Speaker, I'm not sure if the Member for Churchill is seeking information or seeking headlines but, nevertheless, he has to learn that the basis of the major industry in the province of Manitoba is agriculture. I think we would all sort of be wise to take a moment or two and pray that there is a little bit of rain out there or this province is going to be in a lot more troubles than the ones that the Member for Churchill has just pointed out. There's another thing on a national level, Mr. Speaker, called interest rates which is creating problems right across our country, it isn't only Manitoba that is having problems. A lot of our construction workers, for example, Mr. Speaker, have been advised not to even leave the province of Manitoba this year because Saskatchewan and Alberta are having problems, too.

**MR. SPEAKER:** The Honourable Member for Portage.

**MR. LLOYD G. HYDE:** Mr. Speaker, I have a question for the Minister of Highways and Transportation. Has the Minister given consideration to the request made by the municipality of North Norfolk that the speed limit for the Hamlet of Bagot be reduced from 90 kilometres to the 50 kilometre speed limit?

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

**HON. DONALD ORCHARD (Pembina):** I believe that matter is being reviewed by the Highway Traffic Board, Mr. Speaker.

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

**MR. SAUL CHERNIACK:** Mr. Speaker, to the Minister of Finance. Further to the answer he gave to the Member for Rossmere dealing with the 4 million of benefit to the school boards at the expense of the provincial government, in view of the fact that the Supplementary Supply shows that Enabling Vote under his department for a tax credit reform of 28,600,000, is he saying that the 4 million, approximately, of a greater expense in passing the moneys on to the school boards, is included in the 28.6 million? If not, where is it shown?

**MR. SPEAKER:** The Honourable Minister of Finance.

**MR. CRAIK:** Mr. Speaker, we'll get at the specifics of where it's shown during the Estimates of Supply. I don't bring in the books here to explain to the Member for St. Johns where something is shown during the question period. Let me tell him that it's contained, either in the supp supply or in the main estimates of finance. In the Main Estimates of Finance, there were some finance cost reductions as a result of the fact that the year-end deficit turned out to be significantly less than at the time when we were in the midst of preparing the final estimates at an earlier period during the year. As a result of the reduced costs in the financing of last year's deficit by a reduction of a large number of millions of dollars — again, without being specific, I can't tell you exactly the period of time — there was a provision in the early stages of the estimates for provision to cover the financing of that additional deficit which did not occur. It gave us some room for the programs which were introduced later on and announced in the budget this week. So the financing of them will be contained either in the Main Estimates as a result of that, or provision in the supplementary which I don't have before me, but between the two the amounts are covered.

Now, I'm not going to undertake at this point in time to try and answer it further, that can be done during the estimates review of the Department of Finance.

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

**MR. SAUL CHERNIACK:** Mr. Speaker, in view of the fact that the 28 million shown in his item in the supplementary supply seems to have been subsumed by 20 million increase in minimum property tax credit plan, some 4 million apparently under day care, some — and now the Minister is indicating that the total tax reform benefit that is in this year's budget would be the 28 million plus moneys which were asked for in the Main Estimates which the government didn't need at all. Is that the correct calculation that the Minister is leaving with us? That the 4 million . . .7

**MR. SPEAKER:** Order, order please. May I suggest to the honourable members that the Minister of Finance has made a request that these items be dealt with during the estimates. I would hope that members would pay attention to those requests and govern themselves accordingly.

The Honourable Member for St. Johns.

**MR. CHERNIACK:** Mr. Speaker, I'm sure the Minister of Finance appreciates, if necessary, your intervention but may I point out, Mr. Speaker, on a point of order, that we are dealing with a Budget Debate and the budget was presented by the Minister of Finance and for the next week we will be debating what he announced and that the very items I'm speaking about are items which he announced with a great deal of pride.

**MR. SPEAKER:** Order, order please. Since the Budget Debate is very imminent I suggest those questions be left till the Budget Debate.

The Honourable Member for St. Johns.

**MR. CHERNIACK:** On a point of order, may I suggest to you, as humbly as I can, Mr. Speaker, that we cannot ask questions during a Budget Debate when the Minister has already spoken and if we don't get the information from him, on the basis of his lengthy address and the document which he filed with us, we are unable to ask the questions during the Budget Debate. As I understand it, on this point of order, Mr. Speaker, the opportunity given to us in the question period is to ask questions, seeking specific replies of information and if we can't find out from the Minister where he has these various goodies in his budget, in his estimates, then we really find it difficult to debate the questions. So, Mr. Speaker, I would like to proceed and ask the Minister.

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

**MR. CHERNIACK:** Is he prepared before the Budget Debate continues, let's say by tomorrow, to give us a breakdown of the 28.6 million shown in his item as being tax reform credit additional moneys, is he prepared to give us that breakdown, if not today then by tomorrow, so that we can be debating exactly what is supposed to be before us for the next week, and that is the budget. Will he do that for us?

**MR. SPEAKER:** The Honourable Minister of Finance.

**MR. CRAIK:** Well, Mr. Speaker, the initial question that was asked by the Member for Rossmere was answered and the Member for St. Johns is trying to suggest now that there's a shift taking place. I answered the Member for Rossmere that it was contained either in sub-supply or Main Estimates. Mr. Speaker, whatever it is, it's there. It would appear that as far as the sub-supply is concerned that's the case, that it's perhaps entirely in the Main Estimates. That being the case, it's entirely covered off by the reduction in the finance costs as a result of the reduced deficit and no longer needing the require to borrow to cover that deficit. There was

some leeway provided by that, I expect it's entirely there.

Now, the fact that it has to be covered off in Budget Debate is not the case, this is the normal procedure for the estimates review. This is what you examine when you come to the Department of Finance. At that point you get a complete breakdown of what it's for and that will be provided. It's entirely erroneous to walk in here and say that the debate has to halt unless we have this within 24 hours, that's just nonsense. It's never been done in the history of this House; he's asking for something that is absolutely abnormal practice. He knows and everybody else knows that you go into the details of this in the estimates review. The undertaking he's being given now is that it's covered in the estimates of the Department of Finance.

**MR. CHERNIACK:** Mr. Speaker, then is the Minister intending to leave us with the impression that in presenting his budgetary changes he has actually calculated the approximate cost thereof to government and is not prepared to break it down to us until we get to the estimates of both his main department and his supplementary supply, but that in preparing this address for last Tuesday he has not put a cost and satisfied himself as to where the vote will provide the moneys with which to pay these additional budgetary items announced in his budget on Tuesday.

**MR. CRAIK:** Mr. Speaker, I'm telling the member for the fourth time, and I thought it was reasonably clear, the 4 million is covered in Finance. It's covered by the estimates of the Department of Finance. If there is any portion of it that is covered elsewhere than in the 28.6 million, it is in the Main Estimates that were provided. It's obvious in looking at this that there's probably nothing contained in the sub-supply for it, which leaves the likelihood that the entire 4 million is covered in the Department of Finance.

Mr. Speaker, now for the fourth time again, those kinds of things that he knows very well are always laid out in the estimates review.

**MR. SPEAKER:** The Honourable Member for Roblin.

**MR. J. WALLY McKENZIE:** I have a question for the Honourable Minister of Highways. I wonder, can the Minister advise if the road restrictions have been lifted on all the roads in the province?

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

**MR. ORCHARD:** No, Mr. Speaker, not on all the roads in the province. There are still some under restriction.

**MR. McKENZIE:** Can the Minister advise the House as to about when they can expect the restrictions to be lifted on the other roads?

**MR. ORCHARD:** Yes, Mr. Speaker, I am advised that we may have all the restrictions lifted by mid to the end of next week.

**MR. SPEAKER:** The Honourable Member for Churchill.

**MR. COWAN:** As it appears that the Minister of Labour blames the economic conditions on the drought or on the high interest rates, and as it appears that the First Minister in his typical paranoid fashion blames everything on subversives . . .

**MR. SPEAKER:** Order, order please. May I suggest to the honourable member that his question be one that doesn't provoke and ask purely for information.  
The Honourable Member for Churchill.

**MR. COWAN:** Mr. Speaker, well if there's been any provocation, I feel I've been the recipient of it but I will follow your advice humbly, Sir. —(Interjection)—. Mr. Speaker, finally, as it appears that most of the Ministers are content to blame everything on the federal government, my question to anybody on the government bench is, is there one man or woman there who is willing to stand up on their own two feet and accept some responsibility for governing the province and for protecting the interests of these workers who are being forced out of work because of plant closures and layoffs because of their budgetary and economic policies? Is there one that will do that?

**MR. SPEAKER:** The Honourable Minister of Labour.

**MR. MacMASTER:** Yes, Mr. Speaker, in answer to the Member for Churchill's question, though I don't believe I individually can take the responsibility, I think collectively our government can take the responsibility for the creation of 11,000 jobs in 1978, 13,000 jobs in 1979. Either one of the years equalled the last three years of the previous administration's job creation.

**MR. COWAN:** Yes, Mr. Speaker. My supplementary then is who on that side is going to take responsibility for the fact that there has been no job creation, that it has been a no-growth situation since December of 1979 in the province?

**MR. SPEAKER:** Order please. Order please. May I suggest the honourable member is debating rather than asking for information? Order please. Order please. I would hope that members would use the question period to elicit information rather than to debate. The question the member asked did not seek any information and I would have to rule it out of order on that basis. Would the honourable member care to rephrase his question?

**MR. COWAN:** I certainly would, Mr. Speaker, and I am attempting to elicit information as well as some sense of responsibility. The question is, what policy, what budgetary policy or economic policy has that government put in place in order to deal with the economic situations that confront the province's workers today and that are resulting in these widespread layoffs and plant closures? What are they going to do about it? That is a question of some extreme importance and it does seek information and I think it is worthy of a sensible and reasonable

answer instead of the provocative garbage that we have been subjected to today and that does very little for the image of this government.

**MR. MacMASTER:** I think, Mr. Speaker, the Dominion Bridge workers are more pleased with the answers they heard today than the nonsense that they heard yesterday. Mr. Speaker, with several thousand more people working in the manufacturing industry in Manitoba, I think that's a sign of the policies of this particular government.

**MR. SPEAKER:** The Honourable Member for Crescentwood.

**MR. WARREN STEEN:** Mr. Speaker, I'd like to ask a question to the Minister of Sport, who is responsible for reporting to this House for Flyer Industries, and ask him if he and Flyer Industries have taken any precautions for any anticipated changes in the Buy America clause which may affect Flyer Industries.

**MR. SPEAKER:** The Honourable Minister of Fitness and Amateur Sport.

**HON. ROBERT (Bob) BANMAN (La Verendrye):** Mr. Speaker, as many members of the Legislature know, the Flyer Industries major market is south of the border. The United States has certain clauses within their Buy America clause which right now limits us to building a 40-passenger or bigger bus. In order to make sure that those markets are not closed to us, we have taken the precautionary steps of incorporating a company in the United States, in North Dakota, in case some of the final assembly, such as Motorcoach Industries does down in Pembina, would necessitate such a facility out there. So in order that we do not lose, or are locked out of the U.S. market, we are making sure that certain precautions are taken, that we will continue to be able to produce buses for the U.S. market.

**MR. SPEAKER:** Orders of the Day.

## ORDERS OF THE DAY

### BUDGET DEBATE

**MR. SPEAKER:** On the proposed motion of the Honourable Minister of Finance, the Honourable Member for Kildonan.

**MR. PETER FOX:** Mr. Speaker, I adjourned this debate on behalf of my leader, the Honourable Member for Selkirk.

**MR. SPEAKER:** The Honourable Member for Selkirk.

**MR. HOWARD PAWLEY:** Mr. Speaker, it gives me pleasure to speak in response to the Budget Address by the Minister of Finance, I believe his third such Budget Address and his second last.

Mr. Speaker, there were expectations that were raised in advance of the budget that was unfolded on Tuesday evening, expectations that were raised that in some way or other this government was changing face. Those expectations were developed

by way of announcements pertaining to the Property Tax Credit Program; announcements indicating that they had indeed increased spending by some 10 percent; announcements pertaining to public exploration and ownership in mining development in Manitoba. Many Manitobans thought they were seeing the beginnings of a new image on the part of the present government in Manitoba. Mr. Speaker, many Manitobans thought they were seeing a government with a new human face as a result of these announcements over the past two or three months. Mr. Speaker, such has not been the case and that has been proved by way of the budget which was tabled in this House on Tuesday evening.

The Minister of Finance has served up to Manitobans a fluffy dessert, but he forgot his main course. Mr. Speaker, this Minister of Finance, this government, has ignored pocketbook issues. Buying power has been reduced by some 28 percent in the past three years. The effects have been seen on the kitchen tables of the families of this province. Tory ideology has always proclaimed that government spending is the cause of inflation and that we have heard repeatedly from the First Minister and from the Minister of Finance until it has become like chiseled in granite in the minds of government members across the way. But, Mr. Speaker, there has not been one iota, one bit of ado about programs to deal with inflation in that budget introduced by the Minister of Finance of this province.

Mr. Speaker, instead we find that cost of living tax credit programs have cut back, cut back on benefits to many thousands of Manitobans. And, Mr. Speaker, we also have discovered that there is not one iota in the budget before us dealing with general price increases that have taken place in Manitoba as elsewhere. Mr. Speaker, we have a Minister of Finance that has ignored the small business community in Manitoba. We have a Minister of Finance that has expressed no concern, in fact attempts to dismiss along with the Minister of Manpower that indeed there has been a loss of buying power and a loss of population in Manitoba. Mr. Speaker, members across the way live in some sort of strange Alice in Wonderland, a world I know not from whence they have travelled, but they ignore real actual facts as they exist in the province today.

