

## LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, 20 May, 1980

Time — 8:00 p.m.

### BUDGET DEBATE

**MR. SPEAKER, Hon. Harry E. Graham (Birtle-Russell):** The Honourable Member for St. Vital.

**MR. D. JAMES WALDING:** Thank you, Mr. Speaker. I wanted to look at a few of the things that were mentioned in this year's budget, but also to examine the record of the government for the last two-and-a-half years, and to see if any lessons can be drawn from it and perhaps any prophecies made for its future. Two-and-a-half years have gone by, Mr. Speaker, which is just about half of the length of the full and possible term of a government. But in practical terms, the government is now more than half way and the excuse that they are still cleaning up after the last government is wearing just a little bit thin. This government can now be assessed, I believe, fairly on its policies and what it has accomplished or has not accomplished. The examination of the budget and the government's record has to be seen in terms of this year's spending, the revenues, the taxes, the deficit and the public debt.

We must bear in mind, Mr. Speaker, that the government intends to spend this year more than any government has spent in Manitoba's history; that its revenues are higher than at any time in Manitoba's history; that its deficit is the highest that any government has ever budgeted for; and the debt, the public debt, of Manitoba is higher than at any time in our history. You may recall, Mr. Speaker, that when gentlemen opposite were in opposition and at the time of the last election, they were telling the people of Manitoba that the province was on the brink of bankruptcy. Now it was on the brink of bankruptcy when the province had a debt of some 3 billion-plus. Well, now the public debt is 4 billion. Are they still telling us the province is on the edge of bankruptcy, or are they telling us more, that we are in fact bankrupt? We hear very little from gentlemen opposite when it comes to the matter of the verge of bankruptcy.

We were told, Mr. Speaker, that the deficit was out of all proportion, that Manitoba had become practically ungovernable. We hear little from them now that the deficit is budgeted for this coming year at an all-time record for Manitoba at 140 million, as if 120-odd-million last year was not good enough, they have gone one better and are presently budgeting for 140 million. —(Interjection)— I repeat for the benefit of gentlemen on the backbench, who were doing a little speaking, that the deficit budgeted for this year is the highest ever in Manitoba's history in 110-some odd years. Just bear that in mind, gentlemen, when you go and talk to your constituents and remind them of those things. It's rather odd you know, Mr. Speaker, that gentlemen opposite are so sensitive, almost to the point of paranoia, about foreign debt and foreign debt exchange. I'm not sure whether I can find it quickly

but the Minister of Finance, when speaking of this matter, mentioned that one possibility was to simply roll this debt over, which was something that the present government refused to do because this would simply be a debt that was passed on to future generations. Yet, how does he view a deficit? Is this simply not a further debt to be passed on to exactly those same future generations of Manitoba? Surely if the logic is good on the one hand the same logic applies equally on the other.

Mr. Speaker, I wanted to review some of the actions, policies of this government and try to show that they are suffering from the Joe Who syndrome. Now, Mr. Speaker, perhaps members are not sure what the Joe Who syndrome is and what it refers to. Mr. Speaker. The Joe Who syndrome is wallowing in a morassive-inspired whimpery; the Joe Who syndrome is losing your luggage; it's almost being impaled on a guardsman's bayonet; it's persisting in policies when your advisers tell you that those will ensure your defeat; the Joe Who syndrome is telling everybody that all of the opinion polls are wrong and then producing your own expert who says exactly the same thing. Let me give a few examples of the Joe Who syndrome as it refers to the present government. One example has been given already, Mr. Speaker. When it was pointed out to members that the Minister of Finance had referred to his budget as a blue skies budget, when clearly what is needed is a whole bank of rain clouds that are going to drop a couple of inches of water across the province. Mr. Speaker, I'm waiting with bated breath for one of the members on the opposite side to refer to this 140 million as a stimulative deficit. I would give members one other example of the Joe Who syndrome, Mr. Speaker, when it comes to a gasoline tax. Members will recall the last abortive budget of the federal government when they insisted on levying an 18 cents a gallon excise duty on gasoline. If there was one thing that contributed, or one of the many things that contributed to the downfall of that government, it was surely this insistence on higher and higher prices for gasoline. Yet the Minister of Finance now is attempting to jump onto that same bandwagon by realigning the motive fuel tax and the gasoline tax in this province, to put it on a percentage basis so that Manitoba and the Minister of Finance will benefit from every increase in all stages of increases in gasoline. One might almost, I quote that rather famous quotation in this Chamber, and say that we can hear the muffled cadence of mukluks in this particular move.

Let me give you another example, Mr. Speaker, of the famous Joe Who syndrome. Now who else but the House Leader would announce that it was the policy of the government that the House would henceforth sit only for four days a week, at the same time as it released a report stating that the indemnities for MLAs would be increased by 2,500.00. Mr. Speaker, what better example of a Joe Who syndrome could be quoted than that particular instance? Not only that, but the House Leader refused to go along with the normal method of consensus in the Rules Committee by marshalling his

voting strength in that committee and pushing through by a recorded vote that in fact the government was going to hang tough and, by golly, they were going to have their four-day week, come what may. In true Joe Who fashion they were forced by public pressure and the ridicule of the press, to come back rather sheepishly some two weeks later and ask that committee meet again, withdraw their former motion and go back to the tried and true method of a consensus on that committee.

Let me give another example of the Joe Who syndrome, Mr. Speaker. You may recall there was a promise given at the time of the federal election last year that a Canadian Embassy was to be moved to Jerusalem. Now that was a rather silly little promise given at the time of an election campaign and I think no one would have been surprised if it had been discreetly dropped immediately afterwards and nothing more said, but that was one thing that the Prime Minister stood firm on and pushed the matter for all it was worth in the face of mounting opposition and increased foreign disapproval. He was later forced to back down most unceremoniously and with great embarrassment on the matter, still insisting what he had done was the right thing.

Compare that if you will, Mr. Speaker, to remarks made by honourable members opposite about tax credits, and I will paraphrase the Minister of Finance's words when he was the Leader of Her Majesty's official opposition, when he said one of the first things that Conservative government will do in coming into office will be to do away with the tax credits. I recall the Honourable Minister of Economic Development, I believe it was from Sturgeon Creek, who would stand up on this side of the House and glare across at the government of the day and accuse different members, different Ministers, of using the same tax credits for different purposes, different arguments, making it quite clear, Mr. Speaker, how opposed the Conservative Party was to tax credits and how they would do away with them and it was not a matter of giving money out of one pocket and putting it back into the other, that was socialist flimflam, Mr. Speaker, Conservatives wouldn't go along with that sort of thing. But it seems after two and a half years that the Conservatives have sort of backed down in a rather embarrassing manner and have now accepted that tax credits are apparently here to stay.

Let me give you another example, Mr. Speaker, of the Joe Who syndrome — and the word PetroCan might be familiar to members opposite and they will recall PetroCan — when their federal colleagues were in opposition some two years ago, the Conservatives of that day were adamantly opposed to Crown corporations in general and to PetroCan in particular. One solemn promise given by Conservatives at that time was when they became the government they were going to sell PetroCan. They were going to return it to the private sector because that's where it belonged. Now things began to change a little bit after they formed the government, Mr. Speaker, and they began to waffle just a little bit on PetroCan. Oh, they were still opposed to private ownership and it should be returned to the private sector, however maybe they wouldn't sell it all, perhaps they'd sell a part of it and then perhaps they would give some of it away, or all

of it away, or perhaps they would give some away and sell some of it and perhaps keep some. Now those were permutations of policies at that time that really bothered, I think, most of the people who really were not quite sure what the government intended to do with PetroCan, recognizing the value of that asset. Public opinion was clearly on the side of keeping PetroCan and, I believe, expanding it. However, at the time of the last election when those upholders of the Joe Who syndrome were unceremoniously dumped from office, we were still not sure where the Conservatives stood on PetroCan.

Compare that, if you will, Mr. Speaker, with the position of gentlemen opposite on the matter of Autopac and you will recall, I'm sure, the debates of 1970 which was one of the longest sessions on record, when Bill 56, I believe was the number, came before this House and, if I'm not mistaken, every single member of the opposition benches at that time spoke on second reading, there was a great deal of time taken at the committee stage and I believe members opposite also spoke at great length on third reading as well, implacably opposed to Autopac, Mr. Speaker. In the years that went by that opposition perhaps waned a little bit, but there was still the pledge that a Conservative government would attempt to unscramble the omelet, would bring back that freedom of choice and would turn back car insurance to the private sector where, in fact, it belonged. Well, Mr. Speaker, we've been waiting for that unscrambling now for two and a half years. The government commissioned the 300,000 study of the matter which came out very clearly in favour of turning back Autopac to the private sector and they called it — what was the word? Not privateering — mutualizing, I believe that was the word. An eminent Conservative of that day coined a new word in the English language, Mr. Speaker, that hopefully will be forgotten.

