

## LEGISLATIVE ASSEMBLY OF MANITOBA

Friday, 24 April, 1981

Time — 10:00 a.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 . . . Ministerial Statements and Tabling of Reports . . . Notices of Motion . . .

### INTRODUCTION OF BILLS

**HON. KEITH A. COSENS (Gimli)** introduced Bill No. 56, An Act to amend The Public Schools Act and The Education Administration Act (Recommended by His Honour the Lieutenant-Governor), and Bill No. 57, An Act to amend The Teachers' Pensions Act (Recommended by His Honour the Lieutenant-Governor).

### ORAL QUESTIONS

**MR. SPEAKER:** The Honourable Deputy Leader of the Opposition.

**MR. SAUL CHERNIACK (St. Johns):** Thank you, Mr. Speaker. I would like to address a question to the Honourable the First Minister who apparently has announced outside of this House his intention to commence action against the Montreal Gazette for damages, and endorsing as I do his desire to see to it that the truth of what transpired be made public, may I ask him to confirm his intention?

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

**HON. STERLING R. LYON (Charleswood):** Mr. Speaker, the matter is in the hands of solicitors and I expect I'll be making some statement perhaps as soon as later on today about intentions, when their advice is finally complete.

**MR. CHERNIACK:** Mr. Speaker, since this matter arises out of the First Minister's activities as a Minister of the Crown in Manitoba, may I gratuitously say that I believe that it is a matter in the interests of the people of Manitoba to have the matter clarified, would he inform us whether it is his intention to see to it that the Crown employ the services of the solicitors, as I think they well should, or whether he intends to do this as a private citizen?

**MR. LYON:** Mr. Speaker, notwithstanding the advice of my honourable friend, I must say that at this stage it would be our intention to proceed in a personal capacity, not with the state involved.

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

**MR. SIDNEY GREEN:** Yes, Mr. Speaker, I'd like to direct a question to the Honourable, the Minister of Finance.

I wonder if the Honourable Minister of Energy can explain, Mr. Speaker, why Manitoba Hydro would write a letter to Messrs. Aikins, MacAulay and Thorvaldson and studiously avoid putting it to the attention of Mr. Steward Martin, in order to perhaps studiously avoid receiving a reply from Steward Martin, who is the person involved in the legal opinion that was dealt with at the Hydro Board?

**MR. SPEAKER:** The Honourable Minister of Energy and Mines.

**HON. DONALD W. CRAIK (Riel):** Mr. Speaker, I can only presume that since the firm of Aikins, MacAulay and Thorvaldson provided three lawyers for the services of Hydro, namely Martin, Smellie and Mercury, during the course of this period, that could be one reason although I don't know that to be the reason.

**MR. GREEN:** Mr. Speaker, I wonder if the Minister would try to determine the reason for something that in 25 years of legal practice I have never seen, and that is a letter signed by a firm without identifying who has signed it and without, Mr. Speaker, even identifying the person who dictated it, which is I would say, done 100 percent of the time, that the initials of the person who dictated it are on the letter beside the steno who typed it, why that would be studiously avoided in the case of this correspondence?

**MR. SPEAKER:** The Honourable Minister of Mines and Energy.

**MR. CRAIK:** I have to think that the member has directed the question to the wrong party, and I don't think that Hydro is the right party. It's the law firm's responsibility. Mr. Speaker, if the member is seeking a legal opinion, I can't help him. I can indicate to him, it seems to me that, and I checked since I've just filled out my income tax form that the report I got from my accounting firm was signed by the two or three partners that are in the firm and not by an individual, so I presume that it's not uncommon practice that some of the professions follow that course of action.

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

**MR. GREEN:** Mr. Speaker, may I assure the honourable member that I, in my practice, must have received hundreds, and I would guess thousands of letters from Aikins, MacAulay and Thorvaldson, not one that has not been signed by a member of the firm and identified by the firm who signed it. I would ask the honourable Minister, who says that I'm asking the wrong person, I would ask him whether, since I am asking the wrong person, he will make it possible for me to ask the right person and free that person to give me an answer, and I will ask Aikins, MacAulay and Thorvaldson, if you will tell them that they are free to give me an answer.

**MR. SPEAKER:** The Honourable Minister of Mines and Energy.

**MR. CRAIK:** Mr. Speaker, the member is asking for a legal opinion. I can not give him that legal opinion. Mr. Speaker, he's asking why a law firm signs in the name of the partnership. Mr. Speaker, I can't help him out on that question. What I would presume, Mr. Speaker, might be the case is that it would be necessary to determine if all three lawyers who were involved in it were in fact party to the letter. Mr. Speaker, I can't help the member further than that.

**MR. SPEAKER:** The honourable member on another question.

**MR. GREEN:** On a supplementary question, Mr. Speaker.

**MR. SPEAKER:** The honourable member with a third supplementary.

**MR. GREEN:** If I may, my lord. Mr. Speaker, may I indicate that what is written on the letter, and this is not a signature unless there has been a resurrection of three people. Aikins, MacAulay and Thorvaldson, all of whom are dead, does not constitute a signature of any person but is a designation of the firm and what I am asking —(Interjection)— Mr. Speaker, I suggest my honourable friend, who says this is nonsense, that I've been practicing law for 25 years, five of which as a student and I do know better and the honourable member should know better. I challenge him to show me another letter from a lawyers' firm with that kind of signature and with no designation as to who dictated the letter. I'm asking my honourable friend, not a legal opinion, I'm asking whether he will give me permission and give Messrs. Aikins, MacAulay and Thorvaldson, preferably one of the living partners, whether he will give me permission to ask that person why this letter was signed in this way and why they had the good sense, Mr. Speaker, to address a letter, not to Manitoba Hydro, but to Mr. Kris Kristjanson, Chairman of Manitoba Hydro. "Dear Mr. Kristjanson", as against Manitoba Hydro directing a letter, when they are seeking it from one of their lawyers, to Messrs. Aikins, MacAulay and Thorvaldson, and addressing it, Gentlemen? Mr. Speaker, I want to know why Hydro has studiously avoided — and there are not three lawyers mentioned on the copies of the letter by the way; the letter from Manitoba Hydro shows copy to Smellie and Martin . . .