Mr. Speaker, there were less goods purchased in 1979 than in 1978; interest rates have been above 10 percent for a year-and-a-half; and yet, Mr. Speaker —(Interjection)— Mr. Speaker, there's a comment, that's our fault, is it? Mr. Speaker, it's been a fault of the Clark government prior to the Trudeau government; is presently a fault of the Trudeau government and the government across the way have been virtually silent, virtually silent and have provided Manitobans with no leadership pertaining to either Trudeau and Clark. Yes, you must share a responsibility. —(Interjection)—

**MR. SPEAKER:** Order please. Order please. The Honourable Leader of the Opposition may continue.

**MR. SPEAKER:** Order please. I realize there's a great desire on the part of many members to get into this debate immediately. Unfortunately we can only allow one at a time. The Honourable Leader of the Opposition.

**MR. PAWLEY:** Mr. Speaker, I thank you for your words. I look forward to the performance by the Minister of Economic Development. I hope it is better than the performance we've witnessed from him in the past three years.

Mr. Speaker, we witness a Tory ideology in this province that demands survival of the fittest, come what may; a Tory budget that provided for 10.00 a month across-the-board help for small business entrepreneurs in Manitoba; a government silent about any possible programs in their budget in order to assist and to help small business in Manitoba, totally silent, Mr. Speaker, about any such programs. —(Interjections)—

**MR. SPEAKER:** The Honourable First Minister.

**MR. LYON:** Will my honourable friend permit a question?

**MR. PAWLEY:** Mr. Speaker, we'll have plenty of opportunity at the conclusion of remarks if, Mr. Speaker, honourable members across the way will permit me to complete my remarks. Mr. Speaker, we know the First Minister's generally, in fact, pretty well persistent abrasive ways. I want to tell the First Minister he is not going to bully the opposition in this Chamber as he may have bullied some members in his own party in past years. Mr. Speaker, we have a government, through its budget, which has placed 31 million into the hands of consumers compared to retail trade volume in this province of some 3 billion. We have a government which has ignored the deep concern which exists in the province of Manitoba about the net out-migration in Manitoba and unemployment and depopulation. Mr. Speaker, there are — and Manitobans now this and I speak to Manitobans, not to members across the way because they will deny, they will continue to deny the facts — that there are many many Manitobans that can witness repeatedly to the fact that their friends and their relatives and their sons and daughters have been forced to leave this province because of the policies of the government across the way. Manitobans know that this is the only province in Canada to lose population in 1979, even if the Minister of Finance is not conscious of that.

Mr. Speaker, in addition, in the midst of a sustained net out-migration in peacetime, we have witnessed it, the worst ever in this province. We have witnessed layoffs and closures and honourable members, even today, laughed and jeered and mocked the Member for Churchill when he brought to the attention of the Minister of Manpower and the Minister of Economic Development what was happening in this province. The First Minister shouted, Go to Cuba, to the Minister of Churchill. Mr. Speaker, that is the responsibility which is being demonstrated by this government towards the people of the province of Manitoba when the people of Manitoba are concerned about net out-migration; they are concerned about de-population; they are concerned about layoffs and it's not going to wash that the First Minister attempt to bully members by attempting to intimidate them, intimidate them as he did but a few moments ago. It is not going to work, I say, to the First Minister.

Mr. Speaker, the children of this province were raised; they attended school in this province; they hope to graduate from the schools of this province in order to enjoy job opportunity and security in Manitoba and not to leave this province for Alberta, Saskatchewan and Ontario and other places. Tory ideology has said, lay low, let the private sector lead the way. And yet, Mr. Speaker, we have a budget which has not created a single new job; a budget which has not assisted in providing help to recent graduates to obtain work in Manitoba; we have a budget which has provided for no new summer employment program. We have only, Mr. Speaker, a smoke screen, a smoke screen of statistics and charges that are repeated by members across the way because they are void as to ideas of doom and gloom, doom and gloom. That is the repetition that we hear day by day of a government which is void of any thrust, any ideas, any policies, any platform in order to put the economy of this province into proper perspective.

Then, Mr. Speaker, we have a government which has ignored the plight of the farmers in this province — and the Finance Minister acknowledged this in his Budget Paper — that farm cash receipts were already decreasing. He acknowledged that interest rates — sorry, he did not acknowledge, this is the problem — that interest rates had made equipment purchases for farmers impossible. Mr. Speaker, in addition, we have the province on the verge of what could be a disastrous drought and yet we have in Manitoba a Tory ideology which believes that farmers must battle the economic decline on their own unless a disaster should actually strike. That is their ideology; that is the capsule of their policy and thrust towards agriculture in Manitoba. Mr. Speaker, most farmers can't finance capital improvements; that most sales tax cuts for them in this budget are on capital items. No budget measure has been instituted in order to relieve higher farm costs, in any significant way, in this budget tabled on Tuesday evening. In addition, Mr. Speaker, this government, this First Minister, this Minister of Finance have been virtually silent in any efforts, either to ensure that Clark or Trudeau would provide any assistance for the farmers of Canada in respect to the rising interest rates in this country.

In addition we have a Minister of Agriculture that has done nothing except to attack the principle of orderly marketing in Canada in order to ensure that farmers would be able to enjoy some stability by way of farm prices. No leadership from the Minister of Agriculture, no leadership in order to ensure that farmers are not continuing in their present situation of being hit by rising interest rates. We have a budget which has turned its back on the man and woman in the street and, Mr. Speaker, we have a government that does not care.

Mr. Speaker, at first glance there may be members of the public that may think this is a budget that isn't all that bad. That is true, Mr. Speaker, in some respects. We welcome, as an opposition, any help that can be provided for the elderly and the poor in Manitoba.

Mr. Speaker, the public also think that this is a government, and certainly it's a government that sold itself on the basis that it was one that consisted of solid business-like men and women. Mr. Speaker,

what kind of business people? They are little more, Mr. Speaker, but carnival hucksters, where they pitch about helping the needy. Mr. Speaker, they talk in terms of full economic development; they speak in terms of a blue sky ahead. The Minister of Finance only last evening on the 24-Hour Program was talking about the blue sky that just lies ahead. Their philosophy is just lay your gasoline tax on the way in, pay it on the way in, and don't worry if there's no show right now; that's the hucksterism that we're confronted with by the Minister of Finance and by the First Minister and members of his government. Mr. Speaker, like any hucksters pitch, this budget is full of razzle-dazzle, empty of substance.

Mr. Speaker, we've been handed in Manitoba a gasoline tax, a gasoline tax that guarantees that every gasoline price increase will be 20 percent worse in Manitoba. Mr. Speaker, I thought last February that we had seen the last of John Crosbie and his budget but in this budget, introduced by the Minister of Finance, we are again witnessing more than just the shades of John Crosbie in the province of Manitoba.

Mr. Speaker, the Minister of Finance attempts to explain by suggesting that the prices must be increased in order to conserve energy. Mr. Speaker, this is the worst possible time to boost energy costs for the consumers in the province of Manitoba and I intend to return to this subject later.

Then we have, Mr. Speaker, by way of hucksterism, the so-called tax credit reform program. Until now they have permitted the budget for tax credits to increase at a rate 65 percent slower than the rate of inflation. Expressed in 1977 dollars, the total spending on tax credits in this fiscal year will only be 10 percent more than the amount spent in 1977, assuming a 9 percent inflation rate in 1980. Mr. Speaker, at the same time they say that there has not been any important increase for individuals or for the economy. Perhaps money redirected to the neediest is what they suggest. If so, then why did the Minister of Finance not table in this House a chart, a chart that would demonstrate what income level should gain and lose under the so-called reforms that he introduced to this House? Where is the chart from the Minister of Finance so that members of this House could witness what groups win or lose under his so-called tax reform program?

Mr. Speaker, what we have been the recipients of, by way of an announcement, is that the Minister of Finance intends to change the criteria of establishing the Cost of Living Tax Program in Manitoba from one of net income to one of taxable income. What that means, Mr. Speaker, is that in filing one's return and making application under the program that the Minister has introduced in this House, a taxpayer will no longer be able to deduct the allowable exemptions; age will no longer be permitted to be deducted; married exemption will no longer be permitted to be deducted; the exemption for wholly dependent children will no longer be an item that will be permitted for deduction; medical expenses no longer permitted by way of deduction under the program that was introduced by the Minister of Finance; deductions for blind persons confined to bed or wheelchair cannot be deducted under the program introduced by the Minister of Finance.



Mr. Speaker, the Minister of Finance, if he hasn't read one of these returns I'd be happy to send this return to him. The Minister of Finance will attempt to defend what he has done on the basis that he's not going to permit abuses in the program; he's going to not permit taxpayers, for instance, to deduct the non-capital losses of other years. Mr. Speaker, how many, receiving 13,000, 12,000, 15,000, 17,000 a year are in a position to provide for deductions pertaining to non-capital losses of other years? How many, Mr. Speaker? If there were 2 percent of the applicants that should not have been receiving the cost of living program, then the Minister of Finance should have dealt with that 3 percent and not dealt with the 30 or 40 percent of Manitobans who will be affected by his program adversely; that's what he should have done.

Mr. Speaker, a couple of two, under the Minister's program, a husband earning 8,000 gross, a wife at home, member of a union with a pension plan at work, renting an apartment for 250 a month, receives 480.30 under the existing credit program and will receive 478.90 under the Minister's reform program. A couple with two children, the husband earning 12,000, a wife at home, would gain about 20 under the new Cost of Living and Property Tax credit Program; a loss of 21.40 under the so-called tax reform introduced by the Minister of Finance. A couple — (Interjection) — I'll come to that, Mr. Speaker, I'm glad the Minister has made reference to that from his seat. A couple with two children, husband earning 12,000 and a wife earning 6,000, would lose 54.14 under the Minister's program. Mr. Speaker, a couple of two, working, earning 8,000 gross, a wife at home; all three, all the three previous examples that I provided, Mr. Speaker, involve rental accommodation of 250 per month. None of the above three programs, I say to the Minister of Finance, referred to, involve the CRISP Program, not one of the three examples involve his so-called CRISP Program.

Mr. Speaker, it looks as though these changes will reduce the value of tax credits for many of the middle and lower end of the income scale should these reforms go through. The individuals who will gain the famous 100 are those who will get the minimum Property Tax Credit only. This is their attitude, this is their thoughts, their ideas, of tax reform, Mr. Speaker. These proposed changes, calculating the tax credit on the basis of net family income, are the exploding cigars which the hucksters have been handing out to the people of this province over the past 48 hours. The same approach, Mr. Speaker, the same approach applied in the CRISP Program's family income formula will deny CRISP benefits to a family with one child. The husband working at minimum wage of 6,550; the wife working part-time earning 3,000 will be denied any benefit under the CRISP Program. This couple's total income, even with a 500 deduction, exceeds the 9,000 cut-off under CRISP for one-child families.

Mr. Speaker, these net income definitions as proposed by the Minister of Finance are indeed the exploding cigar that is being handed out by the Minister of Finance to Manitobans. Mr. Speaker, early estimates are that some 200,000 Manitobans will be cut off the cost-of-living credits by his so-called Tax Reform Program. Mr. Speaker, and those

will be mainly middle-income earners. Another early guess I'm told is only approximately 30,000 families who will even qualify under the Minister's CRISP Program. Sloppy, incompetent — in putting into operation — reforms in Manitoba. And, Mr. Speaker, on top of it, to implement those so-called reforms before they were processed and before they have obtained the approval of the federal government — sloppy, incompetent.

Mr. Speaker, Ottawa has often been more than arrogant in its power over the tax collection area. Ottawa's arrogance may, for once, Mr. Speaker, save the middle and lower-income people of the province of Manitoba from their incompetence — CRISP Program, a welcome step from the little which is known at this stage. But I would point out to the Minister, he didn't make reference to it, that is basically modelled upon a 1974 Saskatchewan family income plan, a program which provides benefits some 40 percent greater than those benefits provided under the Minister's program. A family income will be calculated as higher for purposes of CRISP than for identical Saskatchewan families creates further problems.

Mr. Speaker, help for the elderly is always welcome. The increase in total income and supplement announced to 4.8 percent for neediest couples — 4 percent for those in the greatest need. A pittance, after a 9.2 percent inflation rate in 1979. Increased aid for elderly tenants only for those paying between 135 and 280 in monthly rent. The maximum property tax credit for pensioners in 1980 is about 375 in 1977 constant dollars, assuming a 9-percent inflation rate this year.

An increase in 0 in new benefits, Mr. Speaker, for pension homeowners, only repairing the damage caused by leaving them at the same rate for the past three years. Mr. Speaker, we will be posing many other questions dealing with various aspects of the social program in this budget. Mr. Speaker, my colleagues will be further exploring and developing many other aspects in exposing the hucksterism that exists across the way pertaining to the programs that the Minister has presented in his budget. Mr. Speaker, only a huckster would sell a 10 percent real increase in social budgets, a dubious redistribution within those programs, as a meaningful program — only a huckster would, Mr. Speaker.

Then on top of it, then on top of all this, Mr. Speaker, we have a budget in which an extra 100 has been tossed out to homeowners with incomes of 100,000 and up. Little but razzle dazzle and blue sky in the rest of the budget, very very little. Example, four pages, four pages in the budget, Mr. Speaker, describe sales tax cuts that amount to little more than 1 percent of the sales tax revenue. For instance, a sales tax elimination on storm doors. It's just unfortunate the Minister of Economic Development doesn't do something in order to assist the economy of this province so that we would have a resumption of some housing in this province so people would be buying some of those storm doors which were the subject of the elimination of the sales tax.

Mr. Speaker, then we have been asked often, doesn't it seem odd to have the Tories bring down a New Democrat budget? Some of us have been asked that in the last few days. Mr. Speaker, the question reflects the rhetoric, the rhetoric and the contempt,

and the confusion of this budget. Mr. Speaker, the budget, not NDP in its economic impact, it has been 0. In its spending shifts, those spending shifts largely have been regressive. They have been too little much too late. The confusion arises because of a contrast with past statements by members across the way. And, oh, Mr. Speaker, have they ever committed themselves in past years, in past days, to the direction that they were going to pursue if they ever had opportunity to form the government of this province.