However, the words of the Minister reporting for Autopac would now lead us to believe that he is a convert to public ownership and that he believes that Autopac is a most efficient and economical method of delivering car insurance to the public and we can feel assured, I believe, that for the balance of the term of this government that Autopac will remain as a public agency and will continue to give economical and efficient service to the people of this province.

I have a further example of the Joe Who syndrome, Mr. Speaker, and that is the matter of the Hydro freeze that members opposite announced with such fanfare just about a year ago. They announced that because of government policy, because of the actions that they were taking and the amounts of money that the government was prepared to put up, that there would be no increase in Hydro rates for residential and farm users for the next five years. It was scarcely a week later, Mr. Speaker, that officials from Manitoba Hydro appeared before the Public Utilities Committee and assured members quite seriously that there was no intention of raising Hydro rates for five years anyway. While we're on the subject of Manitoba Hydro, there is another fine example of the Joe Who syndrome that I would like to share with members. Because of the freeze on Manitoba Hydro customers, there is also a freeze on Winnipeg Hydro customers too and because the only

increase in Winnipeg Hydro's revenues over the present year comes by any new construction that is in that area, the profit that Winnipeg Hydro will make this year will be less than that of last year. Members might recall that the block grant of the city of Winnipeg was increased by 10 percent this year over last year. In other words, the government is giving to the city of Winnipeg 33 million instead of 30 million, an increase of some 3 million. The City of Winnipeg Council did a little bit of muttering but being good Conservatives they really didn't rock the boat very much and didn't really make too much of a fuss as far as this government is concerned. They accepted their 3 million, put up the taxes a little bit, and held their breath.

Last year Winnipeg Hydro made 12 million profit. This year the estimate is, or was until a week ago, that Winnipeg Hydro would make 9.5 million profit this year. In other words there would be a decrease in the profitability of Winnipeg Hydro because of the government moves by 2.5 million. In other words, the government had given with one hand a block grant of an increase of 10 percent and in the other hand it had reduced Winnipeg Hydro's revenues by 2.5 million or 20 percent, also by a policy decision of the government. So here you have the Joe Who syndrome giveth and the Joe Who syndrome taketh away. Now that was before another policy decision of the government where they decided to increase the water rental rate, or the fuel rental rate, which of course affected Winnipeg Hydro the same as it does Manitoba Hydro. The estimated effect of that, Mr. Speaker, was to cost Winnipeg Hydro a further 600,000, so the net cost to Winnipeg Hydro of government decisions is just over 3 million — 3 million given to the city and just over 3 million taken away from the city. Now that is a classic example of the Joe Who syndrome, a better example of galloping whimpery I could not think of.

There are one or two further examples that I will give, Mr. Speaker, and I want to move on to another topic in just a moment, and that has to do with education and the problems of education. Over the last couple of years of this government's jurisdiction, they have squeezed the education system, squeezed it so badly that local autonomy that members opposite speak so proudly of now means that local school boards must choose which courses and which programs they will cut. It's not a matter of choice of how they will use their money; local autonomy means only what do they have to cut. In practical terms, what is the minimum effect that they will have on their own system by making cuts.

The situation was bad in their first year, it was worse in the second year. And anticipating even more problems in the field of education this year, the Minister of Education proudly announced that there would be an additional 20 million go into education this year. Now, Mr. Speaker, did that stop the complaints from school boards or from teachers or from parents' groups? Did that stop the public meetings and the threats from school boards, from municipalities to refuse to raise taxes? No, it didn't, it simply made things worse. The effect of that 20 million was absolutely zilch, Mr. Speaker, made worse if anything when it was revealed that that 20 million included the Foundation Program and that a part of that money was to be raised by local

taxpayers and the actual amount that the provincial government was putting out was not 20.6 million, it was somewhere in the region of 15 million.

While we're on the subject of education, I seem to recall that the Joe Who syndrome that was in effect last year resulted in a delay in calling parliament for, what was it, five months, six months, from May until September, perhaps, I don't recall exactly, that was perhaps the longest time in all history that the government of the day delayed calling parliament together while the problems of the country mounted up and mounted up and government sat back and, I suppose, didn't want to make any mistakes and that was the reason for it. Not that it helped them very much. They were assuming, I suppose, that since parliament was not in session and there was no opposition to criticize the government, that there was in fact no opposition and everything they were doing was right.

Along those same lines, Mr. Speaker, you might wish to compare the statement contained in the budget, repeated by the Minister of Education, that the government was studying the problem of education finance and that by the end of this fiscal year, March 31, that they expected to have a plan drawn up that would help education financing — I don't recall the exact words. Mr. Speaker, that will be almost four years after the last election. For three and a half years the government will have let this problem of education finance drift. Yet members opposite, when they were in opposition they saw no problem at all, they had the answers to education finance. It was the matter of the Foundation Program, they knew how to deal with that. It tied in also with the property tax credits if you'll recall. They wanted to do away with the shell game of taking money out of one pocket and putting it into another; do away with that, revise the foundation program and all education finance problems would be solved. Well that was four and five years ago, Mr. Speaker. If the members opposite had the answers then why will it be three and a half to four years before a plan is produced to solve this problem, yet all the time the situation grows worse. Programs are cut, less money is going into education where it needs to, schools are being closed, yet the government is monitoring the program, they are studying it.

What do all of these things show, Mr. Speaker? Well, they show that this government has become irrelevant. It really doesn't matter what's in the budget or what is not in the budget; of what the deficit is and what the government decides to spend this year. I believe, Mr. Speaker, that the people of Manitoba have made their minds up about this government, they did that in the first two years, they saw all of the cutbacks, they saw the freeze on nursing home construction, they saw all the people that were put out of work, they saw the recession that was developing and a government sitting back and saying, this is acute protracted restraint, this is good medicine, this is what you need. At the same time there were businesses going bankrupt, there were head offices being moved out of the province and there were people leaving the province in droves. They knew, Mr. Speaker, they knew that this government had become irrelevant. They were fearful that this province was becoming irrelevant and nothing that this government will do at this stage

with it's tinkering of this budget is going to make the slightest bit of difference.

Mr. Speaker, my time is running out and I want to move to one more example of the Joe Who syndrome, one which is going to have an effect on the future of this province, one that's going to do more damage if we allow the government to handle it, than anything else that they have done. It's a frightening example, Mr. Speaker, and one that seems to concern nobody over on that side other than the Minister of Finance. What I'm referring to is the so-called Western Power Grid, Mr. Speaker. Members will recall that the Minister of Finance commissioned his good friend a couple of years ago to do a study on the Western Power Grid, Western Electric Power System, I believe it was called, and that report was tabled or was produced just over a year ago. What it showed was that if the four western provinces were linked together that there could be a deferral of new capital costs because instead of each province having to have it's own surplus capacity, that by pooling those four capacities that the reserve would last longer, capital projects could be deferred. Well, the province of British Columbia took a look at this, they realized that as a hydro province B.C. and Manitoba would be the two provinces that would be exporting power to the thermal power-producing provinces; they realized that they could get more for their power by exporting it south than by exporting it east and promptly backed out of the deal. That left not a western power grid, gentlemen, but a prairie power grid. My information is that the province of Saskatchewan is not too keen on the idea but in any case they were prepared to go along with the present study.

Now in looking at the facts, that a western power grid, or a prairie power grid, would enable Manitoba to defer some capital projects, it raises the question of why is the government so keen to begin to recommence building on the Nelson River; why does it want to build the Limestone Project again, what excuse does it have to build Limestone? Because the reason for building it is obvious, the province is in a recession, the economic stimulus to the provincial economy would be quite considerable in building a billion and a half dollar new plant on the Nelson River. So really what it boils down to and what this Minister of Energy is getting at, is that, and he has stated it publicly, is that he would like to build a transmission line to Calgary or Alberta anyway and sell them the dedicated power of Limestone. Now, Alberta wasn't prepared to accept the UNIES report, they commissioned a firm called Foster Research to do an analysis for them to see what the benefits to Alberta were of such a grid . . .