**MR. SPEAKER:** Order please. Is the honourable member asking a question or is he on a point of order?

**MR. GREEN:** Mr. Speaker, I will try and put it into a question, but since the questions have been so deflected in so many directions, —(Interjection)— The Minister has indicated that there were three lawyers. I indicate that Manitoba Hydro sent copies of its letter to only two lawyers, Smellie and Martin. I therefore ask the Minister, Mr. Speaker, to try to determine from Manitoba Hydro why this unprecedented procedure in correspondence was followed in order to studiously avoid a letter going to Mr. Martin and an answer received from Mr. Martin?

**MR. SPEAKER:** The Honourable Minister of Mines and Energy.

**MR. CRAIK:** Mr. Speaker, the only question I can direct there, I can take from the member's assertions, is it an unprecedented procedure? He says it is. I can ask Manitoba Hydro whether they find that an unprecedented procedure.

**MR. GREEN:** Okay. Okay. Ask them.

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

**MR. D. JAMES WALDING:** Thank you, Mr. Speaker, my question is to the Minister reporting for Manitoba Hydro. In view of the fact that the Minister has released a paper . . .

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

The Honourable Member for St. Vital.

**MR. WALDING:** Thank you, Mr. Speaker. My question is to the Minister reporting for Manitoba Hydro. In view of the fact that the Minister has released a letter and a copy of an opinion, legal or otherwise, from Mr. Steward Martin, can the Minister indicate whether Mr. Martin is now released from his solicitor-client relationship?

**MR. SPEAKER:** The Honourable Minister of Energy and Mines.

**MR. CRAIK:** Mr. Speaker, that has been dealt with fully in the House. The discussion that took place in this House regarding that matter over a week ago was sent to Hydro at the time. I asked them if they could identify the document or enquire from the legal firm as to the whereabouts with it. That decision is in Hydro's hands and between them and their solicitors.

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

**MR. WALDING:** Mr. Speaker, a supplementary. Can the Minister clarify for us whether Manitoba Hydro has released its former solicitor, Mr. Steward Martin, from the solicitor-client relationship?

**MR. CRAIK:** I can tell the member and repeat to him again, that decision is between Manitoba Hydro and their solicitors. I am not aware of whether there has been any discussion on that matter. I have nothing to report.

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

**MR. WALDING:** Thank you, Mr. Speaker. That is a little clearer now. In view of the last reply from the Minister would the Minister undertake to follow the matter up with Hydro and enquire from them whether they have or intend to release Mr. Martin from the solicitor-client relationship, and further, can he also enquire as to whether Hydro intends to follow up the suggestion given in the letter that they contact Mr. Martin personally when he returns on April 28th?

**MR. CRAIK:** Mr. Speaker, I think the member perhaps put his finger on something that is valuable. I understand from the letter as well that Mr. Martin is

not in Manitoba, or in Winnipeg at least, and that he is to return on April 28th, so I would suspect that there hasn't been a direct discussion with him on those matters but I can't indicate that as a matter of fact; I don't know. I can table with the House, not that it provides any additional significant information, the letter which I should have tabled with it yesterday, which was the letter that was submitted to me by Hydro containing the two documents that I tabled yesterday. —(Interjection)— It's signed, Mr. Speaker, by the Chairman of the Hydro Board.

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

**MR. LAURENT L. DESJARDINS:** Mr. Speaker, my question is to the Minister of Finance. Is it the intention of the Minister and the government to keep this tax on tax on the gas, that is, that will go up, and it's a certain percentage instead of a fixed amount on each gallon of gas?

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

**HON. BRIAN RANSOM (Souris-Killarney):** Mr. Speaker, I'm sorry I couldn't catch the last part of his question. I wonder if he would repeat that, please.

**MR. SPEAKER:** Would the Honourable Member for St. Boniface repeat his question?

**MR. DESJARDINS:** Yes, Mr. Speaker. My question is, is it the intention of the Minister and the government to keep the policy that they have now, that is, a percentage tax on each gallon of gas sold at the pump?

**MR. RANSOM:** It is our intention to keep the ad valorem tax in place, Mr. Speaker.

**MR. DESJARDINS:** Mr. Speaker, in view of the fact that the Federal Government has announced that it will start next week, I believe that there will be an increase of three-and-a-half cents on each gallon of gas to pay for Petrofina, is the Minister then saying that the people of Manitoba will pay more of their share under a Conservative Government for Petrofina? Is the Minister then saying that the people of Manitoba will pay more of their share under a Conservative Government for Petrofina? Does he feel that this is, does he feel —(Interjection)— Yes, Mr. Speaker, I'm being asked questions. I don't know if I can answer these questions or these people are out of order. —(Interjection)— Well, all right, would the Minister then answer my question?

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

**MR. RANSOM:** Mr. Speaker, I believe that there are now at least six provinces in Canada that have the ad valorem tax the same as Manitoba has and our situation would be comparable to the others.

It does not automatically mean that there will be an increase in the tax of course, because the tax is based on an assessment of a number of the prices that a number of stations in the city at intervals

throughout the year and of course depends on what the price is at the time. From time to time there is competition, perhaps a price war on and does not automatically lead to an increase, but I would expect over time that it would.

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

**MR. DESJARDINS:** Yes, in all fairness isn't the Minister misleading the people of Manitoba? Isn't it a catch —(Interjection)— just keep quiet shortie, just keep quiet for a while shortie, keep quiet.

Mr. Speaker, to the Minister involved, isn't he misleading the people of Manitoba? Does he think that the private operators will pay that from their own pocket for very long? Isn't it going to catch up? Isn't the fact that it's going to catch up with the people of Manitoba and eventually they will have to pay, even if it's not automatic?

**MR. RANSOM:** That's exactly what I said, Mr. Speaker, and the members opposite seem very free to throw around charges of misleading statements. It used to be that when a charge of that nature was made, it meant something. It certainly doesn't any more, Mr. Speaker, as a result of the number of charges that have been levied by the members opposite which have proved to be unsubstantiated.