Fortunately, Mr. Speaker, those statements are on record for all to read and I'll be turning to those statements in the next few moments. There are some good statements by the Minister of Economic Development that is speaking from his seat; there are some good statements by the Minister of Finance; some excellent statements by the Minister of Community Services. We'll be discussing those statements in the next few moments, Mr. Speaker. What this government has been doing has been hitting Manitobans over the head for the past two-and-a-half years; now they stop and ask, doesn't everyone feel much better for it? Mr. Speaker, they are not doing anything positive; they are just not hitting people on the head. The lack of negative action compared to their past promises makes this clearly a government of broken promises, broken commitments to the people of Manitoba.

Mr. Speaker, the Ministers across the way will be condemned by their own words. The evident failure of their policies in the past two-and-a-half years forced what appeared to be a shift — what appeared by way of public perception, Mr. Speaker, to be a shift. But, Mr. Speaker, an analysis, a careful analysis of this budget indicates that this shift is not one of action but is but one of words — not one of action, not when of programs, but simply one of phraseology. Mr. Speaker, they have forgotten to be to thine ownself be true; they have forgotten those words in the past few months. On local government and financial institutions, references by the Minister of Finance, the Budget speaks of local autonomy principle on Page 55; primary reliance on locally-elected school boards on Page 57. Mr. Speaker, I compare this to May 3, 1976, debate on Education Supply, when the Minister of Finance said, and I quote: Let's not forget the very simple basic fact, the municipalities and the school boards are created by the provincial government, created by the provincial government. Then the Minister of Finance has the audacity in his Budget paper to make reference to the autonomy of the municipalities and the school boards in order to try to shift responsibility to the municipalities and the school boards of Manitoba.

Mr. Speaker, in addition we are somewhat shocked to realize that those statements defending municipal governments were made by members by a government that refused steadily to even throw our towns and villages and school boards a life saver as they drowned in rising costs and a shrinking revenue base in Manitoba. The general public, such as those who met at Elie last night, Mr. Speaker, the Member for Morris, his constituency, to protest the level of local taxes forced upon them by the provincial policies would not be fooled by the talk in this budget of autonomy. The level of deficit and public

debt has always been a preoccupation of the Tories while they were in opposition. They kept promising a balanced budget. They said there would be a balanced budget, Mr. Speaker, in those far off days in which there would be blue skies in Manitoba; they would keep budgeting. But, Mr. Speaker, they have kept budgeting larger and larger deficits. Mr. Speaker, what the Minister of Finance did in his budget was project a provincial debt of 4,000 for every person in Manitoba, the highest ever that this province has ever experienced. After three years of Tory government, after three years of this Minister of Finance, we have a forecast from the Minister of Finance that we are going to be favoured with the highest per personal debt that this province has ever been inflicted with, sum total of that administration.

And yet, Mr. Speaker, provincial debt has increased by 25 percent, 25 percent under a government that has begun no major programs and that makes no effort to stimulate the economy of this province. —(Interjection)— Mr. Speaker, the First Minister says something from his seat about, getting rid of you will be a pleasure. Mr. Speaker, let me tell the First Minister, getting rid of the First Minister and that little group across the way that are mismanaging the affairs of this province will be a double pleasure to the members on this side of the House.

Mr. Speaker, the New Democratic Party has never had a morbid fascination as had the members across the way, when they were in opposition, about deficit and debt. Still, too bad they can't at least break even while they are doing nothing in the province of Manitoba. Mr. Speaker, the Tories continue to talk about the deficit they inherited three years ago when they assumed office in this province. Mr. Speaker, we are not interested, we are not concerned in fighting old battles. Mr. Speaker, we are witnessing the introduction of a gasoline tax that will increase with inflation and with adjustments towards world prices; one that is desired by the federal Liberals in Ottawa and as well, of course, the province of Alberta; and as well, Mr. Speaker, in fact, in reality at a price nearing world levels by the government across the way. The Conservatives used to oppose gasoline tax increases. In fact, our old friend, our colleague for Rock Lake, Mr. Speaker, had some words of wisdom — and for once I would like to share the sentiments expressed by the Member for Rock Lake — when he spoke out on April 30th of 1975 during a Budget Debate, and his words, Mr. Deputy Speaker, are: Do they stop to think of the impact that they are going to have on the entire economic situation in this province? It's going to be an increase in the cost of the production of the goods and services. That was the Member for Rock Lake's response to an increase in the gasoline tax back there in 1975, and the Member for Minnedosa says, Right on, right on, Mr. Deputy Speaker. Mr. Deputy Speaker, we will await the Member for Rock Lake and the Member for Minnedosa as to their participation in this debate. I'm wondering if the Member for Rock Lake and the Member for Minnedosa have changed their minds at all from 1975. Mr. Speaker, we as the opposition, we as a political party, have fought persistently the federal efforts to jack up Canadian gasoline prices to world levels. That has been our position throughout, persistent and constant. Manitoba has been virtually

silent on this except in a negative way. Now, Mr. Speaker, we have the government across the way, they are attempting to cash in, cash in on the Trudeau-Lougheed oil deals that we'll be witnessing over the next year-and-a-half; they want to cash in on the oil deals and discussions involving Lougheed and Trudeau over the next year-and-a-half. Mr. Speaker, is it any wonder that in this Chamber, but yesterday, did all honourable members across the way stand one by one to support a resolution which would have made it clear that we do not support the increasing of the oil prices in Canada to levels at the world scale? In fact, Mr. Speaker, they opposed any such effort by the members on this side of the House to ensure that the position of this Chamber was made clear. Nay: Anderson, Banman, Blake, Cosens, Craik, Domino, Downey, Einarson, Enns, Ferguson, Hyde, Jorgenson, Kovnats, Lyon, McGill, McGregor, McKenzie, Mercier, Minaker, Orchard, Filmon, Galbraith, oh, Galbraith, Gourlay, Price, Ransom, Sherman, Steen; 27 members across the way. And, Mr. Speaker, I'm going to read the Yeas, I'm going to read the Yeas: Adam, Barrow, Bostrom, Boyce, Cherniack, Doern, Evans, Fox, Hanuschak, Miller, Parasiuk, Pawley, Walding, and Westbury. Even the lone Liberal member of this House saw fit to vote against what the members across the way were attempting to do.

And, Mr. Speaker, so that it is clear on this record for Manitobans to read when they obtain copies of this Hansard, I'm going to read the amendment: Be it further resolved that the term self-sufficiency pricing for oil does not imply that Canada should seek to achieve world oil price levels or some automatic approximation thereof.

What could have been more clear, Mr. Speaker? That's what the Minister of Economic Development, the First Minister, the Minister of Finance and others voted against in this Chamber. And now, Mr. Speaker, why? Because they want to piggyback on the federal tax and on the Alberta oil price as established; they want to piggyback on the backs of the province of Alberta with price increases and on the federal government every time the federal government increases the tax — tax on tax, tax on price. Mr. Speaker, what we are witnessing, in fact, is a conflict of interest. The members across the way certainly will be supportive of increases in the price of oil as they have been for the past number of years, but now they have a stake, now they're going to gobble up some of that increased price, they're going to enjoy that increased revenue to this province. Mr. Speaker, we'll be awaiting the precise amount of tax that will be raised by the result of their action but I would be prepared to suggest, Mr. Speaker, by the end of 1981, if the price is increased at 4 or 4.50 a barrel, Manitobans will be in a position whereby this government, at the end of 1981, will have imposed a tax of some 30 million upon the backs of the Manitoba taxpayers by way of this budget, 30,000.00. Now, Mr. Speaker, equalization used to be a major concern of the Conservative party, their leader explained on March 25, 1974 and it can be found on Page 1799 of Hansard, not the present leader it was the former leader, in case there is any misunderstanding, in 1974, Mr. Spivak lead the Conservative party. His words were The Minister tells us that things in Manitoba are getting better

and better, if that was really so our federal equalization payments would have declined, instead he said they have risen.

Now, Mr. Speaker, we have the rather dubious situation in Manitoba where we have — (Interjection)— a member says odious I believe that more clearly defines the situation — where we have government that is now content to let rapidly rising equalization reduce the provincial deficits of this province. They broke faith with themselves on equalization. Mr. Speaker, they are still reluctant, we have a government that has not at all been visible in its efforts to preserve a strong and comprehensive equalization system for Canada.

Mr. Speaker, on that very note, in 1976 it is my understanding that oil was deleted from the formula that provides for equalization payments throughout the length and breadth of Canada. Manitoba opposed the deletion of oil as a basis, as a criteria at that time. We'll be watching with interest as to whether we can expect any leadership from the First Minister and the Minister of Finance in order to ensure that oil is reinserted as a factor in developing the equalization payments that are paid throughout this province, as well as other provinces. We may very well witness again, Mr. Speaker, of a First Minister that is only interested, as he has over the past three years, of kowtowing to the Premier of Alberta even if it's to the disadvantage of his own province.

Mr. Speaker, once, when they were in opposition, they were very very concerned, very concerned about economic decline and they were very concerned about a possible population loss. Oh, they had much to say in the early '70s, and, Mr. Speaker, they expressed great concern, great worry, great frustration, great frustration, Mr. Deputy Speaker, about the fact that the real growth rate in the economy was only 5 percent, only 5 percent. Mr. Speaker, it's on record, page after page of concern by members across the way about 5 percent growth rate. Mr. Speaker, their figures are .8 in 1978, and 2.4 percent in 1979 but no longer do they express concern or worry about the real growth of this province.

Mr. Speaker, they also expressed a concern about a decline in Manitoba's share of Canadian investment. It may be revealing for them to recall their statements in those years. On Page 1904, April 29, 1975, the — oh, I'm disappointed he's not here — the Minister of Community Services had this to say, complaining about the population, he said it had only grown by 3.8 percent, only by 3.8 percent. He was distressed about that slow growth, this is back in 1975. He said Mr. Speaker, the population in Ontario has grown three times as much percentagewise as Manitoba's has. But the fact is, Mr. Speaker, the labour force, they are the people who pay for it, the Minister of Community Services and then he went on so who is paying for it, who is paying for it, Mr. Speaker? 300,000 or 427,000 people, that's who's paying for it. Now the Minister of Community Services also said on Page 1821 on March 25, 1974, I'll read again: And if our taxes continue to grow on properties and on our business properties, what are our companies going to do, what are our people going to do? They are going to want to move, the plants are going to want to close

down. Then what happens to the whole economy of this province, what will happen? Think about it on that side because it is a very complex, integrated economy that we live in and then, Mr. Speaker, he said 5 percent per year growth is not as spectacular as the Premier claims that's how he sums up his remarks. 5 percent growth not as spectacular as the Premier claims. Mr. Speaker, may I again remind .8, 1978; 2.4 percent in 1979. If 5 percent wasn't very spectacular then .8 and 2.4, they ought to hold their heads in shame. The Minister of Economic Development ought to be leading the way, holding his head in shame.

Mr. Speaker, then we had the then leader, not the present leader, on April 28, 1975, Mr. Spivak, stating and if anyone should say that a drop of 2/10 of 1 percent in our investment share is not a significant amount, I would remind them that it involves a loss of over 60 million in investment capital that could have come into this province. Mr. Speaker, the economic data and comments that I am reading to the Chamber indicate that the Conservatives were worried about an economic situation which indeed, Mr. Speaker, was this province's golden age compared to the dismal record that we've been inflicted under their administration. But, Mr. Speaker, we're told it's the blue sky ahead, that's what they tell us. Just forget the past three years Manitobans, whatever you do, forget that golden age in the early '70s, forget the past three years, there's blue sky somewhere way way out there in the yonder, way way out in the yonder. Mind you, Mr. Deputy Speaker, the Minister of Finance didn't indicate when, didn't indicate when. It might be five years from now, it might be ten years from now, I think it will be one year from now, Mr. Speaker, when this group across the way is thrust out of office to the opposition where they belong.

Mr. Speaker, we now have a fourth Conservative budget, it's supposed to indicate the light at the end of the tunnel. A fourth Conservative budget is to illustrate the light at the end of the tunnel.

On April 26, 1977, the Minister for Government Services states we have also said we will do as Premier Bennett is trying to do in British Columbia, introduce the element of competition with Autopac. Well, Mr. Speaker, they witnessed what happened to that Bennett majority. Now May 12, 1980, Free Press headline, by the same Minister of Government Services, let's see it's only three years space: In the opinion of Harry Enns Autopac is super, super-efficient — three years, it only required three years and Bennett nearly losing his majority in the province of B.C. And, Mr. Speaker, it was very interesting to read the article by Fred Cleverley in which he expressed his grave disappointment as a true believer in the wandering away by the Minister of Government Services from his original beliefs. Mr. Speaker, the Minister of Government Services didn't wander away from his true beliefs, he wants to hold that seat, he doesn't want to be turfed out at the next election, Mr. Cleverley should have known that. Then, Mr. Speaker, they have, in addition to betraying their promises and their principles on Autopac, they wasted public funds on a study that they've shelved until after the next election, a study that, in fact, Mr. Speaker, under questioning the other morning in Public Utilities Committee, the

Minister was so anxious to put such a distance between himself and the report, a cost of 300,000. And during the process of the questioning, Mr. Speaker, we found out that the Burns Commission had undertaken a public opinion survey, a public opinion survey that the Minister couldn't tell us what it cost, but what we do know about that public opinion survey, it was done for the benefit of the Tory party and the bill in five figures should have been forwarded to the Conservative party rather than to the taxpayers of the province of Manitoba.

Mr. Speaker, if the Member for Minnedosa is getting up to wash his soul of some of the participation that he's been involved with, we would welcome his intervention and apology to the people of Manitoba.