**MR. SPEAKER:** Order, order please. The honourable member has five minutes.

**MR. WALDING:** I'll try to hurry, Mr. Speaker. . . . to find out what the effect and what the benefits would be. Now I asked the Minister of Energy to let me have a copy of this report if he would, so that we could see what Alberta was being told by its consultant. Now that was a month ago and I'm still waiting for the Minister to provide me with a copy, but as it happens I was able to obtain a copy of that

report from other sources and when I read what is in it I am not surprised that the Minister was a little reluctant to provide it. For what it says, and I will just quote a part of the report, Average costs of generation and transmission in the four western provinces in terms of 1978 dollars were estimated by Foster Research, for purposes of this analysis, as follows: Manitoba 1.36 cents a kilowatt hour; Saskatchewan 2.2 cents a kilowatt hour; Alberta 2.09 cents a kilowatt hour; British Columbia 1.5 cents a kilowatt hour. Now, its obvious from that Manitoba's costs, average costs, of production are the lowest in the four western provinces and they go on to say although I'm not going to read it, that it would seem reasonable that such power should not be sold at less than the average cost, which is 2.15 cents a kilowatt hour, and they suggest that half a cent a kilowatt hour over the top of that would be a reasonable amount of what they call profit for the generating or for the producing province. Thus, you have the situation there that Foster Research is saying to the government of Alberta, yes, it would be reasonably economical to purchase power from Manitoba at 2 1/2 cents a kilowatt-hour. Do we have power to sell to Alberta at 2 1/2 cents a kilowatt-hour? Not according to the Minister of Energy, who is preparing to build limestone. The last estimate that we have of the cost of that is 1.6 billion. If you add in a transmission line from here to Winnipeg and another transmission line from here to Calgary, you would come up with a cost of approximately 2 billion — 2 billion. Worked out on a kilowatt-hour basis, and that's to get our money back for it, works out at approximately 5 cents a kilowatt-hour. So it's apparently government policy to produce power at 5 cents a kilowatt-hour and sell it to Alberta at 2 1/2 cents a kilowatt-hour.

I have asked the Minister on several occasions, Mr. Speaker, if he would assure the people of Manitoba that we would not be subsidizing Alberta with the cost of limestone power and he has refused to give me that assurance. Now, what is being proposed here is a new electrical generating station dedicated for 35 years to the use in Alberta. It's not on the same basis as other transmission generating stations in this province which were built for the use of Manitobans and only excess or surplus power being sold outside of our boundaries. There, I agree, they can be sold at average prices. But when it comes to a dedicated generating station and transmission line, surely, Mr. Speaker, Manitobans can expect that we would not be paying for and building these facilities for the benefit of Albertans.

Is Alberta so poor that they have to be subsidized by Manitoba to the tune of 2 1/2 cents a kilowatt-hour? What does that amount to in a year? The Minister of Energy has told us that Alberta power sales could generate something like 100 million a year to Manitoba. Well, that wouldn't pay even the interest on a 2 billion generating station and transmission line. If that's predicated on 2 1/2 cent power, we're producing it at 5, we could then say that 100 million a year is approximately half of the cost. In other words, the subsidy from Manitoba to Alberta would be in the region of 100 million a year.

Now, Mr. Speaker, this is the impression that the government is leaving with us, the Conservative government, in its last desperate act of the Joe Who

syndrome, is prepared to ask Manitobans for 35 years to subsidize Alberta to the tune of 100 million a year. Well, Mr. Speaker, to tie us into that sort of a deal would make the CFI deal that the former government signed just look like peanuts. That was some 100 million that they signed away, but that was the whole cost of the project. Over several years there was a loss of some 100 million a year that was signed out of desperation by gentlemen opposite, out of desperation they now prepared to commit us to 100 million per year.

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

**MR. GARY FILMON:** Thank you, Mr. Speaker. It's a privilege to rise to address the Budget Debate. Although I've had an opportunity to speak on several occasions on different issues in both committee and in Private Members' Resolutions, I haven't had an opportunity with some latitude to speak such as occurs during the Throne Speech and the Budget Debate, and so at this time I'd like to thank members of the House, both on our side and on the opposition side, for the cordial welcome they have extended me as one of the newcomers who joined the Legislature last fall, to say that I have appreciated very much the courtesy with which they have welcomed us, the helpful suggestions and information and advice that has been given on both sides of the House and the opportunity they have afforded as one of the three newcomers to contribute in my first session of the Legislature.

I would also like to say, Mr. Speaker, that tonight, although the debate on the budget is a very important issue and one that I am delighted to participate in, it pales in comparison to the major issue that Canada faced today and I would be remiss if I didn't express my extreme pleasure at the results of the referendum that has recently been completed in Quebec. I believe, Mr. Speaker, that I speak for most Manitobans and indeed most Canadians when I say that we look forward to the opportunity to discuss problems, concerns mutually with Quebec as equals, as partners, in a confederation to which they contributed a great deal in history and to which I am sure they will have a great deal more to contribute in future. I believe, as an individual, it's always been my feeling that evolution is a superior form of change to revolution and I know that all of us look forward to the change that will come in forthcoming years in our confederation as a result of the vote that was taken tonight.

Mr. Speaker, the theme that seems to have been overriding in debate on the budget, and in discussion indeed in the media, members opposite have suggested that we have changed, that this budget has shown a great deal of change in the attitude and the approach of our government towards this province. They have suggested that in fact we, in introducing this budget, have brought forward socialist legislation. I want to say, Mr. Speaker, that I don't believe that's true at all. I believe that we, as elected members to this Legislature, all probably ideally want the same thing for our province. I believe that we all would like to see assistance provided through government programs, through legislation and social reform, to enable those who

require support the opportunity to lead a meaningful and productive life in our society and to enjoy all the fruits that our society can give them.

I believe that all parties support this legislation, Mr. Speaker; these objectives, these altruistic goals bear no political ties I am sure. I am sure that people looking at the legislators making decisions in voting and elections look at them as individuals, are impressed by their own personal qualities, not their ideology necessarily, certainly they don't get tied to doctrines and other stringent policies as oftentimes people paint of different parties, different governments. I am sure that amongst all of us, Conservatives, New Democrats, Liberals, there is a very strong force and desire to serve people. I'm sure that underlies all of our actions. I've always felt that in making a comparison between us and our neighbours to the south, that there have been many differences, things that I consider to be positive differences in our approach, in the things that mark us as a society. I'm sure that if you compared us, although there are much greater extremes and there are people in the United States who are far wealthier than any you may find in Canada, probably the norm, the standard of living in Canada is higher than it is in the United States and that's probably a surprising statement to some people. But I don't believe that we have in Canada the real abject poverty that you find in some of the backwoods areas, that you find in the ghettos of the major cities, because I believe that we in Canada have always had very strong ideals in terms of social reform, in terms of individual freedoms, in terms of economic and individual opportunities that we offer. In saying so I believe that we offer a better society in which to live than our neighbours to the south and I say that, not in criticism of them, but just in recognition of the reality of a different emphasis in different priorities.

I've always been proud of Canadians because of this, what I consider to be a higher sense of social responsibility that we demonstrate. We demonstrate it, I think, in many different ways; we demonstrate it in things such as our response in Winnipeg to the United Way campaigns. I'm sure all of you are aware that the United Way, in terms of its achievement of its goals, has been more successful in Winnipeg than in any major city in North America. I think it's significant that it's made up and it focuses on individuals and their roles in society. It doesn't have the big brother approach as governments tend to have, but we know what's best for you and we're prepared to provide it, whether you like it or not. They don't have that approach at all. The United Way never has taken the tack that they should pour money on social problems that they find. They've always felt that their mandate was to help others to help themselves and in so doing they've gained broad support across the spectrum of people in our society and they've always been very successful.

We as Conservatives, Mr. Speaker, have always held very highly the provision of the very valuable and much needed services in our society as part of our mandate. We have always felt that health care, education, community services are foremost in the objectives that we would like to set forth as goals to provide for our society. The difference, of course — because I'm sure that if you ask members opposite they would suggest to you that they hold forth the

same goals and the same objectives and ideals — but the difference, I think, is in how we propose to achieve them, how we set about achieving them. I think what's happened over time in Manitoba, certainly, is just as in Marshall McLuhan's famous quotation, where the medium becomes the message, so we find that over time, in looking at our approach to the solution of problems, the means becomes taken as the goal. The means, of course, that we as a government have used in order to achieve our objectives, has been sound financial management of the economy, control of spending. The goal of course, Mr. Speaker, has been to accumulate greater funds to provide for the social needs that we've set forward, the ones that I pointed out, health care, education and social services. I think that this isn't an unwise approach and I think it's an approach that probably everybody can identify with. I recall looking at advertising that was done by banks and financial institutions when they appeal to people and they said, when you want to help people in budgeting, when you want to show people how to be able to manage their resources and their finances better, you don't concentrate on how to save wisely, you concentrate on how to spend wisely because that's the key to it all. So I say, Mr. Speaker, that's essentially the approach that we as a government have taken.