In fact, Mr. Speaker, what is going to lead to a very substantial cost on the part of every purchaser of gasoline in Canada on the average I would expect will run in this case alone to at least \$40.00 a piece, in order that the Federal Government may own a company to dispense gasoline which will not lead to the discovery or to the production of one extra gallon of gasoline or oil in this country than was being produced before.

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

**MS. JUNE WESTBURY:** Thank you, Mr. Speaker.

**MR. SPEAKER:** Order please. Order please. The Honourable Member for Fort Rouge. The Honourable Member for St. Boniface on a point of order.

**MR. DESJARDINS:** Yes, Mr. Speaker, I think that the Minister should make a correction. It's not the Federal Government that owns this, it's the people of Canada.

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

The Honourable Member for St. Boniface was out of order. It was not a point of order.

The Honourable Member for Fort Rouge.

**MS. WESTBURY:** Thank you, Mr. Speaker. My question is addressed to the Honourable Attorney-General and refers to legal aid assistance.

Mr. Speaker, I understand that legal aid is made available to people on the basis of income, but does Legal Aid require applicants to dispose of such luxuries as pleasure boats and Lincoln Continentals before becoming eligible for Legal Aid?

**MR. SPEAKER:** The Honourable Attorney-General.

**HON. GERALD W. J. MERCIER (Osborne):** Mr. Speaker, I suppose that would depend upon the individual circumstances of the case.

**MR. SPEAKER:** The Honourable Member for Lac du Bonnet.

**MR. SAM USKIW:** Mr. Speaker, yes, I would like to ask the Minister of Finance as to whether he can indicate to the House why he is indicating in his Estimates review why there is a 33 percent increase in expected equalization payments over last year?

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

**MR. RANSOM:** I believe, Mr. Speaker, that the figure that we're estimating this year is \$417 million; the actual figure in 1980-81 was \$404 million.

**MR. USKIW:** Mr. Speaker, I would like to ask the Minister a question on a different subject.

Is the Minister prepared to consider revising the tax credit program to remove another anomaly that has shown up, namely the fact that people who earned dividends and because of the way the dividend tax is calculated, end up showing an artificially high net income position which detracts from the tax credits that they are entitled to?

**MR. RANSOM:** That has not been brought to my attention, Mr. Speaker, but I would be happy to consider the point the honourable member has raised.

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

**MR. BEN HANUSCHAK:** Mr. Speaker, I wish to direct my question to the Honourable the First Minister. In view of the fact that the government doesn't seem to know whether Daylight Saving is to start on April 25th or 26th or 27th, and apparently can't read the calendar, does the government at least know the time of day?

**MR. SPEAKER:** The honourable member with a supplementary question.

**MR. HANUSCHAK:** Mr. Speaker, I would direct this question to the Acting Minister responsible for Information Services. Will the people of Manitoba be informed of the exact day and time that Daylight Saving is to commence, in view of the confusing and contradicting April 16th release?

**MR. SPEAKER:** The honourable member with a final supplementary.

**MR. HANUSCHAK:** Yes, Mr. Speaker, on a point of order, the Honourable Minister of Highways is treating this matter lightly. The exact date of the commencement of . . .

**MR. SPEAKER:** Order please. Order please. The honourable member does not have a point of order. Order please. Order please. Order please.  
The Honourable Member for Transcona.

**MR. WILSON PARASIUK:** Thank you, Mr. Speaker. My question is directed to the Attorney-General who is responsible for Legal Aid. I'm not asking this question on behalf of people who own pleasure

boats or Lincoln Continentals, I'm asking it on behalf of 28 families living in public housing owned by the Government of Manitoba, who a few months ago had their sewers back up with fish heads and fish scales, causing extensive property damage to their possessions. These people have applied to Legal Aid for assistance in pursuing their claims; they were turned down by Legal Aid. Can the Minister confirm stories on the radio this morning that Legal Aid has turned down their appeal for legal aid?

**MR. SPEAKER:** The Honourable Attorney-General.

**MR. MERCIER:** Mr. Speaker, I cannot confirm stories on the radio which I did not hear.

**MR. PARASIUK:** I would ask the Attorney-General to look into that, and secondly, if he can confirm that it is the policy of the Government of Manitoba that people suffering property damage through no fault of their own will have to hire lawyers, even though they are on social assistance, will not be given legal aid but rather will have to go and hire lawyers on a contingency basis, and therefore give up part of the settlement for compensation for damage in order for them to get the court to look at a damage process so that they may in fact collect some damages? Is this the new policy of the Conservative Government of Manitoba?

**MR. MERCIER:** Mr. Speaker, my understanding of this matter is that it is being dealt with under a policy brought into existence under the former New Democratic Party government.

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

**MR. PARASIUK:** Mr. Speaker, my question is directed to either the First Minister or to the Minister responsible for Public Housing, or to the Attorney-General, and it follows up on questions I asked over a month ago. I asked if the Conservative Government of Manitoba would provide legal assistance to 28 families living in public housing on social assistance who suffered property damage through no fault of their own, I asked them then if they would provide legal assistance; they skirted, they skated, they weasled at that time, Mr. Speaker. I ask anyone on that side of the House . . .

**MR. SPEAKER:** Order please. Order please. Order please. May I point out to the honourable member that in phrasing a question it should not be phrased in such a manner as to incite or to inflame comments; it should be asked in a civil manner in a way that will invite a civil answer.

The Honourable Member for Transcona.

**MR. PARASIUK:** Mr. Speaker, I take your admonition correctly. I must say that I was incited by comments from the seat by the First Minister of this province.

**MR. SPEAKER:** Order please. Order please. The honourable member has asked his second supplementary question.  
The honourable member on a point of order.

**MR. PARASIUK:** Were you asking me to rephrase my second supplementary or do I get permission to rephrase my second supplementary?