In Manitoba we have a pattern today of different rhetoric, a hands-off approach we witness on the part of this government in economic development. Different rhetoric about population trends from that rhetoric of years gone by; different rhetoric about economic growth than that which was uttered in years gone by; different rhetoric about investment patterns than we witnessed in years gone by. Oh yes, and on mining questions, let's turn back to the comments by the Finance Minister in 1970, June 26, in fact in this Chamber, when he said the general involvement of government in business which members of this side do not generally agree with, and which I disagree with wholeheartedly, under specific cases, on an experimental basis, that's fine and where it can finally be turned back to a local group — 1970 the words of the Minister of Finance. Mr. Speaker, they have actively sought 25 percent participation in new mining developments; they announced that these interests will not be sold in the short-term; they have given, Mr. Speaker, however, first refusal on potash development to a multinational corporation; they have shown no concern about the ultimate direction of Tantalum; they've entered into a total of 12 new joint exploration ventures, five in the last year. It seems to their own supporters a clear betrayal of election promises and an apparent death bed conversion to public ownership; but, Mr. Speaker, at a conversion to NDP, it's not a conversion to NDP principles or to good sound government principles. No, no, the giving away of 25 percent of a proven reserve of no risk development at Trout Lake is not New Democratic Party principles, nor is it good sound government principles.

Mr. Speaker, they also seemed willing to give away similarly sized shares of public interest in others. In fact, we could compare this to the record of the Clark government. May 13th, 1980, Free Press carried an article, Revealing a plan by the Clark government to demand 50 percent Canadian equity in Cold Lake project of Esso. This from a fellow Tory government. If mining is, in other areas, of the apparent about-face, only the rhetoric has changed. People are not being hit on the head but government is still playing a passive role, trying to act in a manner which is consistent as possible within their Tory ideology. Attitudes towards kind of incentives needed by business is shifting on the surface.

The budget says that Economic Development, the department with the largest single increase, is going to have the largest single increase. On March 28th,

1974, the Minister of Consumer Affairs — I wish he was present — said this, and I would like members to listen to this very carefully and I wish the Minister of Economic Development was here to hear these words.

**A MEMBER:** He is here but he's not listening.

**MR. PAWLEY:** Oh, good. The Minister of Consumer Affairs had this to say about the Department of Economic Development in 1974 and only the Minister of Consumer Affairs could say this in this eloquent fashion as I'm sure he presented it back in 1974: Sir, if they would stay out of the businessman's way in the first place, there wouldn't be a nickel of grants and I don't there should be. If a businessman can't survive, then either there's something wrong with the conditions under which he is attempting to survive or he is a poor businessman.

Mr. Speaker, the Minister of Consumer Affairs . . . wouldn't it have been interesting to have listened in their Cabinet meeting when they discussed that Manitoba Enterprises program? Wouldn't the Minister of Consumer Affairs have pounded the Cabinet table and resisted with all great strength his opposition to such a program? Wouldn't they be read back, wouldn't it be read back to the Minister of Economic Development, this great speech, eloquent speech of March 28th, 1974? But obviously the Minister of Consumer Affairs was overruled, overruled. —(Interjection)— Some one is saying that the Minister of Economic Development didn't hear but I can't really take the time of this House to read it again for the Minister of Economic Development.

Mr. Speaker, what has occurred is another about-face on the part of a government which is now bankrupt in ideas, philosophy, and approach. Either the business peoples' belief in this government is being broken or the province is full of poor business people on the basis of the criteria established by the Minister of Consumer Affairs. Mr. Speaker, there are too many examples of broken promises to relate all those broken promises to us all here today, but I cannot resist a final quote for the record this afternoon. The Minister of Economic Development speaking on April 19th, 1976. —(Interjection)— Yes, the present Minister of Economic Development:

Mr. Speaker, for some reason or other this government, referring then to the Schreyer government, yes, this is his quote, for some reason or other this government, —(Interjection)— you did refer to it as a government. I'll send you a copy of it, it's right here. . . . believes that by putting taxes on tobacco and liquor, and we remember the millions of dollars they raked in only two weeks ago by piggybacking on the federal excise tax on liquor, don't we, and we witnessed the imposition of the tax on tobacco Tuesday night. . . . that by putting taxes on tobacco and liquor that you don't hit the working stiff.

Do you really think it makes any difference to the guy who makes a lot of money to go out and pay a little bit more for a crock? Do you really think that makes any difference to him? You put some extra money on a beer. No, it doesn't, but it sure is going to make a difference to the biggest beer-drinking group and biggest liquor-drinking group in Manitoba and that's the middle income group again, the

working man. Stick it to him, stick it to him; that's what the Minister of Economic Development said. It's as simple as that. It's as simple as that. Every time you stand up you say, oh, you make a big deal about we'll hit the guy that makes a lot of money. But what do you do? What do you do? You just give the little guy a smack again.

Do you really believe that the increase in the price of liquor will take liquor off the tables of this province? It has never done historically, but it might take some milk off and it might take some food off the table, the extra costs.

Mr. Speaker, the Minister referred to tobacco tax, deplored it, he referred to liquor tax, he's quite happy, quite content to accept this decision by the federal government to piggyback on a federal excise tax, reaping in millions of dollars to the province of Manitoba.

Mr. Speaker, for the record, one of my colleagues has been kind enough to hand me a picture of June 8th, 1979, of the Minister of Economic Development participating in the opening of a new liquor outlet. It reads: Economic Development Minister, J. Frank Johnston, was the first customer to make a purchase from cashier Edie Hawkins yesterday at the new liquor outlet at 2547 Portage Avenue. I think that's out in his constituency. The new store replaces a smaller one. —(Interjection)— Mr. Speaker, they have broken faith with their own supporters. They have broken faith. I want the First Minister to hear this. They have broken faith with their own supporters. They have hit Manitobans over the head with vicious restraint. They now try to sound nice while sticking to Tory ideology as a core of their program.

On the basis of this budget and those before, it is a government which sees nothing, hears nothing, says nothing. Even the tax reductions brought in in 1978, and we remember all the big hullabaloo about those tax reductions in 1978 and all the razzle-dazzle are worth 35 million in 1980, 3.2 percent, 3.2 percent of the total revenues raised by the province, 3.2, all the razzle-dazzle; where has it gone?

A government whose inactivity extends into the federal/provincial field as well so that Manitoba is now the dummy at the table of intergovernment discussions. Consideration of Manitoba's needs and circumstances is notable by its absence from most positions of the four western provinces. The other three provinces bargain hard. Manitoba just agrees with Alberta, despite major differences in its economic base. Manitoba, the one western province which by its silence seems content to let Pierre Elliott Trudeau set the schedule and agenda for the constitutional changes in Canada. Manitoba was silent when Pierre Elliott Trudeau removed hundreds of federal jobs from the province. Others fought to ensure that these jobs were retained.

Geography dictates that perhaps more than any other province, Manitoba depends upon a strong and fair east-west transportation link, and yet this government is not leading any efforts for an end to punitive freight rates on most western-produced goods. They are working against the Crow rate and they are on the side of those who would bust up the Canadian Wheat Board and orderly marketing of grains. In fact, the Minister of Agriculture has been nicknamed Captain Marvel throughout the length and

breadth of this province because he's going to wrestle down to the floor the Canadian Wheat Board.

Mr. Speaker, unfortunately I didn't have opportunity to witness which of the members across the way would like to join the Minister of Agriculture in wrestling the Canadian Wheat Board to the floor, but I would hope that they would defend their positions to their own rural constituency come the next provincial election. Equalization will be renegotiated next year and of obvious importance to Manitoba, especially in recent years, is Manitoba helping to set the issues which will be settled or just waiting for something to happen than to react? A government in power federally, lacking western representation. Unfortunate? That is the case at the present time. Manitoba has done nothing to help provide the west and Manitobans with a clear national voice during this Liberal government. Again the silent province, Manitoba, an important province, senior in the west under this government, without any credibility, without any credibility in national forums, a government that has been so universally criticized, not only here in Manitoba and elsewhere, that what it says just does not matter any longer.

Mr. Speaker, this budget shows why so many Manitobans have totally and completely lost confidence in this government and have but scorn for that which they are doing, because it has been a budget that has said nothing to ordinary Manitobans. It has been a budget which, like hucksters, fills the budget with little reforms, many which turn out to be like those exploding cigars I made reference to earlier; or far too little too late in the day for people crushed by inflation and economic decline in Manitoba. A government of broken promises, a government which has rejected much of what it once stated boldly when not making any positive moves after years of negativism. A government which has conducted federal/provincial matters so clumsily that it is now silent and easily dismissed in those councils and those Chambers.

None of this need be. There is no reason for any government to be as negative about its role and about Manitoba as this government has been. There's no reason why Manitobans should be, could be proud, in fact, as stated by their own Finance Minister himself in the spring of 1979 in a speech to the Fraser Institute. And I will read his words, the Minister of Finance: On the economic side we are anxious to build on our province's natural strengths. Our economy is reasonably balanced and not subject to some of the volatility found elsewhere. We have an excellent location, highly skilled labour force, with a proven record for innovation, entrepreneurship, vast mineral wealth, and a more than adequate assured supply of renewable hydro-electric energy. That, the Minister of Finance.

Mr. Speaker, unfortunately, the Minister himself has abandoned the vision which he extolled in the spring of 1979. He has not carried into practice that which he witnessed and expressed in the spring of 1979. It will remain, Mr. Speaker, for Manitobans to choose whether or not they wish to proceed along a direction which will, indeed, put Manitoba again on the move so that we can build a more decent, a more exciting, a more progressive province than that which we have witnessed over the past three years.

Mr. Speaker, I beg to move, seconded by the Member for St. Johns, that all those words following the word House be deleted, and the following be added:

Expresses regret that in representing its budgetary policy, the government has failed to introduce programs which would revitalize a depressed Manitoba economy.

2. Has failed to contain any significant measure or hope or relief for the middle and lower income earning Manitobans.

3. Has increased hidden and regressive taxes.

4. Has ignored northern Manitoba, the city of Winnipeg.

5. Has failed to offer realistic long-term support for Manitoba's agricultural industry.

**MOTION presented.**

**MR. SPEAKER:** The Honourable Member for Gladstone.

**MR. JAMES R. FERGUSON:** Thank you, Mr. Speaker. I would like to at this opportunity enter into the debate. I certainly listened with great interest to the Leader of the Opposition, but I didn't really hear anything in the whole speech that the people of Manitoba, and the province, wouldn't have gained by two inches of rain. I think it would have done us, instead of . . . it's more good.

I'd like to take this opportunity, Mr. Speaker, to congratulate you, as I did not enter into the Throne Speech, and I would also like to congratulate the Minister of Finance and his staff and those that work to get this budget together and present it to the people of Manitoba.

Also, Mr. Speaker, I would like to congratulate the new members, the Member for Rossmere, our Member for River Heights and, unfortunately the Member for Fort Rouge is not in her seat, I would also like to congratulate her as she is my member when living in the city. True to the fashion of the former Member for Fort Rouge, she has ensconced herself very firmly on both sides of the political fence but she has added a bit more to it. She has also climbed into the political bed with her socialist friends and, like a June bride, is giggling and tittering and seems to be enjoying her position there.

Mr. Speaker, this is our third budget; there is an expenditure entailing 2 billion plus. It basically is involving an increase of about 10 percent over last year. There are no major tax increases and regardless of what the Minister of the Opposition said about the 2 percent growth, it still is the third highest in the country, surpassed only by Alberta and Saskatchewan. So I think that possibly it's something that the people of Manitoba do not have to be ashamed of and certainly the Progressive Conservative Government of Manitoba doesn't have to be ashamed of. I think it should be drawn to the attention of our honourable friends across the way because they seem to be pretty hard of hearing and learning a lot of the time, but the economy has in this province turned around. We are in a position now that government spending is under control. We have a deficit finance, that is correct, but we're not deficit finance in current accounts. The benefits that our last budget brought in to the people of Manitoba

will be with us as long as we are government and I'm quite sure that the people across the way would not reinstate succession duties. I'm sure they wouldn't have the nerve to establish gift taxes. They were out to destroy the small businesses and the farmers of this province — they made no secret of it — under the guise of land purchases, leasing back, whatever the case may be. But let it be known, Mr. Speaker, to the taxpayers of this country, and the farmers and the small businessmen, that this was one of the first pieces of legislation that the Progressive Conservative government brought in.

We also got rid of the nuisance taxes, The Middle Acreage Tax Act which was the former Member for St. Johns — still the member — that was his baby. He just dearly loved to send out those little notices to the widows as soon as someone died to tell them they had to start paying gift or Middle Acreage Tax Act.

We have seen also, Mr. Speaker, through this budget, the transfer of income to those in most need. We have painted by the people across the way, the opposition, as a very callous and heartless government. I would think that they would have a pretty hard time now going out anywhere in the province and suggesting that this government hasn't brought down a budget that is caring for the people; that we no longer deserve the thing of being called a callous government because we do not fit that image.

As far as business ventures go, and what is happening basically in this province, we'll take a look at what has happened in the last year, Mr. Speaker. No. 1 would have to be the development of the Flin Flon body of ore or the potential development. This is creating, as I understand, in excess of 200 jobs. It's a joint venture between the province and several companies to develop this particular thing. We also are in the process, and there is an agreement drawn up to spend about 2 million exploring for potash and seeing whether or not there the deposit there is feasible and whether or not it will contribute to the people of Manitoba. I would expect, Mr. Speaker, that with the potash developments across the way in Saskatchewan that Manitoba possibly has just as good an ore and probably better, because most things in Manitoba are as good or better as what is in Saskatchewan — especially the government.