I think that this has become somewhat blurred over the past couple of years as people concentrated too much on the control of spending and they forgot that the objectives at the end of the picture, were to provide for those needs that we saw in society and that we had a mandate to fulfill. We had to concentrate on spending, Mr. Speaker, because of a variety of reasons. We arrived on the scene in 1977 to find an economy that was out of control, a rudderless ship, no definable direction. Whenever there was a problem the previous government threw money at it, that was their solution. You find this sort of thing when you arrive in a business situation, when you walk into a business that perhaps has fallen on difficult times. Its financial statement doesn't balance; its revenues are exceeded by its expenditures. You have a couple of options when you face that situation, Mr. Speaker. (1). You can decrease spending. (2). You can increase income. In that manner, Mr. Speaker, you can work towards resolving the problem and balancing the budget. But, Mr. Speaker, when you look at those two options something should strike you immediately.

Increasing income is not a short-term expectation, it's not something you can do immediately. Decreasing spending is something that you can probably deal with in almost any business situation and, indeed, I'm sure even in a government challenge, you can deal with a decrease in spending on a faster shorter timeframe. You can achieve decreases in spending in a short term but they're difficult decisions. They impact on people directly because probably they involved staff cutbacks; probably you have to ask people to work a little harder to achieve the goals; probably you have to ask them to take fewer benefits in order to still achieve their goals but it can be done. On the other hand, increasing income, Mr. Speaker, is something that has to be viewed upon as a much longer-term solution. In businesses, for instance, it involves

advertising, sales promotion, staff development. All of them cost money and all of them take a much longer time, Mr. Speaker. Most businesses, when faced with the problem of a non-balanced budget, take on the objective to do both, to decrease the spending, to increase the income. We as a government had those objectives and I think in evaluating what we've done and how we've arrived at where we are today, two and a half years later, it's obvious that we are on track in both of those objectives. We had to re-evaluate priorities saying what things are essential, what things can we live without, what can we do to train and develop new staff and take new initiatives to get the same results, or equal results, perhaps with fewer dollars to spend. The results, Mr. Speaker, I think have been dramatic.

When we arrived on the scene in 1977, we were looking at a current annual deficit, a combined current and capital deficit, of 192 million. In the Budget Speech the Minister of Finance indicated to us that the next to final runoffs say that the 1979-80 year is going to be around 45 million in deficit, over a 75 percent reduction in the deficit in three budget years, Mr. Speaker, a rather impressive result of the task that we had looking at us in 1977. Looking at the increasing on the revenue side, Mr. Speaker, that as I say is a much more long-range view and we have to take it as such. We have to attract new investment, increased private sector production and wealth creation, re-establish incentive — and incentive is a very very difficult to define, difficult to explain situation, Mr. Speaker. It's a fragile balance between somebody saying, Well, I think I'm going to go out and borrow money to expand in my business, to invest in further business, to enter into job creation, wealth-creating activities, Or the opposite side of somebody taking a look at the situation and saying, It's not worth it, why should I take the risk, why should I go out and borrow money, why should I invest this capital when the returns don't warrant it, when there's no incentive, that the government is creating roadblocks at every turn, there's no incentive for me to do it. It's an attitude situation, Mr. Speaker, and I suggest to you that there are many examples of why the attitude was different when our friends opposite were in government.

The first example that I'd like to hold out to you is the corporate capital tax. And in holding that out as an example, Mr. Speaker, I can always refer to my own example of what I, as a businessman, faced when the corporate capital tax was brought in by our friends opposite. I was in the midst of building a small business enterprise, indeed, not a very large one. It provides full-time employment for about 25 people, part-time employment for, say, another 17 or 18. We operate, certainly, in every respect in what people would refer to as a small business criteria in terms of our total capital or our total earnings or our gross income or any of those things. We're certainly within the parameters of what is defined as small business by anybody's definition.

But here we go, Mr. Speaker. I was struggling to pay off a business, investing in leasehold improvements, investing in equipment and other things that I need for my business to grow and thrive and hopefully to expand in the future, and I was faced with a call from my chartered accountant who tells me that I'm going to have to pay this new tax

that the provincial government has come out with and it's called a corporate capital tax. I said, well, I'm a small business and surely there are deductions or surely there are levels above which they are wanting to tax corporate capital. Surely they can't mean me, because here I am, a business that probably has in total, in all of the assets that I've attempted to put into use, the equipment, the leaseholds and all those things, maybe 150,000 employed, of which I have close to 100,000 borrowed from the bank and from other lending institutions. So, surely, they can't mean me as a small business, Mr. Speaker. Oh, no so, says my accountant. My accountant says that anybody with over 100,000 in capital employed in business, whether it's all borrowed or whether none of it is borrowed, has to pay the corporate capital tax.

So there we have, Mr. Speaker, an example. I was horrified. An example to find somebody who goes out, puts up their house, their car, their cottage at the lake and the big thing, your personal guarantee on the line for everything you have, to borrow money to go into business to find that now I'm being taxed on a corporate capital tax, which is a new idea. Punitive, disincentive, disincentive, punitive, what a tax. I couldn't believe it when I heard that, Mr. Speaker. I want to tell you that if ever I had any idea that the government in power was the wrong government and should not be in power, that convinced me. Small business, the backbone of our society, the backbone of our economy both in Manitoba and in Canada, the basis on which most of the growth in this province has taken place, small business was being attacked again by our friends opposite in government.

They are the friends of small business, they say. Of course, our Premier has said before, where does small business become big business and where do you people get to dislike them? Well, I concluded very quickly, Mr. Speaker, from that and a variety of other moves, that they dislike all business, whether it's big or small. Because, Mr. Speaker, those kinds of measures that they brought forward as a government, not only the corporate capital tax, but many countless others, higher levels of taxation, corporate tax from income tax and all of those, did not impact all that greatly on big business, Mr. Speaker, because big business are survivors.

I'm not criticizing big business but I'm just stating the facts. Big business grows and becomes almost a bureaucracy in itself and it can survive any government, whether that government be Conservative, Liberal or NDP. I'm sure, as a matter of fact, if you look at corporations that have been around in excess of 300 years — I just recently read where the Hudson's Bay Company is 310 years old — and I'm sure that if there were a Communist government, they would trade them skin for skin, Mr. Speaker. So big business is not the ones who suffer the kinds of imprudent moves that are brought forward by our New Democratic friends opposite. It's the small businessman, Mr. Speaker.

As well, Mr. Speaker, what about the effect of some of their moves on mobility of capital. You know, I heard recently that 90 million a day in short-term money comes due in Canada. And when that money comes due, Mr. Speaker, it's not just a matter of decision-making on the part of the holders

of that money as to which bank or credit union they will choose for the best interest rate. It's a matter of which country they'll invest in tomorrow. So, little moves that are disincentive, that are punitive towards business, destroy the desire of people to invest in countries and to create wealth and to provide jobs. That's exactly what we are faced with, with all of the various machinations and types of legislation that were brought in by members opposite.

We see it again in many examples these days, Mr. Speaker. Oil exploration by Canadian-owned companies, wholly-owned Canadian companies, are exploring for oil in Mexico and in the North Sea, not only in Canada, but they're exploring where their opportunities are best and where the taxation and the returns give them the best opportunities. We look at Winnipeg development companies and we find them developers and investors from Winnipeg, such as the Lount Group, Ladco, the Lakeview group, Great West Life, the Imperial group; today, they are making major investments in the United States because they feel they have better opportunities for returns. Thank heavens, they are all keeping their head offices here, Mr. Speaker. Thank heavens, that they are at least exporting their expertise and they are keeping the returns in Canada and in Winnipeg.

Another factor, Mr. Speaker, was the famous minerals acreage tax, that great tax that impacted on exploration. In the years when our friends opposite were in government, as a result of some of these punitive disincentive taxes that they brought forward, we found that mineral exploration in this province had almost dried up. It got to the point where in one year not one foot of drill hole was established in this province, Mr. Speaker. Hopefully and thankfully because of the measures that our government has brought forward, because of the sense that it has brought into the economy, we had the Minister announcing that this year the projected minerals exploration for our province was going to be 17.5 million. Just common sense, no question about it, that you give an incentive to the people and the private sector will put the money in. You don't have to put government money into it because the private sector will put the money into this province.