**MR. SPEAKER:** Order please.  
The Honourable Attorney-General.

**MR. MERCIER:** Mr. Speaker, in response to that question, information that I have does not reveal that all 28 families are on social assistance. I think there are varying degrees of financial ability to pay among the 28 families involved.

Again, Mr. Speaker, my understanding is that when applications were made to Legal Aid Manitoba, arrangements had already been made to employ a solicitor on a contingency basis, and in view of that arrangement, and in view of a policy of legal aid which was developed in the early 1970s, Mr. Speaker, the Legal Aid Board have followed through on that policy and I believe made the decision that this contingency arrangement which had already been made with the lawyer should be continued to follow through with this legal claim, Mr. Speaker.

**MR. SPEAKER:** The Honourable Member for Ste. Rose.

**MR. A.R. (Pete) ADAM:** Thank you, Mr. Speaker. My question is to the Minister of Finance following up on questions raised by the Member for St. Boniface on the gasoline tax. I would ask the Minister of Finance if he could advise what was the average price of gasoline in Winnipeg when the tax rate was set. What was the average price at which the 20 percent was set on? Does he have that figure?

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

**MR. RANSOM:** I don't have it at my fingertips, Mr. Speaker, but I'd be happy to try and provide that for the member.

**MR. SPEAKER:** The Honourable Member for Ste. Rose.

**MR. ADAM:** I thank the Minister for his reply and I would as a supplementary ask him to investigate whether or not the tax was reduced when gasoline dropped by about 4 cents a litre, and that has been about a month or so now or perhaps more. The question I'm asking is whether or not the 20 percent was reduced as a result of approximately 12 cents a gallon reduction in the average price of gas in the City of Winnipeg?

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

**MR. RANSOM:** It's not adjusted on a weekly or monthly basis necessarily, Mr. Speaker, it can be adjusted whenever such a survey is taken and I believe there have been two surveys taken and two adjustments made since the tax was introduced in last year's Budget. So there have been no adjustments within the last few weeks.

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

**MR. ADAMS:** Yes, thank you, Mr. Speaker. I ask the Minister then if he could advise us how often these

surveys are made to adjust the tax rate because what has happened here if it's 12 cents a gallon reduction in the last two or three months, it amounts to about 2 cents a gallon of tax which the people of Manitoba should not be paying.

**MR. RANSOM:** Similarly, Mr. Speaker, when the Federal Government puts the PetroCan tax on in order to be able to buy Petrofina, the Provincial tax will not automatically be adjusted even though the price of gasoline will rise.

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

**MR. RUSSELL DOERN:** Mr. Speaker, I'd like to direct a question to the Minister of Health in regard to a query that I had from a constituent who said that he is extremely upset by the continual increase in drug prices and the rather nonchalant attitude of some pharmacists that it doesn't really matter that Pharmacare will cover these costs. Does the Minister have any information as to the continual rise in the price of prescription drugs and does he have any prescription for stopping that?

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

**HON. L.R. (Bud) SHERMAN (Fort Garry):** Mr. Speaker, complaints of that kind have not been brought to my attention. I've had no such message from the public or from the pharmaceutical field at large but certainly I would take the honourable member's question seriously and explore it. The dispensing fee permitted pharmacists in Manitoba was of course increased and that was to take into account the dispensing and prescription costs that have risen as a result of price increases in product and pharmaceutical materials in terms of the fee that is applied over and above that to the consumer. I can only respond to the honourable member by assuring him that I'll explore the implications of the subject he raises, Mr. Speaker. I've had no complaints to date.

**MR. DOERN:** Mr. Speaker, I also want to ask the Minister; this is sort of an income tax question. When people submit receipts for Pharmacare, they may recover a certain amount and then there may be an amount left over that isn't covered. Is it possible for them to submit that uncovered amount on their tax receipts under Medicare, deductions, etc., and is it possible also for them to receive a general or global receipt from Pharmacare for that uncovered portion? In other words, I assume that they would submit all their receipts to Pharmacare, get a certain coverage back; would they also then get a receipt showing how much of the uncovered portion they could then perhaps claim on their income tax?

**MR. SHERMAN:** I doubt that is the practice or the procedure, Mr. Speaker, but I'll take the question as notice.

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

**MR. PARASIUK:** Mr. Speaker, my question is directed to the Minister responsible for Manitoba

Housing Renewable Corporation. I'd like to ask the Minister if any of the government-owned houses on Plessis Street that experienced that sewer back-up with fish heads and fish scales, and I understand that in a couple of houses where the people were ill, that mess wasn't cleaned up for a number of days, I'd like to ask him if the government has been able to ascertain whether any of those houses were damaged, whether in fact any of that seeped into the insulation, whether any of those homes were damaged?

**MR. SPEAKER:** The Honourable Minister of Consumer and Corporate Affairs.

**HON. GARY FILMON (River Heights):** Mr. Speaker, of course that does come under the operation of the Winnipeg Regional Housing Corporation and not under MHRC directly. I do have some reports on file and I'd be prepared to review the matter and discuss it with the member.

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

**MR. CHERNIACK:** Mr. Speaker, I'd like to address a question to the Attorney-General, in relation to wiretapping and the more recent evidence given before the MacDonald Commission about illegal wire tapping by the RCMP. I'd like to ask the Honourable Minister whether he has investigated the case that appeared in Manitoba before Judge Dubiensi where evidence was rejected — some thousand hours worth of legally obtained wiretapping was rejected by the Judge on the basis that it was improperly granted, the permission to wire tape was improperly granted because it was not proven that other investigative procedures had been tried and had failed?

**MR. SPEAKER:** The Honourable Attorney-General.

**MR. MERCIER:** Mr. Speaker, I am awaiting a detailed report from the department with respect to that matter. I can advise the Member for St. Johns that I believe the day following that decision by his Honour Judge Dubiensi another provincial judge on a similar attempt to ask questions of the police officer related to the same kind of information before another provincial judge, that provincial judge refused to allow questions that attempted to go back into the approval of the wiretap authority.

So there appears, Mr. Speaker, to be a direct conflict in the decision to members of the Provincial Judge. For the moment, Mr. Speaker, I don't think I can go any further. I don't think a final decision has been rendered by His Honour, Judge Dubiensi in that case and it may very well be, so we'll have to await the result in that case.