Mr. Speaker, there also is the development by INCO, a 20-million exploration budget over the next five years. The whole thing, Mr. Speaker — and this has all happened very recently — is that people are moving back in. They have some confidence in what this government is doing; they know that under our existing mineral royalty taxes, etc., that they can develop without punitive taxation, quite aware of what the Member for Inkster's thoughts are; he believes that the state should own everything; that the state should develop. I have yet to see a government that can take over a mine and develop it. They can't run it. Certainly, if we're going to hold an equity position, that's fine. But to try and hold a majority position and be responsible for that, I don't think that this particular government wants to do that and I'm sure that they will not be making moves in that way. We can check back against their arrangements when they were government. As I understand it, they were involved in 91 agreements;

spent 10 billion, and there was very little return for your investment.

One of the things, Mr. Speaker, that has established confidence in this particular province is the hydro freeze. This is over a five-year period, Mr. Speaker. This is one of the things that has really encouraged the business people in the business community to invest their money in the province of Manitoba, knowing that they have a five-year hydro rate and it will not be and cannot be increased. Also, I think it's only fair to mention at this time the development of the western power grid. It is going to be one of the ventures and it's slowly but surely coming to fruition, and when it happens we will have a tie-in with the three western provinces which I believe is a better agreement than a north-south tie-in because we do have our neighbouring provinces of Saskatchewan and Alberta whereby that we can possibly work an agreement — hydro power for oil or whatever the case may be.

I would also like to point out, Mr. Speaker, that this government has co-operated with the people that are coming in here. There are a great deal of enquiries as to setting up businesses. As a matter of fact, we're talking to one group today — and this may come as a bit of surprise — who are interested in locating a packing house in the province of Manitoba. This is quite a long ways from fruition but it's something that may come to pass.

Our tax base, we have eased the income tax situation. We've put the thing back on a competitive basis with the other provinces and we've also proved that profit is not a dirty word. There's got to be some incentive to people to produce, and one of the things is to let them keep a dollar in their pocket. To do that, they have to be in a competitive position and you have got to reward incentive and not fight in government as was the . . . before.

We can talk about outmigration of people, Mr. Speaker, but let's just look at the record for the last 20 years. You can go back to 1961-62, net outmigration was 343; you can go up to 1968-69, net outmigration was 6,146. You can go to 1974-75, where net migration 6,911. So, it really hasn't made that much difference. Yes, 1978-79, is a little high; it's about 10,000. But here again, Mr. Speaker, our friends across the way to stand up and incessantly preach that all the people are leaving Manitoba is nothing, it's their usual falsehoods. But they don't have any trouble swinging those across.

Mr. Speaker, we're quite aware that we have a very hot province right now in the province of Alberta and that there are considerable job opportunities there. I know six or seven — several young people from my area went out and worked in the oil rigs this last winter. The highest of them come home with 12,000 clear money in six months. So, you know, who isn't going to move out. But that's not to say, they are all back spending their money again on farms and they'll have it lost by now, I'm quite sure. But, in any event, they didn't go souping the government for help; they went out and try to develop a little nest egg to carry themselves on.

We can talk about job creation, too. The NDP in their last three years of government provided about 4,000 jobs a year. The P.C. government, in the first two years, 11,000 new jobs the first year and 12,000 new jobs the second year. Again, Mr. Speaker, these

are jobs in the private sector; these are jobs that are not makework, the net jobs that are going to disappear overnight. They are establishing an industrial base in the province of Manitoba and it's showing in our manufacturing system. Shipments have increased in the manufacturing sector from 21 percent in 1979 to 18 percent over the national average. The nation average is 18 percent. Investment in the manufacturing sector has gone from 33 percent in 1979; the national average was 17 percent. Employment is about 67,000, up 9,000 from December of 1978. The total value of goods and services for the first time in 1979 passed 10 billion. What is causing this, Mr. Speaker? It's plants like Versatile who have undertaken a major expansion, who are producing a product for not only the North American continent, but also for the world market, and who are in a very healthy position and who are contributing a great deal to the economy of the province of Manitoba. They didn't come in here and expand if they didn't think that the environment and the labour force and the government were going to be conducive to be able to make a dollar.

We can talk about health expenditures; we hear about the — not so much this year, but last year, we listened for days and days about the dirty bed sheets and the three slices of bacon, etc., etc., and the senior citizens being starved and one unfortunate person was in the hospital. I think he was covered with canvas; they probably thought they should lay a shroud over him, but in any event it was probably a mistake. But expenditures on health are up about 12 percent or 65 million. Education is up 8 percent or 29.5 million. We're aware that the Foundation Grant is not high enough, that the taxes on real property in the rural have to be reduced and the special levies, something will have to be done in that particular area and we will certainly be working towards that goal.

I noticed that the Leader of the Opposition failed to mention agriculture except in his amendment. I think he had about two words for the industry of agriculture and we're quite aware that is where their interests lie, is outside the field of agriculture. They don't really have much empathy or sympathy for or much aggressiveness to develop the industry. But all of a sudden, Mr. Speaker, over the past year and a half we have found that with the Minister of Transport from the federal government, by the name of Mazankowski, that we have brought the allocation of boxcars, the grain system into a kind of a workable system, quite a workable system. We can let it be known also, Mr. Speaker, that the incentive for this particular program started in Winnipeg in January of 1979. From there it has gone on and developed and to the present time, we are in the position that I think we're going to have enough boxcars to move the grain. I listened with interest during the agricultural estimates when the Member for St. George said that there was no point in us leasing boxcars in the province of Manitoba because there was a glut at the head of the lakes caused by non-Board grains. I have a report here from Thunder Bay, May 7, and it says: It is anticipated that most, if not all, the backlog will be cleared up within the next week, well that would be by the end of the 14th of May. So as usual our socialist friends are out to shaft anything that sounds like progress. Certainly grain has moved by trucks; grain has

moved in practically every way that there has been to get the stuff to market; our flax and rape have gone into the United States, they've gone to Alberta, they've gone to Thunder Bay and they've gone as far as Vancouver by truck and they wouldn't be going by truck if the rail transportation system was doing the job that they are supposed to be doing. So consequently, Mr. Speaker, I think that a lot of credit should go to our Premier, a lot of credit should go to our Minister of Agriculture and to those people that have developed and got this business of moving grain on the way.

We've faced some very major problems. One of course would be the reneging, up to this point, of the federal government on the development of Prince Rupert. I expect that they will fall into line and will start hitting the ball. But one of the first statements that the Minister, the Honourable Mr. Pepin said, that they would not honour the commitment of the Crosbie government to go along with the development of Prince Rupert. So I would hope, Mr. Speaker, that although they have no interest basically in agriculture, that they would at least follow through on the commitments of the previous government. —(Interjection)—

Churchill we would hope would have a record year of shipment. We have been very fortunate, I guess, or whatever you may want to call it, that labour problems have been settled there. That really — I don't know what the word would be, Mr. Speaker — but it amazes me to say that the — and the Member for Churchill is not in his seat either — but he talks about vinyl chloride; he talks about lead poisoning; he talks about anhydrous ammonia; he talks about methyl hydrate but he never talks about his constituency. He never talks about the Port of Churchill. Two years ago when the labour strike was up there and the grain farmers of Manitoba, Saskatchewan and Alberta lost an estimated 12 million, there was never one word from the Member for Churchill about what was happening up there. His interest lies in the city of Winnipeg, so he should run for a Winnipeg seat so he's not responsible for something that someone with some responsibility should be representing. We've had the earliest opening at Thunder Bay that we've had in years and for one time probably in the history of the industry, in at least the last 10 years, there doesn't appear to be any major labour strike on the horizon. Our big problem, of course, right at the moment is drought and it could make some very serious inroads into what the estimate of our crop could be and also it could affect our livestock industry very greatly. But here again, our government is taking whatever steps that they can to make the thing work. No. 1, is getting pumps into position to fill dugouts; No. 2, is trying to locate feed, because I have never in my lifetime known a time, at this time of the year, when there was no pasture and there was actually very little hay left in the area to supplement-feed these animals. But here again, Mr. Speaker, a rain would certainly straighten that out. But we are taking contingency plans; whatever cattle can be moved into community pastures will be done. As I say, pumping dugouts is already, I think, under way. But that I will leave to the Minister of Agriculture, he can explain that.



But I would like to point out also, Mr. Speaker, just how big an operation our farming economy is. Our friends across the way wouldn't be aware of the fact that the farm debt load this year reached 1 billion. The average farm capital investment is about 200,000 and the average debt per farm is about 40,000.00. So, Mr. Speaker, we have an industry here that is threatened and, Mr. Speaker, we've been in positions before that it's been very serious, but don't think that we have ever been in a position as serious as we're facing today. I would like to, at this time, Mr. Speaker, give a few remarks to my honourable friend from Ste. Rose. The last time he was up speaking, I believe he called some of the members on this side jackals. Mr. Speaker, I took the opportunity of checking the dictionary to make sure I didn't make any mistakes and it said, a jackal is a lean, hungry, carnivorous animal with shifty eyes and a sneaky manner. And in checking this side, Mr. Speaker, I could find no one that would fit that description so I would suggest he check himself in the mirror, because maybe that's where he saw it.

So, Mr. Speaker, I don't have a great deal more to say at this time. I know there are many people that are interested in getting into this debate. We lost yesterday because the Leader of the Opposition was getting his notes together and I appreciate the fact—(Interjection)— Yes, well he was worried about the referendum the Minister of Finance says. So with those words, Mr. Speaker, I would again like to congratulate our government for the budget that they have presented. I think the economy of Manitoba is in good shape. I think the business community is starting to regain some confidence and I think that, as I said before, a two-inch rain would do us more good than the Leader of the Opposition's speech. Thank you.

**MR. SPEAKER:** The Honourable Member for Brandon East.

**MR. LEONARD EVANS:** Mr. Speaker, I would move, seconded by the Honourable Member for Kildonan that the debate be adjourned. — (Interjection)—

**MR. SPEAKER:** Order. Order please. Order please.

**MR. EVANS:** But, Mr. Speaker, if anyone else should wish to speak.

**MR. SPEAKER:** The Honourable Member for Inkster.

**MR. GREEN:** I'll speak after one of them. And I wouldn't have spoken today if not for that. Go ahead, speak. I'll speak after them.

**MR. SPEAKER:** The Honourable Minister of Education.

**HON. KEITH A. COSENS (Gimli):** Thank you, Mr. Speaker. I have to say at the outset that I consider it a distinct privilege to have the opportunity of speaking in this particular debate and I say that particularly when we are considering a budget that is as positive, constructive and indicative of, not only our government's present position, Mr. Speaker, but

a budget that has distinct implications for Manitoba in the decade of the 80s.

Mr. Speaker, it's a budget that reflects the confidence, the optimism, the faith and the knowledge that this government has, that the decade of the 80s will be Manitoba's decade. Mr. Speaker, one doesn't need a crystal ball to make that prediction. All the indicators are there and I'll have more to say in that regard later on in my remarks. But I would further predict, Mr. Speaker, that the people of this province will continue to recognize that the Progressive Conservative government is the one best qualified, on the basis of policies, ability and performance, to not only lead our province into the 80s but through a decade that holds great promise for all Manitobans.

Mr. Speaker, I might say rather modestly that I've had some success with predictions and I would refer honourable members to my remarks during the Throne Speech Debate last year, when in congratulating the Leader of the Opposition for having ascended to his rather precarious position, I also admonished him by referring to the Shakesporean play, Julius Caesar, to beware of Cassius, who had a lean and hungry look. Of course, Mr. Speaker, I would suggest that I predicted very accurately the disenchantment of the Member for Inkster and his subsequent move to independence and the formation of a rather serious rift among the gentlemen opposite. So on the basis of that particular prediction, Mr. Speaker, I'm quite prepared to say that some other predictions very well will come true. However, lest I be accused of optimism based on nothing but partisan enthusiasm, Mr. Speaker, I suggest we look at the facts and the indicators. They speak for themselves and this budget is one of the strongest indicators.

It indicates what a government acting in a responsible and reasonable fashion can do to respond to one of the most important functions of any government, the improvement of the quality of life of its citizens. It is a budget that reflects the government's concern for property taxpayers, a special concern for pensioner property taxpayers, and of course pensioners who are renters. The problems of low income families with children have been addressed by the budget. It contains particular responses to the problems of the elderly, low income people and children. Mr. Speaker, it is a people-centred budget conceived by a government that cares and demonstrates that caring with programs and financial support. In short, Mr. Speaker, this is a budget that benefits the vast majority of our citizens, either directly or indirectly. It's a budget, Mr. Speaker, produced by a government that has put its house in order and can now concentrate its energies and resources to assist all segments of this province and it can assist all segments, Mr. Speaker, to develop and progress towards the great potential that this province certainly has.

We have turned the corner, Mr. Speaker. Manitobans are taking their first strides into the 80s with a new spring in their step and I detect a new optimism based on the demonstrated results over two and a half years of this Progressive Conservative government. Let's look at those results, those indicators that I alluded to earlier.

As Manitobans we are well aware of our hydro power resource, a renewable resource that will grow in importance in the 80s, a decade when energy resources will become even a greater consideration than they are today. And Manitobans are aware, Mr. Speaker, that they have a government dedicated to maximizing the benefits of that particular resource, maximizing the benefits for its citizens. The Western Power Grid with our sister prairie provinces, is an initiative by this government that will pay huge dividends in the 80s and beyond. The untapped potential of power sales to our southern neighbours will be yet another plus in the 80s. Mr. Speaker, the excess water running over our power dams in the north under normal conditions will be converted into electrical power and into dollars for the benefit of all Manitobans under the administration of this particular government.

And when one talks about the 80s, Mr. Speaker, and about hydro-electric power, we cannot overlook one of the most significant initiatives taken by this government, one that has not been taken by any other government in North America, to my knowledge, and that is the five-year freeze on hydro rates. Certainly a very positive step. What it does of course, reflects on every hydro-electric power user in this province and as well it has an added attraction to those industries who are looking for new locations. I suggest that the impact of that particular initiative taken by this government will become more prominent as each month and each year passes.