So you see, Mr. Speaker, I'm not a Conservative because I disagree with the social programs and those kinds of measures that were brought forward by members opposite. I'm a Conservative because I disagree with the waste and the mismanagement and the disincentive they created in our economy in their years of office.

We don't disagree in our objectives in terms of social reform, in terms of the things we want to provide in education and health care and community services but I think we disagree on how to achieve them. I believe, Mr. Speaker, that I'm not only a Conservative in the small c sense, but I'm like many people and most people in this province, I think, a Conservative in my daily life, a Conservative in my business. I believe in sound economic planning for the future and I think most people do. They work hard to earn a living; they live within their means; they contribute to society, to their churches, to the United Way, to the Heart Fund, to the Salvation Army; they work as volunteers in all sorts of organizations in the community, coaching and

whatever have you and they subscribe to all these same ideals that I suggest to you all of us do. But they also subscribe to the ideals of living within your means; of having sound financial planning; they provide for their own future through retirement incomes, through life insurance, through all sorts of other things. Mr. Speaker, they don't like to see governments do things heedlessly, wastefully; they want to see government treat their money, because it is the people's money that we're dealing with, just as carefully as they do and to treat it just as seriously as they do when they're earning it, Mr. Speaker. Mr. Speaker, I don't believe that the people want us to just pour money heedlessly on problems, that's not the solution. I don't believe that the people want us to go on with make-work projects with little or no economic base. Mr. Speaker, I don't believe that they want us merely to stimulate the economy by artificial means by creating projects that nobody wants or nobody needs just to provide jobs to make our statistics look good. I believe, Mr. Speaker, that they want our decisions to be based on sound principles, on sound economies and they want to know that any project that we undertake as a government is viable economically in its own right and doesn't have to rely on being propped up by taxpayers' dollars. Mr. Speaker, the dollars that were wasted in non-viable projects in areas that the private sector is now doing a job, were incredible. The waste and mismanagement of our friends opposite was unbelievable, Mr. Speaker. For example, when we look at the economic development side, where they poured money into an airplane manufacturing plant, that built a plane that could not get FAA certification so that the plane could not be sold in the United States of America, which was the biggest market for that plane in the entire world, Mr. Speaker. Mr. Speaker, they did not want to have money poured into Chinese Food plants, into all sorts of other economic development projects that did not start out with a sound viable economic base. Probably somewhere in the range of 100 million down the drain in all sorts of —(Interjection)— away more. The Member for Lakeside says, much more. Well, let's assume conservatively that it was at least 100 million in simply bad investments that never had an economic base and never will have an economic base.

Then we go on to that big area that has been referred to by other members opposite in their speech, foreign currency exchange, borrowing money from the hard currency countries, Switzerland and other European countries, borrowing money at presumably a percent or two lower than the going rate and getting a big bargain for Manitoba. I want to say, Mr. Speaker, that these foreign currency borrowings were done against the advice of all of the financial planners and advisers that the government employed; against the advice of all those people who studied and knew the money market, the investment market; against all advice that was rational and reasonable and expert in this area, Mr. Speaker. —(Interjection)— Well, Mr. Speaker, they thought, members opposite, they — and amongst them there's virtually none who have any particular business expertise — virtually none who have any opportunities to live in the real world of free enterprise, none of them had any of this expertise

but they thought they knew better than the experts, Mr. Speaker. I think the recent estimate to date indicates that the foreign currency exchange losses for this province, as a result of their imprudent economic moves, Mr. Speaker, are in excess of 300 million. That if current rates continue until we pay off all of those foreign currency borrowings, which are coming up year by year over the next few years, that those foreign currency exchange losses will exceed 500 million, based on current rates that's what the projections are. Again, Mr. Speaker, then we have the great debate about Lake Winnipeg Regulation before Churchill River Diversion and the whole Hydro development. Again, against all expert advice, inside and out of Hydro, they chose to put in a project 25 years ahead of its time, at least, at a cost of over 300 million that no one, no one in the technical side, supported aside from the one hired gun that they brought in who gave them the answer that they wanted before they asked the question. The total of all these various imprudent moves, all these various examples of waste and mismanagement, Mr. Speaker, that I've just listed, and those are only a few, is a billion dollars. Do you know what services could be provided for the poor, the elderly, the handicapped, the disadvantaged of this province for that 1 billion that was wasted, Mr. Speaker? Do you know what we could have provided for the needy in this province in terms of housing programs for the core area, nursing homes, medical research, any of those things that members opposite cry out about all the time? We could have provided all of it, Mr. Speaker. In fact, that deficit that they are objecting to in the current budget that has been brought down of 140 million, just happens to represent at current interest rates, one year's income on the 1 billion of losses that I've just listed. That, Mr. Speaker, is how we have seen the economy turned around by eliminating imprudent irrational wasteful spending. That's why we can now provide for the needs of the working poor, the elderly and the disadvantaged, Mr. Speaker; that's why a Conservative government is the only answer to social reform and concerns, Mr. Speaker.

Mr. Speaker, I don't think that the public is interested in the debates and the rhetoric that go on here endlessly about who said what, when, why and how. What the public is interested in is results. What are you doing? What are you doing to address the needs and the priorities that society has set before you? I think, Mr. Speaker, we have put the priorities where they belong. We've done things that even honourable friends opposite have only talked about, Mr. Speaker. We have, by virtue of sound fiscal management, less government, less interference in the domain of business and free enterprise, turned the corner towards achieving our objectives, Mr. Speaker, and at the same time we've addressed the service areas that we see as being in need in this province. Mr. Speaker, nearly 40 percent of the current budget, just under 40 percent — less than a percentage point away — is spent on health and community services, 6 percent higher as a portion of the total provincial budget than our members opposite ever did in their eight years in office.

The labour force is up, almost 30,000 more people employed in the labour force in Manitoba, most of it in the private sector, Mr. Speaker, not in make work

jobs, not in false economic propped-up theories to aid the economy, Mr. Speaker, but in the private sector long-term jobs. At the same time, Mr. Speaker, we're taking out less of the gross provincial product in terms of our budgetary needs. In their last year in office there was 19 percent of the gross provincial product being taken out in the form of the provincial budget. We're down in this budget, despite all of their objections to what they consider to be a high deficit and an increase in spending, we're still taking out only 17 1/2 percent, which is 1 1/2 percent less, which in terms of the context of the overall economy and incentive, Mr. Speaker, is a remarkable and a noteworthy statistic.

Besides that, Mr. Speaker, we've provided a climate which encourages individual initiative, welcomes private investment, attracts new capital, and helps us to do our job while decreasing our involvement in the public purse. The decrease, Mr. Speaker, in personal and corporate taxes that we've achieved, the creation of this atmosphere of incentive, has taken place in small ways, ways that perhaps members opposite aren't even aware of. The confidence that has to be instilled in the government and its objectives takes time, especially when people are used to having a government that wants to compete with them, that wants to force them out of business by virtue of punitive disincentive tax measures, and it takes time for this to be turned around. We've had a remarkable turnaround, Mr. Speaker, in the past two-and-a-half years, and I believe it's only because of this desire to create incentives, to create this atmosphere, that it stimulates and encourages private initiative and private investment.

We've done it, Mr. Speaker, with flexibility; we've listened and maintained an open mind on all issues. Members opposite have said, you've changed your mind. Maybe we have, because we've listened to the people, we've evaluated their priorities and what they wanted, and we've responded to them by providing them the services that they want us to provide, Mr. Speaker.

We discussed recently in committee, Autopac, and members opposite have said, oh, you've changed your mind on Autopac. We've examined it, we've satisfied ourselves that the principle is working, we've improved the service, we've provided improved and better coverage, we've introduced better and more efficient management principles, and we're prepared to go with it all the way, Mr. Speaker. As long as it's open to evaluation, as long as it's open to scrutiny by the public, and as long as the public is satisfied that it's doing the job, then that's what we're in favour of, Mr. Speaker.

Mr. Speaker, we've introduced better social programs than members opposite had ever thought about. The SAFER program, the CRISP program, the attention we're paying to senior citizens, the working poor, sole support parents, and all of those things are very important and I strongly support those measures in the budget, Mr. Speaker. The changes that we brought in in sales tax legislation to eliminate the sales tax from energy-conserving and energy-efficient and alternate-energy items, children's clothing, health items, safety items; all these things are changes that the people want and we're

prepared to respond to and have done so in the budget, Mr. Speaker.