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

**MR. CHERNIACK:** Mr. Speaker, I thank the Honourable Minister for his answer. I assume that when we come to his Estimates he will be able to elaborate on this, having received further information.

May I ask him whether in this case, or in all cases, the permission to apply to the court for an order

permitting wiretapping has to be granted through his department by a senior official? Is that a correct procedural description?

**MR. SPEAKER:** The Honourable Attorney-General.

**MR. MERCIER:** I think I heard all of that question, Mr. Speaker. I think the question was, does an application for wiretap have to be approved by a senior member of the department. The answer, Mr. Speaker, is yes.

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

**MR. CHERNIACK:** Would the Honourable Minister then indicate to me whether he has granted the permission in this case or other cases, or whether he leaves it at the level of Deputy Minister or whether indeed it goes at a lower level in his department?

**MR. MERCIER:** Mr. Speaker, for approximately one year, all applications for wiretap approvals are required under my instructions to be approved by me as long as I am available or not out of the city, in which case they are to be approved by the Deputy Minister.

**MR. SPEAKER:** The Honourable Member for St. Johns with a further supplementary.

**MR. CHERNIACK:** Mr. Speaker, then I would ask the Honourable the Attorney-General whether he has made it a practice and in this particular case as well to satisfy himself that other investigative procedures have been tried and have failed before the application is made for wiretapping?

**MR. MERCIER:** Mr. Speaker, I believe in view of the fact that this specific case is presently before the courts, as I understand it, a final decision has not been made in that case by the presiding judge, I would ask the member if he would be kind enough to defer any further questioning, perhaps until my Estimates, which I expect to start next week and perhaps the case will be resolved and we can deal with it?

**MR. CHERNIACK:** I just want to respond to the Attorney-General. I think that his request is absolutely reasonable and I trust he will be prepared to deal with it during his Estimates.

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

**MR. DOERN:** Mr. Speaker, I'd like to direct a question to the Minister of Highways and ask him whether he can confirm that in proceeding with the construction of the twinning of Highway 75, that there may be some danger to astronomy equipment and buildings on the campus of the University of Manitoba?

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

**HON. DON ORCHARD (Pembina):** Mr. Speaker, not that I'm aware of. It's my understanding the proposal

in the construction program commences outside of the boundary of the City of Winnipeg and is not involved to my knowledge with any properties on the campus of the University of Manitoba within the City of Winnipeg boundaries.

There may be some effect to the Glenlea Research Station which is outside of the City of Winnipeg, but to my knowledge, no construction on PTH 75 will affect any properties on the University of Manitoba property within the City of Winnipeg.

**MR. SPEAKER:** The Honourable Member for Elmwood with a final question.

**MR. DOERN:** Mr. Speaker, I would ask the Minister if he could investigate this, since it was indicated to me by a member of the University staff that there were two buildings and that the by-pass or connecting link was going between them or adjacent to one building in which was contained or housed some very expensive astronomical telescope or something along those lines and that the vibrations anticipated from passing trucks would endanger that equipment and also may do some damage to those properties?

**MR. ORCHARD:** Well, Mr. Speaker, I would be pleased to make that investigation if the Honourable Member for Elmwood could indicate to me the location of those buildings and I would bring that to the attention of the department and provide him with an answer.

## ORDERS OF THE DAY

### ADJOURNED DEBATE — BUDGET

**MR. SPEAKER:** Order please. The time for question period having expired, we'll proceed with Orders of the Day on the Adjourned Debate of the Honourable Minister of Finance and the amendments thereto.

The Honourable Member for St. Vital.

**MR. WALDING:** Thank you, Mr. Speaker. I was becoming unsure as the week went by whether I would have the opportunity to speak on the Budget Debate at all. It seems we have given up a goodly number of hours debating other things, chiefly Hydro, that the less important item as the Budget has been rather by-passed in the circumstances.

Mr. Speaker, when a members speaks towards the end of a debate on Throne Speech or the Budget Speech, it becomes a little more difficult because different members who speak raise a number of different points and issues and it gives a later speaker the choice or tempts a later speaker to deal with a large number of items which have been raised.

One item that has been mentioned by many speakers from the government side, Mr. Speaker, has been the matter of education and the additional \$70 million that have been budgeted for education in this particular year and I will try to resist a temptation to go into it in any depth and to speak about the Education Support Plan which we have dealt with during the Minister's Estimates and simply remind those members on that side that have raised the matter, that it is not this government that is spending \$70 million on education. If the members will check with the Minister of Finance and look into

the financial statements, they will find that money is coming from the Federal Government in, what's the term — equalization and other financing.

So when they want to tell their constituents and their local school boards of their fortunate position, they really should be fair about it and say that this comes to them by the grace of the Prime Minister and the Liberal Government in Ottawa and I'm sure that since they are so happy about this particular arrangement they ought to give credit where it is due to their friend the Prime Minister.

The same applies, of course, to the additional expenditures in the health field that members opposite have been so proud of. They will find that the additional equalization payments also come from the Federal Government and, Mr. Speaker, I don't want to be diverted by the Minister of Natural Resources, who is shouting from his chair and I cannot hear what he is saying anyway.

Mr. Speaker, I wanted to spend most of my time dealing with matters pertaining to Hydro affairs, and it's not my intention to give the 44th review of the last couple of weeks of the great Hydro Debate, but there have been a few comments made by members on that side that really ought to be replied to, and then I would like to move on to discussing the western interconnection and the possible deal with Alberta and Saskatchewan. I would also like to deal with the matter of the Alcan application and the forthcoming feasibility study providing that I get time, and I hope to.

Mr. Speaker, I don't intend to spend too much time on the Budget itself, which was a truly unique document. I don't believe that we have ever heard in this House anything similar in the past. The Minister spent the first hour or perhaps an hour-and-a-half, and it only seemed like three hours in dealing with anything but the Budget and the financial state of the economy for the coming year. The Minister spent a repetitive and boring and irrelevant tirade against the previous government, against the Federal Government, he was almost waving envelopes one and two around the Chamber, and there was an air of quiet desperation, Mr. Speaker, on the part of the Minister of Finance before he came to the matter of the Budget and his deficit and those few rather minor little tax matters that he dealt with.