Another reason for optimism, Mr. Speaker, is the renewed interest in mining and mining exploration in this province in the last two years, due in large part I suggest to the mining policies of this government. It is rather strange, Mr. Speaker, that in the previous eight years that interest in mining and mining exploration seemed to wane. Under the policies of this government it has renewed and we are seeing the product of that renewed interest. We are experiencing increased oil exploration in the southwest corner of the province as well; and the recent announcement by this government of the proposed development of a potash mine in the western part of Manitoba and the even more recent announcement of the mine near Flin Flon are two very concrete examples that this government is prepared to work with the mining companies to see Manitoba's mining industry flourish in the 80s and that's a development, Mr. Speaker, that can only mean more jobs for Manitobans and it can only mean a boon to our economic climate. A very positive indicator that indeed the 80s will be Manitoba's decade.

When I speak of jobs, Mr. Speaker, I am again prompted to point out to yet another good reason for optimism. Just let me quote a few statistics. In the years 1975 to 1977, 4,000 young people in the age class 15-24 joined the work force in this province and Statistics Canada reveals that no new jobs were created for that age group, absolutely none. However, from 1977 to 1979 some 6,000 young people were into the work force in Manitoba and there were some 6,000 new employment opportunities in this province. The private sector in Manitoba is creating those jobs, Mr. Speaker. We are moving out of the stagnation of the NDP years. In fact private sector employment increased 10.1

percent from 1977-79, whereas in the previous two years it increased that very significant amount of .3 percent, Mr. Speaker. In total we have seen some 24,000 new jobs created in the years 1977-79, as opposed to 10,000 new jobs in Manitoba from 1974-77, under the government of the gentlemen opposite. In fact in 1974-75, there was a decline in actual jobs of some 2,000. I don't hear the honourable gentlemen opposite talking about that. It's not difficult, Mr. Speaker, to see which government has helped provide an economic climate that produces jobs. The record of the gentlemen opposite in that regard is absolutely pathetic but, in spite of their record, they have the gall to preach about job opportunities for young people.

The forecasters inform us, Mr. Speaker, that by the mid-1980s we will have more job opportunities than young people to fill them and this particularly in the skilled job areas. We are seeing the first indications of that now, in certain skilled trade areas and we can be justly optimistic about employment opportunities in the 80s for our young people. Of course, the Leader of the Opposition made some reference to jobs for graduates. The gentlemen opposite, Mr. Speaker, are obviously not aware that 90 percent of our graduates of our community colleges, are working in Manitoba. For some reason they ignore that fact, Mr. Speaker, and it is the result of a recent survey that was conducted just this past winter in this province, 90 percent, probably the highest percentage we've had for some years, Mr. Speaker. Of course those eternal pessimists on the other side of the House have some problem accepting those figures. But I remind them, they are not the government's figures alone, they are StatsCan figures.

While I am dealing with statistics, Mr. Speaker, I would like to refer to that great myth, that great fairy tale that the gentlemen opposite like to talk about, called out-migration and they like to refer to those figures for the last few years. Let me just refer to those statistics for a moment. It's interesting that the average number of people leaving Manitoba from 1969 to 1977 was, on the average, 34,643 people on a yearly basis, Mr. Speaker. For the years 1977 to 1979, the yearly out-migration was 33,333 people, less people leaving per year from 1977 to 1979 than left in those preceding years, Mr. Speaker. And yet we have not heard that from the gentlemen opposite. Less people have been leaving this province in the years that this government has been in power, Mr. Speaker, than left under the previous regime. I find it rather odd, although my colleague the Minister of Natural Resources and my colleague the Minister of Labour have brought those figures to the attention of this House I have not read them in print anywhere. I haven't heard those particular figures brought out to the attention of the public, Mr. Speaker, but in fact we have had less people leaving this province in the last two years, on a yearly basis, than left under the previous regime.

Well, Mr. Speaker, the optimism reflected in this budget is also supported by the latest economic forecasts of the Conference Board. It's rather interesting, Mr. Speaker, that in spite of the gloom that's perpetrated by the gentlemen across the way, the Conference Board predicts that Manitoba will see the third largest economic growth this year of any

province in Canada. Seven other provinces, Mr. Speaker, will not be as fortunate as this province in that regard and, of course, we take no comfort in the hardships of others. But if we wish to look at things on a comparative basis Manitoba will be third in economic growth behind Alberta and Saskatchewan. It's rather interesting however, that there are only two provinces who are seeing an increase in their percentage of growth this year and that is Saskatchewan and Manitoba, even Alberta's growth is not as great this year as it was last year.

Well I understand, Mr. Speaker, that in spite of the Conference Board's predictions that historically their predictions for Manitoba have been on the side of understatement, certainly not overstatement, so if that pattern holds true we can very well expect that the actual economic growth for Manitoba in 1980 will be even more positive. In spite of that, Mr. Speaker, in spite of the gloom that we hear from across the way and the talk about economic development and so on, third place among the 10 provinces of this country, ahead of Ontario, ahead of B.C., is not really a bad position at all, I would suggest, particularly considering the national situation, the international situation, those factors such as interest rates and so on that are affecting all parts of the country, Manitoba is still able to maintain a rather enviable position.

Well, it is this type of economic picture that enables this government to bring down a budget, Mr. Speaker, that will benefit so many Manitobans and I would like to look at those benefits just for a minute. They are made up of a package of programs, Mr. Speaker, that I would suggest are probably the most progressive, the most comprehensive set of people programs that we will find in any province in Canada today.

In order to assist property taxpayers this year the government announced on April 9 an increase of 100 on the basic Property Tax Credit, which moved from 225 to 325 and certainly this was an effective and welcome response by this government to increased educational and municipal taxes. Low income homeowners and tenants throughout the province have benefited from an increase in the maximum income-related property credit by 100 from 375 to 475, and of course a significant benefit has resulted there. In 1978, this government, I repeat this government, initiated the Pensioner's School Tax Assistance, this was something that the previous government had not considered, although they did give great lip service to their concern about pensioners and the elderly, but it was this government that brought that program in and it was brought in to ensure that school taxes did not become a burden for our retired citizens. This program as well, has been enriched for the benefit of the senior citizens of this province and, of course, under this program they are able to offset the first 500 of their school tax obligations and the expansion in the maximum Property Tax Credit before 75 means that the low income pensioner-homeowners are eligible to receive up to 700 in Provincial Property Tax Assistance payments. A rather significant move, Mr. Speaker, I would suggest and if the Leader of the Opposition thinks that has not been a welcome move among the senior citizens and the pensioners in this province he should go out and

talk to a number of them, he will find out just the opposite is true.

This government, Mr. Speaker, wants to see it's senior citizens, it's retired citizens able to stay in their own homes, to enjoy those homes that they have lived in for so many years as long as possible. We don't want programs or lack of programs causing people to have to leave their homes and these are steps that we have taken to ensure that they will be able to enjoy that particular residence that they call home, that they will be able to enjoy it for as many years as possible. We have done something about that, Mr. Speaker, unlike the gentlemen opposite we haven't just talked about it.

Pensioner tenants will continue to qualify for specific rental assistance under the SAFER program. Again, Mr. Speaker, I remind gentlemen opposite, the SAFER program was an initiative of this government, not theirs, and of course if the Member for Elmwood thinks it's not popular among renters in this province, let him go out and ask them, they'll give an answer. Of course it's a program brought into place to supplement the improved maximum Property Tax Credit. The Manitoba Supplement for Pensioners, Mr. Speaker, delivers additional provincial support to those pensioners who are most in need and that particular initiative this year has been doubled, Mr. Speaker, doubled. The Manitoba Supplement for Pensioners has doubled what originally existed. Moreover it extends these benefits to pensioners between the ages of 55 to 65 whose incomes are below the current MSE thresholds and that is a long overdue, positive step. If there was a group of people in our society who had been left out in the cold, so to speak, it was people in that particular area and I know from experience several widows who fell into that particular category, whose husbands passed away or their husbands had been on pension; when their husbands passed on there was no source of income. Mr. Speaker, this program addresses that particular group, a group that had been ignored unfortunately by the gentlemen opposite during the eight years that they had an opportunity to do something about it.

As well, Mr. Speaker, pensioners in the 55 to 65 age group will qualify for additional provincial assistance under the expansion of the SAFER program, so that their rents will be brought more into line with their incomes. —(Interjection)— Well, we hear not a faint whisper, a loud whisper from the honourable members on the other side that perhaps we're not showing enough concern for senior citizens, but that whisper is becoming a little more subdued, Mr. Speaker. I think it will almost disappear now because, of course, they did nothing. The only thing they can criticize, Mr. Speaker, is to say you should do more. Well, we have made a giant step, I suggest. In fact, Mr. Speaker, this government recognizes in this budget that low income families face a similar need for additional provincial rental assistance payments, and as a result has extended the SAFER program to assist low income families with children. The budget also makes reference to our government's proposed major increase in provincial support for day care and this will be manifested in an expansion of day care facilities and towards the provision of more noon hour and after

school lunch programs — pressing needs facing lower income families.

Perhaps one of the brightest programs among a group of very significant programs, Mr. Speaker, is the child-related Income Support Program brought in by this government in this budget, an outstanding initiative which is a recognition of the urgent requirements facing lower income families with children; 30.00 per month per child for families, with total annual incomes under 7,500, Mr. Speaker. Again, it's a recognition by this government that in our society today, due to marital breakdowns and many other factors, we have a considerable number of single-parent families where that single parent is attempting to raise children, by herself in many cases, at the same time as holding a job that perhaps is not paying a very high rate. This government has recognized that in this particular program.

Mr. Speaker, I can ask, are these programs the actions of a government that does not care about people? Are these programs the actions of a government that has no compassion? Well, nonsense, Mr. Speaker. The Leader of the Opposition stands in his place earlier today and infers that it is only the party on that side of the House that has any compassion, that cares about people. Well I say, Mr. Speaker, if in fact he does, they had their opportunity to show that caring during eight years. We didn't see too great an exhibition of that care. I think he should also admit that there is no political party in this country, Mr. Speaker, that has any corner on compassion. It's found in them all.

The difference, Mr. Speaker, is that the Progressive Conservative Government realizes that it can best serve all the people of this province by sound management of government, progressive policies and the promotion of economic growth. Members opposite have some problem with that mix of ingredients. Their mix of ingredients resulted in a cake that was half-baked and unpalatable to the people of this province. —(Interjection)— They delude themselves, Mr. Speaker, if they think Manitobans have forgotten that particular cake.

This budget contained a large number of very very significant initiatives, Mr. Speaker, and one of them that was of particular interest to myself, of course, was the initiative taken, finally, by a government in this province to do something about school division interest-costs. The school divisions of this province, Mr. Speaker, receive their revenues from two main sources, through provincial grants and through special levy moneys that are paid through from the municipalities. Of course, the schedule of payments, Mr. Speaker, have a bearing on the financing that school divisions have to carry out. That schedule of payments has resulted over the last number of years of school boards increasingly having to go to lending institutions to borrow money to maintain their operation. Of course, those interest payments have in turn been reflected in the mill rates and in the property taxes of the local taxpayers in each one of those divisions.

This is a problem, Mr. Speaker, that has finally been addressed by this particular government and it's one that has been most welcome by the school boards of this province. We will take immediate steps to increase the schedule of payments of

provincial grants to the school boards of this province, and as the Minister of Finance has stated, not only during his address but during question period, it will result in a saving of approximately 4 million to the school divisions of this province — a saving, Mr. Speaker, that ultimately is reflected in the tax bills of the ratepayers of each school division. At the same time, I'm encouraged that the Budget Speech also has addressed the problem that exists in the pay-through of special levy moneys in that it promises that consultation will be carried out with the municipalities to look at new ways of increasing the pay-through of special levy moneys to school divisions of the province from the municipalities. I suggest a very outstanding initiative, Mr. Speaker, and a most welcome one from the viewpoint of the school boards of this province. While it wasn't addressed by the previous government, Mr. Speaker, it certainly has been by this particular government.

One of the other initiatives that certainly has not been highlighted, Mr. Speaker, but perhaps may have the greatest importance of anything mentioned in the budget, was the reference by the Minister of Finance in his remarks on educational financing, to the intent of this government in this particular calendar year to take steps to change the system of financing of education in the province, at the same time recognizing the autonomy of school boards, but at the same time recognizing also the obligation of the government to meet a large portion of those educational costs.

Well, Mr. Speaker, I would suggest that although it has not received much ink to this point, and perhaps it is because people will be anxiously awaiting the specifics of those changes, that it is one of the most significant announcements in the budget. I look forward to our final plans and to the day that we can make those particular announcements. I know that they are anxiously awaited by all Manitobans and it is the sign again of a government that reacts to problems and comes through with concrete solutions, Mr. Speaker.

These changes, these initiatives, Mr. Speaker, are only possible when a government sees with some optimism, that the problem is progressing in an economic sense, and I would like to reflect just a moment on some of those indicators that I mentioned earlier, Mr. Speaker, because I really feel they are significant, they are germane and pertinent to this whole business of supplying benefits to our citizens. They are the base that provide those benefits.

Mr. Speaker, the gross provincial product was 10.5 billion in 1979 in this particular province and that is an increase of 11.6 percent over the previous year, a positive figure, Mr. Speaker. But let's go on with some more of these particular positive figures. The unemployment rate was reduced by a full percentage point in 1979. You know, I'm amazed by the Member for Brandon East, who stood here in question period a day or so ago and said, we look forward to an unemployment rate of 7 percent. We look forward to it. Well, Mr. Speaker, surely that isn't what he intended to say. Surely he doesn't look forward to seeing unemployment increase because no one looks forward to that. I would suggest it reflects the negativism of the gentlemen opposite, that they would like to see unemployment increase. Mr.