The increase in the corporate capital tax exemption, the further increase, has provided more incentive to small business. The doubling of commissions for retail sales tax collection by businesses; the elimination of the motor fuel tax on gasohol to encourage this alternate form of energy use; the provision of more funds for day care; the things that we've done for seniors in their property tax credit which now can be up to a maximum of 70 per year, for tenants as well; the things that we've done to the SAFER program to make the SAFER program eligible, not only to seniors who find it a very very valuable program to them, but also now for the working poor and the disadvantaged in our society; the fact that we've doubled the Manitoba supplements for seniors — all of these things, Mr. Speaker, show that our priorities are to provide for the needs of the people that we serve throughout the community, to provide for the people who need it most. We are a government that cares, we are a government that is concerned and, Mr. Speaker, I would like to recommend to all members to forget party lines, to forget who brought in this budget, to go forward and support this budget, take a positive note, forget the negatives that we've been given for so long in this session, and go forward positively for the benefit of all Manitobans.

**MR. SPEAKER:** The Honourable Member for Point Douglas.

**MR. DONALD MALINOWSKI:** Thank you, Mr. Speaker. Mr. Speaker, I was really impressed by the previous speaker, you know, that they so care . . .

## INTRODUCTION OF GUESTS

**MR. SPEAKER:** Order, order please. I apologize to the honourable member. I wonder if I could have the attention of the member for a minute.

We have in the balcony a group of new Canadians, mostly people from Asia, Vietnam and Laos, with their instructors, Mr. Jacob Siemens and Mr. Victor Janzen. This group is from Steinbach.

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

The Honourable Member for Point Douglas.

## BUDGET DEBATE (Cont)

**MR. MALINOWSKI:** Thank you, Mr. Speaker, and I would like to welcome them as well.

Mr. Speaker, there are around a million people living in Manitoba so there are many budgets. There are thousands of families and individuals who must budget some way to get through life. Their budgets may not be as elaborate as that presented by the Honourable Minister of Finance, but they are budgets just the same if you will put on this hand or on the other. According to my humble opinion, Mr. Speaker, this budget is a very poor budget and this budget is not giving any help, any assistance whatsoever, for my people whom I have the pleasure to represent in Point Douglas.

Mr. Speaker, for those on the lowest income scale, budgeting is most difficult. For them the big question is, can we get enough beans, potatoes, and a bit of

meat to see us through, when there is hardly enough to cover the cost of the basic essentials. Some of the little luxuries that would make life more interesting must be eliminated.

For those in the top income group families, budgeting is much easier, Mr. Speaker. There is no question about being able to afford steak and lobster, a big mansion, fine clothes, and the best of everything. Budgeting for a second or third Cadillac as well as a holiday in Bahamas, Bermuda, or Hawaii, or whatever, will present no serious problem. But, Mr. Speaker, I see hundreds of young people every day lining up in front of the Manpower office trying to get jobs and this is a problem. The budget which the Honourable Minister of Finance presented should help to find jobs, to create jobs for those people. I'm talking about young people, Mr. Speaker, the budget for their continued education. They must earn enough money to pay their high university fees. These fees as we all know, have been increased again by the Conservative government. Apparently, very few of those lining up at the government employment office are getting jobs. Every time I go past there I can still see hundreds lining up, waiting and hoping to get jobs. So what happens to those who can't earn enough money to pay their university fees? They will have to rely on their parents and if their parents can't pay they will have to drop out, they can't have any education. This is the philosophy of the Conservative government.

The honourable friend just mentioned that our priority is to help and to give wherever it is needed. Mr. Speaker, I am convinced they are helping the greedy, not the needy. This is their philosophy. Naturally, of course, they are part of Manitoba, they are Manitobans, no question about that so they are helping them, not only helping but also in helping them they are very proud that they are doing a good job. But I am talking, Mr. Speaker, about the majority, the great majority who are in need and they will not get anything whatsoever from this budget.

It is a sad scene, Mr. Speaker, to see every day hundreds of young people having to line up in front of the Manpower office from morning to night, for days on end, and not get a job. By the way, Manpower office is not a good name for that place, Mr. Speaker. I am surprised the Honourable Member for Fort Rouge hasn't mentioned it, after all that office is supposed to find jobs for womenpower as well as for manpower. Unfortunately, it is not very successful in finding jobs for either sex and, of course, the weakest part of the budget is that it offers no hope whatsoever for those looking for jobs. As a matter of record, this government likes to boast about the number of civil service jobs it has eliminated already. The Honourable First Minister has promised to fire civil servants by the thousands. Mr. Sydney Spivak who was appointed as the job eliminator often gave us reports on the number of jobs he had succeeded in cutting. Mr. Speaker, I certainly don't believe in keeping more people employed by the government than are needed but I was never convinced that we had an excessive number of civil servants employed. Furthermore, when the former Minister of Task Forces, Sydney Spivak, reported to us the number of jobs he had eliminated in the Civil Service he didn't tell us if there were other jobs for those people who were fired. I

don't remember at any time when he told us that he had eliminated 800 or a 1,000 civil servants from the payroll that he was able to place these people in jobs in private industry, which the Honourable Member for River Heights now is saying, and he's hoping, that the only hope for our economy is private enterprise. —(Interjection)— 10,000 jobs but you forget — the Honourable Minister, Mr. Speaker, forgot one thing, that we lost 25,000 young, skilled people, they left Manitoba. So now big shtook, you are telling us 10,000 jobs. How many did you fire from the government and other industry?

**MR. ENNS:** Very few, very few, a couple of hundred.

**MR. MALINOWSKI:** The saddest statistic of our time, Mr. Speaker, is the fact that the unemployment in the advanced democratic countries has reached the staggering total of over 80 million. Canada is pretty high up on the list with the total number of unemployed to total population and Manitoba, under this government, is certainly holding its own in its contribution to the unemployment figures.

We, on this side, Mr. Speaker, are committed to a mixed economy. We believe there is a vital role for both private industry as well as the government but if there is to be progress out of this depressed situation then governments at all levels must play the lead role. Today we are faced with a situation where neither this government, nor the federal government, are willing to play a leading role in the economy. There is almost complete decline on private enterprise to end unemployment but so far there is little evidence that private enterprise has any concern for this problem or is capable of doing anything about it without direction and strong involvement by government.

In the meantime we just drift along from year to year watching the number of unemployed increase. I read recently that there is a shortage of skilled tradesmen in Canada, even the former Member for Ft. Rouge and present Minister of Immigration and Manpower, he, I believe, said that he's looking outside Canada to find some people because we have so many jobs here that we don't have enough power, enough hands. I heard, Mr. Speaker, there are a few hundred job openings here and there for skilled people but there is supposed to be such a shortage of skilled people in Canada and this province that employers have to import skilled workers from across the ocean. Mr. Speaker, I have baptized many children during my time in church but the children I baptized were not the plumbers, welders, mechanics, draftsmen or nurses, they were just children. Nobody is born as a fully qualified tradesman or professional; people have to learn, they have to be given the chance to learn. I would have liked to hear the Honourable Prime Minister tell us in his budget speech that the government, in co-operation with private industry, was providing training opportunities for at least, at the very least, an extra thousand young people. Since, in our kind of society, large numbers of skilled people are required no expense should be spared in providing training opportunities both in technical and trade schools as well as on the job training. Mr. Speaker, I know it is much cheaper to get trained people by

importing them. When Texas needed doctors they sent recruiting agents to Manitoba to get our Manitoba doctors to go to Texas. If in Manitoba we run short of skilled tradesmen we believe it's cheaper to bring in immigrants with necessary skills rather than train Manitobans. They may be cheaper but is that any way to build up a strong, healthy and happy community? Of course, I realize, Mr. Speaker, the unemployed are better off today than they were many years ago. They now get unemployment insurance and when that runs out they can get what? — welfare. This is better than it was under the Conservatives in the hungry '30s when the single unemployed got only 20 cents a day in Bennett relief camps. Mr. Speaker, we must consider what happens to the morale and character of the people subjected to long periods of unemployment. That is why I am so concerned about the general indifference to this problem by governments at all levels. They are prepared to accept unemployment as a permanent problem about which nothing can be done. We on this side, Mr. Speaker, still believe that unemployment should receive top priority consideration or else our society is in serious trouble.