Mr. Speaker, I don't know whether it was this Minister himself who wrote the Budget or whether he inherited it from the previous Minister. It didn't sound to me, Mr. Speaker, as if it was the work of the Minister of Finance, who I believe to be a decent and an honourable man. The words, the context, the ideas that were coming through from the Budget seemed slightly foreign to me as regard the Minister of Finance. There was one particular reference towards the end of the Budget Speech that was simply incredible. The Minister made a crude projection of what the situation might be today if the deficit of the previous government had been extended on a straight-line basis and with various tax adjustments not accounted for. Well, Mr. Speaker, that is demeaning of the department that was asked to produce the material. It is shameful on the part of this Minister that he should stoop so low as to give us that kind of juvenile arithmetic.

Mr. Speaker, my daughter in grade six would not put forward that sort of spurious childish arithmetic.

It is quite out of character for the Minister of Finance. I never expected it from and my opinion of his integrity went down several notches when I hear that sort of thing coming from a senior Minister of a government. Mr. Speaker, that's all I wanted to deal with on the Budget. That's all it's worth.

I was very pleased yesterday, Mr. Speaker, when the Minister of Finance came into the House and have indicated absolutely the position that we have been taking for the last — pardon me, the Minister of Energy came into the House yesterday and vindicated entirely the position that we have been taking for the last couple of weeks.

Mr. Speaker, we had been accused on this side of a half-hoax . . .

**MR. SPEAKER:** The Honourable Minister of Finance on a point of order.

**MR. RANSOM:** The Member for St. Vital has said that the Minister of Finance came into the House yesterday and did something. I don't recall speaking yesterday.

**MR. SPEAKER:** Order please. The Honourable Member has corrected that. The Honourable Member for St. Vital.

**MR. WALDING:** Thank you, Mr. Speaker. I would hope that if the Minister of Finance wants to half-listen then he would go all the way and listen entirely and then he would have heard that my colleague from St. Johns corrected me from his seat, and I made the correction that it was incorrect reference. Perhaps it was because the Member for Riel has been the Minister of Finance for so long that we have come to think of him in that light.

So as clarification again, for the Minister of Finance, it was the Minister reporting for Manitoba Hydro who brought into this House a couple of letters and a clear vindication, Mr. Speaker, that the document from which I read some two weeks ago was not a fabrication. Well, Mr. Speaker, I was never sure from the beginning that it was indeed a genuine document. I believed it to be, but I was not 100 percent sure, and when I was accused by the First Minister of a fabrication, and the Minister of Energy of perpetrating a half-hoax and there were charges of trumped-up charges, Mr. Speaker, I would have been very glad to have a Committee of the House make sure just what the situation was, but now it is not needed because the Minister of Energy has come in and said, yes, the document that you read from, the document that was attempted to be tabled was in fact the opinion of Mr. Steward Martin, and it was in fact reported on by him to the Hydro Board. The contents, if not the actual document were taken over and discussed with the Minister reporting for Hydro at that time.

Mr. Speaker, it is not just the words half-hoax and fabrication and trumped-up charges that were used in this House and out of the House in referring to this vindication of our position, the Minister of Consumer Affairs called it an illegitimate document, Mr. Speaker, perhaps three or four days ago and you will find the reference in Hansard of an illegitimate document that was quoted from in the House. I'm not sure whether he intends to apologize for the use of that word now that a senior Minister has in fact legitimized the document.

It was also referred to by another member of the Treasury Bench as being trickery and as being devious. Well, Mr. Speaker, the Deputy Premier of this province has now shown the document not to be trickery, he has shown it not to be devious, and he has proved, I think, beyond any doubts that any reasonable member would have that it is not an illegitimate document.

Mr. Speaker, we wonder why the government has persisted in this course of action that they have for the last two weeks. Mr. Speaker, it was not a big issue. When we raised the matter and it was discussed at the committee, we suspected that there had been an opinion, we felt that the opinion had been overruled by the Minister because he wanted the Tritschler Commission to go ahead, and there is nothing whatever wrong with that position, Mr. Speaker. But the Minister reporting did not take that position. Had he simply said at the time, yes, the Chairman came to me and told me of the concerns that their legal counsel had and that he wanted to delay or to stop the Tritschler Commission, and I had insisted, because it's government policy backed by 49 percent of the vote of the people of Manitoba that the Tritschler Commission will go ahead, well, Mr. Speaker, we might have had a bit of a debate on it that morning at committee but it would have exhausted itself by the noon hour and that would have been the end of the question. But it was not.

The Minister used words like, I was not formally advised by the counsel, or there was no formal written document that Hydro found, and the Minister, by splitting hairs and giving the Committee really incomplete half-evidence made things worse for him.

Well, Mr. Speaker, I suggest that what that showed, and the continuation of it showed for the last two weeks was a shocking lack of appreciation of the political importance of this particular matter as far as this House was concerned and as far as the publicity involving it also was concerned.

Now it may be a lack of political importance as far as the Minister of Mines is concerned, but I'm sure that there are others on that side who have a much more acute sense of the political sensitivity of it. The Minister of Natural Resources is probably one. He is an astute politician. I believe that the First Minister is an astute politician, and had it been left up to those two gentlemen, I don't believe that the government would have continued in its course over the last two weeks as it in fact did. I don't know what happened in the government caucus or in Cabinet, Mr. Speaker, I'm sure that the matter came up for discussion more than once, and I will suspect, and I don't know, that it was the First Minister's decision that because the Deputy Premier had painted himself into this corner, had gone out onto a limb, that it was his, the First Minister's, order that the government caucus would beat down any attack, that they would vote down any Matter of Privilege, that they would resist any attempt to move the matter to a committee to really get to the bottom of it to find out the truth.