Speaker, I think that's a deplorable point and of course the Member for Brandon East may have the opportunity to correct me. That may not be what he intended to say but that is, in fact, what he did say.

Mr. Speaker, if we're looking at positive aspects and growth in the economy, let's look at some of the other indicators. In the investment field, 48.4 percent is the increase that we see in investment expenditure in Manitoba last year in trade finance and commercial services, 48.4 percent, a rather significant figure. I would suggest, without having checked it out, Mr. Speaker, probably one of the largest increases in this country. A 24.6 percent increase in investment in the manufacturing sector; a 10.9 percent increase in primary and construction industries. We know that there were declines of course in government spending. We know there was a slight decline in the utilities area and there was a decline in the housing sector, and I don't think that's surprising, not surprising at all. We have explanations for that, that are obvious not only to ourselves or to the gentlemen opposite, but to all citizens in this province. But private sector investment has risen to 70 percent, Mr. Speaker, from about 60 percent in this province in the earlier 70s, and that is a healthy sign and a reason for some optimism in itself.

Of course, I have touched on some of the outlook for the 80s. We see an improved investment expenditure in all parts of our economy except in housing, in the 80s. We see where manufacturing investment is predicted to be 27.7 percent in the year ahead. Of course, I've already mentioned that we are projected to have the third largest increase of all provinces. We are projected to have an increase of 12.8 percent in primary and construction industries and that we will be up some 5 percent in trade finance and the commercial service sector. It is predicted that there will be an increase of 7 percent in total private sector new capital spending in the year ahead.

The preliminary estimates indicate that the total personal income and personal disposable income were both up in 1979 by about 10 percent, Mr. Speaker, another significant and positive figure. The primary industry output was up about 13 percent; farm cash receipts up 16.1 percent. You know, Mr. Speaker, as I go through these figures, I have problems seeing that gloom and doom that the members on the other side see. To me they indicate a positive momentum that is taking place, that is starting to pick up, and of course the momentum that will carry us on into a decade where Manitoba, certainly, will be in the limelight.

Mineral production was up some 28.3 percent in 1979 over '78, 28.3 percent. Metallic mineral production was increased by 36.4 percent in 1979. Mining developments, Mr. Speaker, we see that there was a 36 million underground mine started at Ruttan Lake by Sherritt-Gordon Mines. We see the completion of a 33 million concentrate by H.B.M. & S. at Snow Lake. —(Interjection)— These are very negative indicators I suppose, in the eyes of the gentlemen opposite, Mr. Speaker, they don't like to talk about things like that.

Oil and gas in this province, 1979, 10 million spent on exploration, and of course why, Mr. Speaker? Because of royalty and tax changes brought about

by this particular government. That sort of thing didn't happen under the gentlemen opposite. —(Interjection)— We have seen in the forestry area, Mr. Speaker, that the total value of sales in that particular area is up some 18.2 percent in 1979. The fishing industry, 18.8 percent increase in the value of fish sold by the Freshwater Fish Marketing Corporation in this province in 1979, again over 1978. Even in the construction field, Mr. Speaker, a 55 percent increase in construction spending and the trade finance and commercial services sector. A 19 percent increase in the construction sector, in the manufacturing industries. A 7.4 increase in government and institutional spending in the construction area; and of course, Mr. Speaker, we have to admit, it's a fact of life, that residential construction was down. In 1978 we had 12,121 housing starts, in 1979 that was down drastically. Mr. Speaker, that is not something that is only found in Manitoba. It is found right across this country. And if we compare the figures of most other provinces, perhaps Alberta would be an exception, but if we take the averages across this country, Manitoba is still not out of sync with the other provinces.

In the manufacturing area, Mr. Speaker, 20.2 percent growth in manufacturing shipments, 20.2 percent growth, some 4 billion in 1979 in Manitoba as compared to 16.6 percent growth in Canada for the year. And of course another significant point, a positive point, Mr. Speaker, that was the employment in the manufacturing field increased by 4,000 jobs in 1979. That's a lot of jobs by anyone's estimation, Mr. Speaker, but certainly compared to the number of jobs that the honourable gentlemen opposite were able to bring into place during their eight years in power, it's absolutely outstanding, and that is just in the manufacturing field. In the first quarter of 1980, Mr. Speaker, a further increase of 3,000 jobs over the 1979 average is reported. And of course we also have the jobs that will result from the federal government's decision on the F-18 fighter purchase. It should yield significant industrial benefits to this province, particularly to our aerospace industry and it should also yield a considerable number of new jobs.

Tourism, Mr. Speaker, a 9.4 percent increase for travel expenditures in this province, the greatest increase of any particular year in the 70s, Mr. Speaker, and I think that is one of the things that's most significant. The greatest increase of any year in the 70s. The total number of visitors increased to 2.8 million, and there is every indication, I'm told by our Minister of Tourism, that the renewed programs that have been put in place, the renewed initiatives that have been taken by this government, will result in even more tourists visiting Manitoba this year.

In retail trade, Mr. Speaker, we have seen several new shopping facilities put in place in this province. We have seen employment increased by 6.4 percent in that area and an increase in sales of some 7.6 percent over 1978.

Mr. Speaker, if we were to listen to the honourable gentlemen opposite, they would try to even see some gloom in that. They don't like to talk about increases. They only like to talk about decreases.

**MR. SPEAKER:** Order please. The Honourable Member for Brandon East.

**MR. EVANS:** I wonder if the honourable member would like to agree to a question at this point.

**MR. COSENS:** Not at this time, Mr. Speaker. I would be quite pleased to . . .

**MR. SPEAKER:** The Honourable Minister of Education.

**MR. COSENS:** Mr. Speaker, this budget is in part a reflection of our government's experience in 1979 and I say that it's a reflection of what we are going to see ahead in 1980 and beyond. I have mentioned the impressive group of people programs outlined in this budget, but there are other initiatives worthy of note and I could go into the particular tax exemptions that we have brought into place in this budget. I could pursue them at some length because although many of them are not major, they have particular meaning to many people and I saw certain members scoffing at something as trivial, they thought, as this business of sewing patterns being exempt. Mr. Speaker, I am informed by some homemakers of my acquaintance that there are an awful lot of people in this province who sew their own clothes and that's an important item to them. But I noticed that some gentlemen opposite scoffed at that particular one, and of course it's only part of the total package.

Mr. Speaker, a blue sky budget indeed looks different . . .

**MR. SPEAKER:** Order please. The Honourable Minister's time is up.

**MR. COSENS:** Thank you.

**MR. SPEAKER:** Has the Honourable Minister leave?

**MR. COSENS:** Thank you, Mr. Speaker, I just had a couple of remarks I wanted to make in conclusion. I say it's a blue sky budget indeed and of course the only clouds that we see in that blue sky is the smog that seems to emanate from the gentlemen on the other side from their particular gloom machine. Someone mentioned tunnel vision earlier, Mr. Speaker, and I suggest that if any one has tunnel vision, it's the gentlemen on the other side. They look down that socialist tunnel; there is no light at the end, Mr. Speaker, and I'm not even making a pun when I say there is not even a green light at the end of that particular tunnel.

Mr. Speaker, it has been my pleasure to speak on what I consider a very progressive, a very positive budget, one that bodes well for our first step into the 80s and a decade that certainly will be Manitoba's.

**MR. SPEAKER:** The Honourable Member for Inkster.

**MR. GREEN:** Mr. Speaker, I too wanted to adjourn debate but if there is somebody who wishes to speak, then I will not put a motion in.

**MR. SPEAKER:** The Honourable Member for Crescentwood.

**MR. STEEN:** Mr. Speaker, thank you very kindly. I am somewhat amazed at everybody wanting to adjourn the debate. It was rather unusual that we had the second day of the Budget Speech Debate which was not carried on in its normal fashion and members opposite appear that they don't wish to speak on it. I can remind the Member for Inkster that when we were in opposition that the Member for St. Johns always followed our leader. He did everything in his power to follow him and get as much away from our leader in the way of headlines in the following day's paper, and I am sure the Member for Inkster remembers that and remembers it very well. But we heard the Leader of the Opposition give us his hour's best this afternoon.

**MR. SPEAKER:** Order, order please. The Honourable Member for Inkster.

**MR. GREEN:** Mr. Speaker, on a point of privilege, the honourable member has referred to me as having intimated something other. I am not intimating that the members of the government side did not speak. I am intimating that the members of the opposition side never spoke on the same day as the Leader of the Opposition. That's all I'm saying, so if that's unusual to you people, you should know it.

**MR. SPEAKER:** Order, order please. The Honourable Member for Crescentwood.

**MR. STEEN:** Mr. Speaker, I'm not going to continue on the argument that the Member for Inkster has, but we heard the best lick from the Leader of the Opposition that I guess he could provide for us earlier this afternoon and he spent about an hour what I would call double tracking. He was scolding the Minister of Finance because he was spending too much money, he was not giving enough money to the elderly and the low incomes; but on one hand he was saying, you're spending too much money and you're raising the deficit. He continued to call the Ministers of the Crown, the Ministers of the government, hucksters. That was his favourite tag that he had for the government bench Ministers. He must have used the word hucksters 30 or 40 times in the first half of his speech, but I found it amazing that he would flip flop all through his speech, asking that the government not increase the deficit. Yet on the other hand they weren't doing enough for the people of Manitoba in the way of expenditures and so on.

I was completely surprised when the Leader of the Opposition made mention to the 5 cent per package increase in taxation on cigarettes, that we were imposing a taxation that was out to hurt the little guy, as he referred to, and so on. And I would say to the Leader of the Opposition that I would encourage all people not to smoke, and the taxation on cigarettes can get as high as the sky for all I care, and so on. But I don't think a 5 cent per package which will raise in excess of 5 million is a bad tax.

I find it unusual though that members opposite who feel that our budget is so terrible and the Leader of the Opposition says that it's the Minister of Finance's second last one. Earlier this week I heard him reported in the media saying that perhaps we

would be into a fall election this year because it looked as if the Minister of Finance was going to bring in a budget filled with a lot of goodies. Well, today he has obviously changed his mind and had a change of heart. He says that the Minister of Finance will likely have at least one more budget to bring in and that he refers to this as the Minister of Finance's second last budget. I can tell the Leader of the Opposition that I have confidence in the Minister of Finance and as long as he wishes, I am sure, to hold that portfolio, I think he's going to be around for another six or seven years at minimum.

I want to take this opportunity, Mr. Speaker, through you, to congratulate the Minister of Finance, his excellent staff, headed up by a very capable Deputy Minister, for writing what I consider a very progressive budget and a budget that I think that the Conservative Party and all its supporters in Manitoba can be very proud of. We've had two years that the Minister of Finance has had a difficult two years of consolidation and transition from the previous administration in trying to get the House back in order and once again I believe that we can, on this side of the House, take pride in the economic budgeting base which our Minister of Finance has secured for us at this particular time.

In his speech the other evening, on Tuesday night, Sir, he made reference to some budget goals and fiscal responsibility and accountability. I would just like to comment on two areas of accountability if I could at this time, and that was a campaign promise that our leader and the Minister of Finance said during the '77, election and that was that we were going to have quarterly reports. Sure, they're unaudited, but quarterly reports indicating to all members of the Legislature, whether they be government or opposition, as to what is the fiscal position of the government at the end of the quarter.

The other very progressive step that the Minister of Finance has taken in the area of auditing is to take away some of the heavy load from the Provincial Auditor and to allow Crown agencies and Crown corporations to be audited by outside auditing firms, professional auditing firms, and I think that this is a good healthy step, having some 12 or 13 different auditing firms looking into the various Crown agencies and corporations. So I believe that the Minister of Finance in the province of Manitoba is a leader when it comes to responsibility and being accountable for his actions and the actions of his government to the people of Manitoba.

Earlier this year, Mr. Speaker, those on this side of the House that were in attendance at the Annual Meeting of the Progressive Party back in January heard the leader of this party and the Premier of our province say at that time that he now felt that the Manitoba government was in a position financially to take on some new scopes and that was to get active again with new programming and further development in the social fields such as increased tax assistance for our elderly people, increased tax reductions and some tax reforms, expanding a wide range of new investment for the creation of permanent and new employment in the province of Manitoba.

I would like to take a moment or two, Mr. Speaker, and just make reference to the record that has been mentioned by other speakers prior to me, both the

Member for Gladstone and the Minister of Education as well as the Minister of Finance the other evening, where the Minister of Finance was talking about the renewed strength in our private sector and how the private sector, we believe, working along with government, can take its rightful place and provide leadership in the community and in the province. In the community I mean as the province of Manitoba. And that the private sector confidence in the last two-and-a-half years has been, in my opinion, rebuilt, and rebuilt considerably from the previous eight years.

The Minister of Education made reference to a number of areas and the Member for Gladstone made reference particularly in the areas of agriculture. I'd like to spend a moment and make reference to manufacturing and the fact that in manufacturing in Manitoba since 1977, we've had 9,000 more Manitobans employed in the field of manufacturing here within the province of Manitoba than we had prior to 1977. I think that's a major accomplishment, that we didn't have to go out and create a Crown corporation and put people into the public sector to create new jobs. The private sector was capable of doing it and the records speak for themselves, particularly in the area of manufacturing. Manufacturing investment in Manitoba over the last two years has increased by nearly 60 percent and I think this is a great accomplishment. It is far greater than the national average across Canada, Mr. Speaker.