The budget presented by the Honourable Minister of Finance, like all budgets, is full of figures and charts. My head is still swimming in figures. I'm not a good mathematician, Mr. Speaker, I will just mention one set of figures. I know the general and maximum and the minimum property tax credit and the cost of living allowance have been increased. So far as this helps those who greatly need it this is a good thing but I notice even those in the 20,000 a year income bracket are eligible for some benefits. With inflation, Mr. Speaker, 20,000 a year income is really not very big. But even so, I think those in that income level could get by without getting this benefit from government. I believe greater stress should be placed on helping those in the lowest income brackets, Mr. Speaker, there are many other points I could raise but they have already been covered by my leader and other members of our group.

As we all know, Mr. Speaker, I would like to now just mention a few words about a very important vote which has taken place in Quebec today. This is really a very historical day for Canada, for all of us. I hoped all along that the good people of Quebec, in a solid majority, would vote no to any idea of separation and yes for a strong united Canada. I am happy with the results, they are not complete yet, but I am glad the majority of people in Quebec voted in favour of remaining a part of a unified Canada. But whatever the results in the end might be, much remains to be done in promoting national unity. In my view, Mr. Speaker, there is nothing better for achieving unity than a country with a well-ordered economy. In a country that has full employment and where the majority of people can maintain reasonably good living standards, there is a better chance of maintaining national unity. Mr. Speaker, if there are large numbers of unemployed in Quebec, they can easily be persuaded that it's their corporations run by the English that are at fault, even though employment conditions in English Canada are no better. Mr. Speaker, voting yes or no in this referendum won't put any bread and butter on anyone's table. But when we have favourable economic conditions in the whole of Canada, we will

have a more favourable climate for a strong unified country. Anyhow, I am glad that the people in Quebec voted no.

Mr. Speaker, I will conclude by bringing to the attention of the House, and in particular to the Minister of Cultural Affairs, one other matter. Mr. Speaker, we will try to establish a record for the shortest speech made in this House. There are many issues I could deal with, but my colleagues are effectively covering the most important ones which I had in mind. I can count on them not to overlook any of the shortcomings in the budget. There is only one issue yet I want to deal with and that has to do with one of Manitoba's institutions which happens to be located in my constituency. One of my constituents complained about the high admission fees charged to get into the Museum of Man and Nature. Since then I have noticed an item in the Free Press stating the new fees charged — I was really surprised. These admission fees are now 1.50 per person with a maximum of 5 per family. Only children under six years of age accompanied by an adult are to be admitted free, along with the old age pensioners.

Mr. Speaker, the Museum of Man and Nature is in a sense an educational institution. Young people should be encouraged to go there. Children under six years of age will not be too interested in this museum step, I know that. As far as those over six years, how many can readily afford to pay 1.50 to spend an hour or so in a museum? Mr. Speaker, much has been said about youngsters hanging around Mac's stores or others, and getting into trouble. They much rather have them attending our museums. I am not sure that removing the 1.50 admission charge would get some of these youngsters spending more time in our museums. But the point I want to make, Mr. Speaker, is that nothing should be done to discourage youngsters who are interested from going to the museum. Let's face it, if a youngster over six has to pay 1.50 to get into the museum, they can only get that money from their parents, and if there are two or three youngsters in the family, it means the family has to pay from 3 to 4.50 so their children can go to the museum. I noticed there is a maximum price of 5 per family, but that is a rather steep price to pay to go to a museum. I know the Honourable Minister of Cultural Affairs will say people are spending more than that to go to a movie or to a hockey game or other entertainment. But I also know that there are many people who can't afford to pay the price to go to a movie, and there are many who can't afford to buy tickets to go to hockey games.

Furthermore, Mr. Speaker, I want to stress the point that museums are not entertainment. They are supposed to be educational, and I want to stress the point as strongly as I can that nothing should be done to discourage people from going there, and particularly young people. I am aware, Mr. Speaker, that all governments, including NDP governments, must explore all kinds of ways for raising revenue, but raising the admission fees to our museum is surely the wrong way of raising revenue. Setting the admission fee at 1.50 will in my opinion not resolve in increased revenue, but a decline in attendance at the museum.

I hope that the Honourable Minister of Cultural Affairs will take note of what I have to say. The Museum of Man and Nature is definitely one of our cultural institutions which all Manitobans should attend. A good Minister of Cultural Affairs surely wouldn't want to do anything to discourage people from going to our museum. I want to assure the honourable lady I consider her a good Minister of Cultural Affairs, but I regret that she is not right now in her seat.

**HON. HARRY J. ENNS (Lakeside):** I'll pass on the message.

**MR. MALINOWSKI:** I am glad that the Honourable Minister will pass the message. I am glad. Therefore, Mr. Speaker, I hope she act to eliminate the admission fees to the museum entirely, or at least for school-aged youngsters.

Thank you very much.

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

**MR. ENNS:** Thank you, Mr. Speaker. I certainly would want to at the very outset indicate the relief, I suppose, and the encouragement that all of us as Canadians can have in the outcome that apparently has now been arrived at in the referendum vote in the province of Quebec. I think, Mr. Speaker, we all recognize that there is an immediate challenge to all of us in Canada to respond to that vote in a very positive way. I know that this government, through our First Minister, in conjunction with all other Ministers and provincial Premiers, are ready for that response. I believe that was made clearly evident by the different statements that emanated from different provincial capitals. And despite any suggestion from honourable members opposite that the role that was played by our Premier was anything but the correct role, I think surely it has to vindicated by the vote tonight that seemed to suggest that even despite early projections of a much closer vote or indeed, Mr. Speaker, of a successful oui vote, that the position and posture that individual premiers of their volition, of their own deep concern for the future of Canada took, obviously, Mr. Speaker, was the right one.

I can certainly indicate to you that speaking as a second generation Canadian, speaking as a Canadian whose parents chose Canada as their homeland, as distinct from those who have that privilege of having Canada as their birthright for a number of generations, I can certainly indicate my feelings in a very personal way that when they chose to come to Canada and they chose to work in Canada to make it the country that we have today, that there is a tremendous expression of satisfaction and relief in the hearts of those Canadians not of the founding nations, as we refer to them, of the Francophone and Anglophone communities.

Mr. Speaker, the challenge is clearly set before those of us and this generation to leave Canada and to pass on Canada in a shape that we were fortunate enough to receive it in from our forefathers, and to see that Canada continues to be blessed with being surely one of the most bountiful, one of the most free, one of the most open societies that any peoples

on this earth could hope to live in. That's our challenge, Mr. Speaker. I believe the vote tonight will help us towards meeting those objectives if we bargain and if we negotiate with faith; if we bargain and negotiate with a concern of future Canadians in mind.

Mr. Speaker, I join the Budget Debate; I have lost track as to the number of Budget Debates that I have participated. It could be some 14 or 15, I suppose. Mr. Speaker, let me indicate to you at the outset that it is with a considerable amount of enthusiasm that I enter this particular Budget Debate. It's not too difficult to ascertain the central theme of members opposite that they have chosen to enter this Budget Debate in. This is one of, I suppose, a phrase that has become more obvious or more in use in later times, and that is their theme of accusing us or of this Minister of Finance or this government of doing a flip flop or reacting out of some concern, some political expediency concerns, to the situation. Well, Mr. Speaker, there are fortunately members in this House that know some history, some background, to the capabilities of a Conservative administration. It's important to repeat that from time to time.

Mr. Speaker, there are members in this Assembly that lived through the 60s, when a Conservative administration and objective historians are already, and future historians somewhat further removed, will without question, without question, single out the 60s as possibly the most progressive time, at least one of the most progressive times in terms of all aspects of government services that this province ever lived through, Mr. Speaker, in virtually every field of government endeavour, in education. Do you forget, Mr. Speaker, or do you think that school consolidation just came into being by itself, that the commitment to equalizing education opportunities for all youngsters in Manitoba just came about by itself? Mr. Speaker, there are members in this Chamber that know otherwise. It took courage, it took conviction, it took an awful lot of dedication of public resources to bring that about.

mention all government services, in the farm and the agricultural community. Advances that were made during the 60s under a Conservative administration have yet to be paralleled. All the great structures, institutions that are now in place and, Sir, that are going to possibly have to play a very important role if we should face a severe drought this year, and that is the Manitoba Agricultural Credit Corporation in providing credit; the Manitoba Crop Insurance Corporation in at least returning some of the production costs to the farmers which are now so high that in many instances — I don't know, perhaps 70, 80 percent — are already in the ground. One hopes that the rains will come and the crops will be saved, but my point, Mr. Speaker, my point that I'm making is that it was a Conservative administration in the 60s that made these tremendous advances. Mr. Speaker, you can cover all government services in flood protection, when over 100 million was dedicated to safeguard half of the population in this province. Mr. Speaker, our First Minister was then a very important part of that administration. Members like the present Minister of Finance and I were fortunate enough to join that administration in the latter parts of 1966. But, Mr.