As I say, Mr. Speaker, I'm not privy to what goes on in the government caucus, but that is my guess as to what happened, that some 30 members on that side were forced to endure the last two weeks of discomfort and adverse publicity, culminating in the final vindication yesterday of all that we had seen in



order to protect the Honourable Member for Riel, the Minister reporting for Manitoba Hydro.

Mr. Speaker, before moving from this matter, I would like to just comment, particularly on the remarks of the Minister of Consumer and Corporate Affairs, who talked yesterday about the Terms of Reference of the Tritschler Commission, and he had made similar remarks earlier in the debate, and I recall hearing them from at least one other member of the Treasury Bench, and it might well have been the First Minister, who said to the effect that, well, this is a silly thing for Mr. Steward Martin to do, because even if Hydro were to go along with it, all the government had to do was to go into the Cabinet room and write out another Order-in-Council and put the thing right.

Well, Mr. Speaker, the Minister and others who have said that should reflect for a moment before they suggest that an Order-in-Council would be written to take care of those concerns that Mr. Steward Martin raised in his seven page opinion, I think it's a legal opinion, to the Board. Because what sort of things did Mr. Martin say to the Board, what things did he want to say to Mr. Tritschler about his Commission?

Well, Mr. Martin said that it amounted to a massive denial of natural justice. I'd like to ask the Minister of Consumer Affairs whether he would go into the Cabinet room and produce an Order-in-Council saying that Mr. Tritschler, through the Commission, is permitted a massive denial of natural justice.

Mr. Speaker, Mr. Martin has also said that there was an attempt to harass, demean and vilify Hydro employees. I wonder if the Minister of Consumer Affairs would like to put that into an Order-in-Council, permitting or requiring the Tritschler Commission to harass, demean and vilify Hydro employees.

There is a further reference at the bottom along perhaps this similar lines, Mr. Speaker, where Mr. Martin had said that there was an attempt to crucify the Chairman of Manitoba Hydro. Now would the Minister of Consumer Affairs actually want to write those words down in an Order-in-Council for everyone to see? I'm not speaking of the actuality of the situation, Mr. Speaker, because the Chairman of Hydro might not have been crucified, but he was certainly persecuted and fired from his position.

There's reference by Mr. Steward Martin that actions before the Tritschler Commission were conduct of the Commission, that at best has been reprehensible, and worse, an example of the Star Court Chamber. I have to raise the same question with the Minister of Consumer Affairs whether he thinks that the Cabinet should have brought forward an Order-in-Council committing or requiring the conduct of the Commission to be a reprehensible at best or an example of the court of Star Chamber?

Mr. Steward Martin further was of the opinion that questioning before the Commission was an exercise in sadistic bullying by an arrogant snob. Now, Mr. Speaker, that would have been eye-opening to say the least for the Minister of Consumer Affairs to have produced an Order-in-Council permitting or sanctifying the exercise in sadistic bullying by an arrogant snob.

Mr. Speaker, I wonder if it was simply words such as those that were so sensitive to the Minister

reporting for Hydro that explains the beginning of his conduct and the awkward position into which he put all of his colleagues.

Mr. Speaker, I want to move to the so-called Western Grid which I have tried to explain on more than one occasion in this House, that it is not a grid yet members persist in using the term and I suppose that it will become accepted in its inaccuracy.

The reason why the proposed link to Saskatchewan and Alberta is not a grid, is partly because that the system of Manitoba Hydro is not fully integrated with that of the Western Provinces, but more importantly that Manitoba Hydro has not given up the sovereignty that it presently has to some other governing body or agency which is implicit in a grid system, some body or organization that arranges for the flow backwards and forwards between producing and consuming facilities, is that is implicit in a fully grid system.

One other reason why I say it is not a grid is that Manitoba Hydro presently has interconnections with Ontario and with Saskatchewan and two major connections with states to the south of us. Now there is no suggestion anywhere in those that they constitute an Ontario Grid or a Minnesota Grid or a Saskatchewan Grid; they are simply and straightforwardly interconnections between provinces, or between provinces and states for the export of power from Manitoba and for the interchange of power which involves of course, import at some time.

Mr. Speaker, the question as to why we are considering the export of power to Alberta has never been satisfactorily answered. We have found that it is a sensible thing to do, to sell power on a north-south access. In the summertime when we have a large surplus of power is the time when Minneapolis needs power for air-conditioning and they are quite happy to buy our surplus. In the wintertime it's a time that our demand for electricity is the highest, it is the time when our supply is the least. That's usually a time depending on water conditions when we need all of the power that we can provide here. I can sympathize to some extent with members opposite who say that Canadians should get the benefit of Canadian power before it is exported to a foreign country. I sympathize with that on an emotional basis, Mr. Speaker, but emotions don't produce electricity and electricity produces revenue for Manitobans. It doesn't run on emotion.

When we consider exporting power on a east-west basis, we are exporting power to other provinces whose climatic conditions are so close to ours that they need power in January — that is their peak time, the same as ours — they have surpluses in the summer and so do not want to take our power.

What we have heard the government speak on is the use of our northern resources to produce large amounts of power which we understand, although it is not yet clear, would be more or less dedicated to Saskatchewan and to Alberta. Now does that make economic sense to do so? That question remains somewhat unclear to us, Mr. Speaker. Does it make sense to use up one hydro generating site to produce power to ship a 1,000 miles to the west to sell at about break-even point? Does it make any sense to tie up that facility for the next 35 years or 50 years, or 75 years, and who knows what

Manitobans needs will be for power at that time? If it would be a matter of making a huge profit, if we could be sure that there were 100 million, 200 million at a rate that would be escalating sharply over the next years as the price of oil is expected to, then perhaps there would be a good reason to go that route and to produce that power and to export it.