I might point out to the members opposite through you, Mr. Speaker, that last fall I had the privilege of attending, with the Minister of Economic Development, a plant opening in the St. Boniface Industrial Park. The firm's name was Synflex Industries who established a new plant in the St. Boniface area, and why did they want to choose Manitoba as a place to create a new plant and so on? The reason being is that government, whether it be the provincial government or the city of Winnipeg government, worked along with them very closely in helping them find a good right location that was at a price tag and serviced property, so that they could go out and create a new building and new plant to carry on their manufacturing. Through the building of this 30,000 square foot plant, they created a number of new jobs, in the area of 25. One of the reasons they wanted to locate in Canada was they were in the position of manufacturing a product that is sold equally across Canada and they thought being in the centre of Canada was the appropriate place to be as far as transportation costs and the supply of their product to their various customers. They also were very complimentary about the labour force that was available here in the province of Manitoba. I might point out, Mr. Speaker, that in this particular manufacturing plant the wages are not as high as some of us on either side of this House particularly would like to see the wages, but many persons that are employed in this particular plant in St. Boniface, known as Synflex Industries, are our young people, are unskilled persons and persons that want part-time work. Those are the types of persons that usually start at minimum wages or close to minimum wages and as they obtain some maturity and some skills and work themselves into permanent employment, naturally, their wages go up and they

become of a greater value and a greater asset to their employer.

This is why, Sir, that in the province of Manitoba we cannot be, in my opinion, the leader in the minimum wage and try and out-fox every other province by giving the increases in the minimum wage that the Honourable Member for Point Douglas keeps asking. If we do that our young people aren't going to find jobs; our unskilled persons are not going to be given on-job training and, as the Member for Brandon East is very much aware, I believe and I hope that even in his own favourite pet project, the McKenzie Seeds plant, that many of the employees there are part-time employees and that low wages that are just slightly above minimum wages are one of the reasons why such a seed packaging plant is in business and still in business today in a very competitive area where labour has a very high content in the productivity there.

Mr. Speaker, the Minister of Finance talked about some of the major statistics when he was presenting his budget the other night and he was mentioning 24,000 new jobs created in the private sector here in Manitoba in the last two years. Another area that was mentioned by the Minister is that in Manitoba, even though we have less government employees working for the province of Manitoba today, we do have an increase in the private sector and yet our unemployment rate in the province of Manitoba has dropped a full point in the last three years here in the province of Manitoba. Sure, Mr. Speaker, the unemployment rate stands at slightly above 5 percent of the labour force but it is one of the lowest in the country. The fact that we, as a government, have been able to work along with the private sector in seeing that the unemployment rate is being reduced, I think, is a step in the right direction, and whether it be the Minister of Finance or the Minister of Economic Development or the Minister of Labour, but working together as a team. They're working alongside the private sector and encouraging private sector investment and this is where Manitoba's strength for the 80s lies is in the private sector and not in government-created part-time jobs or full-time jobs.

I think another factor that the Minister of Finance mentioned the other night was that the personal incomes in Manitoba, just last year, grew by 10 percent and that we have now set a record for Manitoba of having incomes of over 8.5 billion. The Minister of Education, in his remarks just preceding me, made reference to the tourist industry in Manitoba. It was mentioned in the Budget Speech the other day, Mr. Speaker, that Manitoba last year enjoyed its finest year in tourism in the last 10 or 12 years. The other day I had the privilege of being out at the race track and talking to some of the officials of the race track. They were telling me what they thought the horse racing business in Manitoba and the race track here in the city of Winnipeg meant to Manitoba, as far as it being a tourist attraction, and the fact that the closest other race track to ours here in the city of Winnipeg is as far away Chicago and that people from the States and Minnesota, which has got a population of almost 5 million, or the two Dakotas who have a population between them of about a million-and-a-half, that here we have some close to 7 million people that we in Manitoba can

draw to Winnipeg and that horse racing is the largest, single, tourist attraction that exists here in the province of Manitoba. So I was very pleased when the Minister of Economic Development, who is responsible for the jurisdiction over the horse racing business was able to come to an agreement with the Manitoba Horse Breeders Association. What we've got to do is to encourage Manitobans to be in the horse-breeding business by them expanding their operations. They are going to increase job possibilities for people in the province of Manitoba and create a very viable business. So I would hope that the large increase that we saw in the tourism last year would continue. We're in a particular advantage right now when dealing with our American friends, that with the dollar difference, this is the time to take advantage of tourism. I believe that the campaign announced by the Minister of Economic Development just some two weeks ago is a well worthwhile project and let's hope that the results from that project are just as encouraging and hopefully even more so this time next year when the Minister of Finance introduces another budget, in a long list of budgets that I hope he will be around to introduce.

I mentioned earlier how private investment continues to grow and during the last two years we have seen an increase in private investment here in the province of Manitoba of greater than 25 percent. Another good sign that Manitoba is in a reasonably healthy condition economically and that the government has taken positive action to assist homeowners and tenants alike with our recent property tax increases. It is this government's hope that what we can do, particularly with our elderly people, is to leave our elderly people who are healthy enough to live and maintain their own homes or their own apartments, to let them stay in their own homes or apartments that they have been living in for some years and that they don't have to go into public-funded institutions. I can cite two examples that are very close to me. My mother and father still live in their own home and my father just turned 84 about a month ago. My mother-in-law lives in her apartment, which she has lived in for the past 10 years and has at no time given any consideration to going into a senior citizens home. She likes her privacy and wants to stay in her own apartment, as do my own parents, and I think that this is the wish of most Manitobans. So, I take this opportunity to congratulate the Minister of Finance for his very progressive step in assisting our elderly people in that regard, in staying in their own homes.

It's often been talked about how education costs are getting very expensive and so on. By giving addition tax relief at the municipal level, at least we're doing our part to assist people in being able to live with their taxes on a reasonable basis. I was very pleased that the Minister of Finance introduced the child-related Income Support Program known as CRISP, and the fact that low-income families are going to be able to get assistance. 30 per child per month is the maximum for a family of four, four children, that have gross earnings of 9,500 per year. It's on a sliding scale till that family's gross income level hits the figure of 15,260.00. This is an area that I think is much needed; it's a very progressive measure in my opinion. The Family Allowance cheque



that most of us, I guess, who still have young enough families, receive, to me is not a progressive measure of being able to help those that need it most. Whether a person is earning 50,000 a year or earning the 9,500 per year figure, the family bonus cheque that comes out for each youngster within that family that are of the age that qualify is the same, regardless of your income. I think that here we will be getting the assistance to those that need it and those that can use it most. I've often thought that it was ridiculous for professional and semi-professional people earning good incomes of 30,000 or better per year receiving that baby bonus from Ottawa. So I think that this is the way that we can help the people and, yet, we're not going to be spending as much money as we would if we went the Ottawa route which is give everybody the money across the board. I think that's an important factor that you can take the tax dollars and stretch them much further by going on a selected basis and getting the moneys to those that need it most. There is the type of person that feels that we're going to be invading the person's privacy. Well, I don't think you are at all because you have to apply for these grants and we don't go to the tax department or the revenue department and say, which people qualify? It's up to them to come in and make application, but it's up to us as 57 members of the Legislature, Mr. Speaker, to make sure that our constituents, that we feel that might fall into these categories, whether they be the elderly or be the low-income families, that they are made aware of these programs so that they can have the assistance of MLAs and government officials to help them make application and make application correctly.

We talk about additional funding in the budget for day care centres and it's been mentioned by the Minister of Education in his remarks that we're into a society of single parents, and in many cases where the single parent must be out to work. I can cite four homes on my own block in the city here that I live on — the street that I live on — that are single parents and they have their youngsters going to school along with my daughter. They find a place for their youngsters to go at noon hour to have a hot lunch. In these particular cases, Mr. Speaker, the single parent is fortunate to have a profession or at least a reasonably high-paying job that they can pay the lunch program totally out of their own income. But there are persons who can't and there are persons who can't that we must be prepared to assist. This government is taking progressive steps in that area. The Minister responsible for Community Services has made reference, I'm sure, and been questioned many times about day care assistance. The one day care centre that comes to my mind that I have questioned them about is the one that operates at the Health Sciences Centre that has slightly better than 100 youngsters in at each day. The government gives a total grant towards that day care centre and the Health Sciences Centre themselves give a grant towards it. The grant from the government and the grant from the Health Sciences Centre works out to be approximately 150,000 a year for the 100-plus youngsters and the parent or parents of those youngsters are required to pay the difference. There are only approximately 12 youngsters of the 100 that are in that program whose parents are in such an

income state that they require personal assistance, but there are persons within the Health Sciences Centre, doctors particularly, where a man and wife could both be professional doctors and would likely have gross earnings in excess between them of greater than 100,000 a year. Yet, approximately 150,000 of government funds, whether it be implemented through the Health Sciences Centre budget or be an outright grant from the provincial government, goes towards paying for these people and their youngsters. So, you and I, Sir, Mr. Speaker, as taxpayers, are often paying for youngsters in the Health Sciences Centre Day Care Centre, whose parents are earning more than you and I put together, but that is one particular day care centre that does sit in the position of having government subsidies and government support and there are others that need it as well.

We also, Sir, in the Budget Speech of the other evening, there was reference made to the Shelter Allowance for elderly renters and here is an area that I'm very pleased to see the government taking what I think is a very progressive step and that is extending it to pensioners who are below the age of 65 and those pensioners right down to the age of 55 may qualify. I have seen cases in the past, Sir, when a couple would be pensioned off and the male of the couple is between 65 and 70, and receiving the pension incomes that are allotted to that particular male, and yet the female, his female counterpart, is under 65 and if the male should happen to pass away the female is not old enough to collect the old age assistance, yet has enjoyed a life as a pensioner. Many times that particular housewife or the female of the partnership has been out of the work force for so many years that at the age of 63 or thereabouts, for example, is not in a position to get back in the work force, they just don't have time to be retrained and to get back in earning a living.

It was mentioned earlier about the aerospace industry in Manitoba and I might mention, Mr. Speaker, that I have spent some time with people in the aerospace industry because I have an interest in seeing that Manitoba get its share of work from the aerospace industry and that the province of Quebec today received 48 percent of Canada's work in the aerospace industry and Ontario 40 and we in the province of Manitoba have approximately 10 percent of the work. What does that 10 percent mean to us here in Manitoba? It means over 3,000 jobs in four different plants here in the city of Winnipeg and I would hope that as the National Defence Department buys aircraft for their defence purposes that the federal government would see it's way clear to continuing to direct as much aerospace maintenance work to the four plants in Winnipeg and that we, as a government of Manitoba, would be on the job at all times, trying to maintain our 10 percent in the aerospace industry.

I wanted to take a moment, Mr. Speaker, and mention very briefly about some of my activity with the Minister of Fitness and Amateur Sport, of recent, where I have, through him, had the pleasure of heading up a three person task force in looking into a possible field house that may be built in Winnipeg at some future date. One of the interesting aspects of that study that I have found was that we, in the city of Winnipeg, have done a comparison of sports

facilities between the cities of Edmonton and Calgary which I think would be the two cities that most people would compare Winnipeg with, both in size and potential growth etc., and that in the city of Winnipeg we have more, both private and public golf courses than any other on a per capita basis, than on any other city in North America; we have twice as many golf courses as the city of Edmonton; we have more than Calgary; we have double the number of indoor hockey arenas in Winnipeg than the city of Edmonton has; we have 50 percent more indoor swimming pools than the city of Edmonton or Calgary. The only area that the city of Winnipeg is behind either of those two Alberta cities is in the indoor racquet court sports area where in Winnipeg we have 64 racquet ball courts and in both the cities of Edmonton and Calgary they are in excess of 100. We have found through our survey that the city of Winnipeg does not lack in anything in the area of sport with the exception of a good indoor track and field training facility. We've got a major hockey arena of national hockey league caliber that holds in excess of 15,000 people, we've got a major football park and we have many other areas of activity and facilities that I've just mentioned and we're in excellent position.

The other area that I've been assisting the Minister of Fitness in is giving a hand to the Manitoba Marathon Committee and hoping that this year their second marathon will be even greater than the one they had last year where they had 4,700 participants and they were tied in with the Society for the Mentally Retarded and through a pledge system were able to raise in excess of 400,000 for the society. Last year in the marathon, of the 4,700 participants, there were 66 participants that came from outside the province of Manitoba; this year, in itself, there are 70 already who have indicated from the city of Minneapolis that they are coming up to Winnipeg. One of the reasons that the Manitoba Marathon Committee is going to be able to attract so many outsiders this year is that they have the North American Masters Championship being held here in the city. So I would hope and expect, Mr. Speaker, that this year's marathon might have somewhere in the area of 8,500 participants, they've got a new route, it's a better route and they're off and running and that they are going to have an excellent marathon. They've made a few modifications, they're going to start it at 7:00 in the morning instead of a little bit later to try and get away from the heat of the day and having had some experience with the one in Boston recently, where they start at noon hour and you run in the heat of the afternoon, I can tell you it would be far easier and more enjoyable running in the mornings than running in the afternoons. The fact that the one in Winnipeg ends and starts at the same location, as opposed to the one in Boston, where you are carted out or trucked out of the city for 26 miles and you hang around for about three hours and then you run your way back home and hopefully you've got a pocket in your shorts that you can carry a 20 bill, just in case you have to take a cab and can't make it all the way.

But, Mr. Speaker, I've found that in the past few months helping the Minister of Fitness and Amateur Sport in both that field house study and doing some

work with the Manitoba Marathon Committee that it's been most enjoyable and rewarding and that the numbers of persons that are active in our community in athletics is very encouraging. We often hear the Minister of Health saying that health costs are going up all the time and that we should also, at the same time, take some preventive measures and that is to try and look after our health when we have good health so that we're not wards of the state health system any earlier than we have to be.

So, Mr. Speaker, I will wind up my remarks on the note that I want to, now that the Minister of Finance is present, is to congratulate him and his staff while he is here for the presentation of what I think is an excellent budget, one that I'm firmly convinced that Manitobans are going to like and support and compliment him, for the last two and a half years of a period of difficulty, of the way that he has run the stewardship of the Department of Finance here in the province of Manitoba.

Thank you, Mr. Speaker.

**MR. SPEAKER:** Are you ready for the question. The Honourable Minister of Labour. Order, order please. The hour being 5:30 I'm leaving the Chair to return at 8 o'clock.