Speaker, to suggest that there has been a turnaround or a flip flop, if you like, in the presentation of this budget, simply belies the historical background that a Conservative administration, a Conservative government can be proud of.

Mr. Speaker, the Member for River Heights put it in equally clear terms, that our objectives, our hopes for the people of Manitoba, are perhaps in many instances identical; our approaches are different. Mr. Speaker, there is one very significant fact that has to be borne out in this debate in this budget. For the honourable members opposite to suggest that simply because we have had the courage to manage our fiscal affairs with some necessary restraint in those first two budgets, and that we are now dedicating ourselves to some of the major improvements, refining some of the programs that we originally introduced in the latter 60s, in the mid-60s — Mr. Speaker, there's not enough members in this House right now but there are some members. The Member for St. Johns was there, the Member for Inkster, the Member for Elmwood along with members like the Minister of Finance and I and others on this side of the House, we were not even there, Mr. Speaker.

Under a Conservative administration, the most advanced social assistance legislation was put on the books of this province, legislation that was copied throughout the width and breadth of this country, Mr. Speaker. It was not the New Democratic Party that introduced broad social assistance legislation to this province. —(Interjection)— Mr. Speaker, the Honourable Member for Seven Oaks suggests that the federal government had a role in it. Well, they most certainly did. And who, Mr. Speaker, who was in the federal government at that time? None other than the Right Honourable John George Diefenbaker, who along with members and Ministers on this side, like the Honourable George Johnson and others, were able to formulate those first serious and significant agreements that provided the kind of massive equalization of opportunity, the kind of dedication to helping those in need in both the social services, in the hospital programs, and in the Medicare programs, Mr. Speaker.

Mr. Speaker, the suggestion is being made here that this budget, by zeroing in on those in need, by providing substantially increased benefits in the area of social services, that that represents in any way a flip flop on the part of the Conservative administration. Mr. Speaker, honourable members opposite can say that in this Chamber and honourable members opposite may want to try that out on the hustings, but there are enough Manitobans that remember the capabilities of a Conservative administration. Mr. Speaker, we are going to demonstrate that and we are going to demonstrate that in this budget and we're going to demonstrate that in the next budget.

Mr. Speaker, I'm going to tell you about something, Mr. Speaker. I have to admit that I have had more contact from individual constituents and/or people off the street, not expressing any surprise or amazement at what this budget contains or what we're doing, but surprise, incredulity, and just utter amazement at what the honourable members opposite are doing. They believed you, you see, for the last two years, when you cried in this House that

we have to spend more money, that we are not looking after those in need, that we have to loosen the purse strings. They were actually starting to believe you. And now that we have done some part of that, they are totally baffled, Mr. Speaker, at the kind of nonsense that honourable members opposite are now suggesting, the kind of speeches that the Member for Inkster is saying, talking about Craik the fake, about the fact that the Conservative administration is spending some money. Mr. Speaker, they are totally missing the point as to how the people are perceiving this budget in the real world outside this Chamber.

Mr. Speaker, they can have a little bit of fun, I suppose, on individual situations, on individual speeches that were made from time to time. But, Mr. Speaker, let me clearly indicate to the honourable members opposite that my constituents, and a large number of Manitobans, simply cannot understand the position that the New Democratic Party is taking at this time. They simply don't understand it. They know that politics is sometimes very confusing and they don't always follow all the intricacies of the debate that takes place in this Chamber. But they do understand one thing — that for 2 1/2 years you fellows have been pounding the desks, you've been grabbing every reporter you can get a hold of, you've been talking about not enough money to change bed sheets in hospitals, you've been talking about problems in financing this program or that program, day care, you name it. Now, Mr. Speaker, we have a Minister of Finance that delivers a budget, gets you caught flat footed, is doing some of these things and instead of, Mr. Speaker, doing the correct and the smart thing politically, instead of pulling credit onto yourselves and saying look, we, this heartless government has finally listened to you; you are doing the exact opposite. You're saying stop spending money. You're saying it's terrible.

Mr. Speaker, you are doing a fine job in confusing the people out there and I wish you success at doing it, and you will have success at doing it. You will have success in doing it. Mr. Speaker, I indicated to the honourable members that I speak to this budget with enthusiasm. That is not to say, Mr. Speaker, that I wasn't very proud of the first two budgets this Minister of Finance and this government brought in. Mr. Speaker, those were the important budgets that had to be brought in. Those were the budgets that laid the foundation to enable us to move in the direction that we are now moving.

Mr. Speaker, the Honourable Member for St. Boniface this afternoon tried to make a case in saying that he at least had some respect for our federal erstwhile government counterparts, Mr. Joe Clark and his team, because they had the guts to come in with a tough budget and they had the guts to live and stand by that budget and go down to defeat if need be, Mr. Speaker. —(Interjection)— Mr. Speaker, can they really be so naive? They were in the process of doing precisely what we have succeeded in doing in Manitoba — bringing in two tough budgets, bringing our fiscal responsibilities, our fiscal shop into some kind of a condition that now enables us to expand the programs, the very programs that you've talked about in the manner and way in which we did. And, Mr. Speaker, they are still baffled at how the Minister was able to do that.

They haven't really been able to concentrate on anything other than suggesting to us that we have had a sudden change of heart, that we've flip flopped in our policies.

Mr. Speaker, if you want a demonstration of flip flopping, and a great deal of interest and time has been consumed in this House about measuring economic growth, and I want to read you just a short passage from the now guru of economic development, the advisor to the Honourable Leader of the Opposition, about what he has to say and how he defined economic growth. This was in response to a question to my then leader, the Honourable Member for River Heights, and this is what the Honourable Member for Brandon East had to say: Now, the definition of economic growth as espoused by my honourable friend from River Heights, seems to mean to be population increase. It's inevitable to me that the Honourable Member for River Heights, by economic growth, he means population growth; and this obviously, as any economist or as any first-year student of economics will tell you, is not definition of economic growth. The definition of economic growth is a rise in the standard of living and the people within an area, surely. It's an increase in the average income of the people of the area, not an increase in the population, and it's very ironic to this day and age of overpopulation, of tensions caused by people being overly crowded in a number of areas, that we are talking about bringing more and more people into a specific area. This is not economic growth. As a matter of fact, economic growth can be achieved by having fewer people in some instances, rather than more people, and that's a lesson that he should learn.

Mr. Speaker, this budget addresses itself specifically to raising the level of services, to raising the incomes to a specific group of people within an area, to our people, to our Manitobans, to our people in need.

**MR. SPEAKER:** Order please. When this debate next resumes, the honourable member will have 22 minutes.

The Honourable Minister of Consumer and Corporate Affairs.

### MINISTERIAL STATEMENT

**HON. WARNER H. JORGENSEN (Morris):** Mr. Speaker, I wonder if by leave I may have permission to make a short statement regarding the volcanic ash situation.

**MR. SPEAKER:** Has the honourable member leave? (Agreed)

**MR. JORGENSEN:** Earlier this evening I distributed copies of an advisory to the honourable members opposite. A few moments ago I learned that the monitoring of stations that we have throughout the province has indicated a fairly substantial increase in the levels of the ash, and we do want to re-emphasize the importance of the advisory at this time and hope that tomorrow morning we may have an opportunity to advise further on what action may be necessary in order to deal with this situation.

**MR. SPEAKER:** The Honourable Member for Seven Oaks.

**MR. MILLER:** Mr. Speaker, I want to thank the Minister for his statement. I am wondering whether he will be making known or advising the radio stations and other media of what people might do, especially those with respiratory diseases and problems of that nature, asthmatics and so on. I notice in your release there was reference to it but in light of the statement that it's becoming heavier than it had been anticipated, then it's even more important that people should be made aware and particularly for children, that perhaps mothers should be encouraged to keep the children in the house for that extra perhaps another day until the wind can carry this particular dust cloud away from Winnipeg.

It certainly is serious and I am pleased that it's being monitored, but I hope that every effort will be made to bring it to public attention on as massive a scale as possible.

**MR. SPEAKER:** The hour being 10:00 o'clock, the House is accordingly adjourned and stands adjourned until 2:00 o'clock tomorrow afternoon (Wednesday).