But, Mr. Speaker, we are told by the Minister that the cost benefit ratio of building an interconnection, an export high voltage transmission line out to Alberta and Saskatchewan, that the cost benefit rate is above one. Now, Mr. Speaker, the Minister would be no more precise than that, but I suggest that if the cost benefit ratio was in excess of 10, that he would have been very pleased to tell us. If it was in excess of five then he would have been quite proud to say so. Even if the cost benefit ratio had been in excess of two, I believe that the Minister would have said it's better than two, rather than it's better than one because the cost benefit of one, well, you put a dollar in, you get a dollar out. But, he didn't tell us how much higher it was than one and when I asked him, could he be any more accurate than to say simply that it's more than one, he could not, Mr. Speaker, which makes us a little bit suspicious as to just what this cost benefit ratio is. By how much does it exceed one; is it 1.5, is it 1.4, is it 1.1 or is it less than 1.1, Mr. Speaker? We, on this side, don't know, although we have heard a rumour that the cost-benefit ratio is 1.00-something, which makes it only barely a benefit when compared with the cost.

Mr. Speaker, there a number of assumptions that one must make in arriving at a cost-benefit ratio. They are assumptions and no one can forecast what is going to happen to those assumptions when the plant is built; as to what inflation will be or what the cost of power will be or even what the economic growth of the province will be in a few years time.

It would only require those assumptions, or the actual economics of the matter, to be out by 10 percent. Mr. Speaker, 10 percent on a large project is not a great deal and that cost-benefit ratio could well drop below the level of one. Let me just mention a couple of the items that we have some information of, as regards the economics of the matter. I believe that what we are considering here is the construction of Limestone Generating Station, some 1,000 megawatts, plus a DC line through Saskatchewan and into Alberta. The most recent figures that we have been given, Mr. Speaker, indicate that power from Limestone would cost three cents per kilowatt hour.

It's also been estimated that a transmission line through to Alberta with construction, with maintenance and the other associated costs would add a further two cents to that amount and would indicate that power could be delivered to Calgary at approximately five cents. Now that is not the most recent information, Mr. Speaker, and it could well be that inflation, running at 10 percent for the last two or three years, has increased that amount substantially. It raises the question as to why Alberta should wish to pay five cents or more per kilowatt hour when they are in a position to build their own power from thermal means at approximately two-and-a-half cents or develop their own hydro-electric resources which should not cost any less to build the resources but certainly the transmission costs would be much less.

It is rather interesting that the Minister has commissioned a full-scale feasibility study on the matter, which he will not release to us; and also another study on a transmission line, which he also will not release to us; and that he has also commissioned his friend, Mr. Spafford to do yet another study, which also he declines to release to us. Yet it's rather interesting that Hydro's system operations people, back in early 1978, produced for the Minister a paper concerning the economics of providing Nelson River power to Alberta. I don't have a copy of that report, Mr. Speaker, it's hardly a report, it was more like a paper, but it made certain assumptions as to payback in interest rates, amortization, etc, with a bottom line showing something in excess of 60 mills for the cost of Nelson River power delivered to Alberta. As I said, Mr. Speaker, that was about three years ago.

The Minister, for some reason was not prepared to accept a figure of six cents, or perhaps he was prepared to consider selling power to Alberta at six cents, or perhaps Alberta had indicated to the Minister that they were prepared to pay six cents, which I doubt very much, Mr. Speaker, and that is why it has gone on.

There were a couple of other assumptions as we understand that have been . . .

**MR. DEPUTY SPEAKER, Morris McGregor (Virden):**  
The member has five minutes.

**MR. WALDING:** Thank you, Mr. Speaker, I will leave that aside to be dealt with some other time.

I want to move now in the last few minutes remaining to discuss the matter of Alcan's interest in building a smelter in Manitoba. Mr. Speaker, the Opposition, like all Manitobans I believe, welcomes the interest that Alcan Aluminium has shown in building a smelter within about 50 miles of Winnipeg. There is no doubt at all, Mr. Speaker, that the actual construction of such a facility would provide jobs, would stimulate the economy; there would be a number of spinoff benefits directly from that facility. And if it were accompanied by the construction of another generating station that also would benefit the economy most substantially. So, Mr. Speaker, that is our view of the position as it stands at the moment.

However there are a number of questions that are raised on the matter of Hydro's involvement with Alcan and it is that that interests me and raises in the minds of our members on this side some rather interesting questions.

Mr. Speaker, I can understand very clearly why a Conservative government should be encouraging Alcan to come in and build its smelter. My colleague from Brandon East has described the state of Manitoba's economy and perhaps the most charitable thing that can be said about it is that it is dismal. So what we are seeing, Mr. Speaker, is a Conservative state of mind; a state of mind almost of desperation in finding that its policies have not worked, that it must now turn and almost at any price seek for some large development or some company that will come in and give a promise of development to the province. Mr. Speaker, that is the sort of mentality that led to CFI in the '60s, the sort of mentality that led to the Columbia Forest Industries, Forest Products, I believe that's the term,

and Mr. Speaker, we are counselling caution at this time that the same desperation mentality not prevail in this instance.

Mr. Speaker, the government has said that Alcan's equity interest in a new generating station will save money and keep down rates for Manitobans. Mr. Speaker, that is probably not true. If Alcan is to take a 40 percent minority position that means that Manitoba, through Manitoba Hydro, is to take a 60 percent majority position. Gentlemen opposite have told us for years now that Manitoba Hydro has a huge surplus. The Minister told us yesterday it was 40 percent and a recent publication from Hydro itself says that we have a surplus of 40 percent. If that is true, why is this government prepared to lock us into a further production of 6,600 megawatts in order to give Alcan its 400 megawatts? —(Interjection)—

The Minister of Natural Resources says, they have further plans and I believe that may well be true and I asked the Minister about it the other day. But Mr. Speaker, if it should happen that the government doesn't have plans for those 600 megawatts, what they are committing this province to is the borrowing of at least another billion dollars; interest alone of some \$140 million a year. If you can sell . . .

**MR. SPEAKER:** Order please, the honourable member's time has expired.

The Honourable First Minister.

**MR. LYON:** Thank you, Mr. Speaker. Mr. Speaker, I look forward to the opportunity of participating in the debate on the Budget this year and on the amendments that have been moved to that Budget resolution by the Member for Inkster, the Leader of the Progressive Party, and the first amendment by the Leader of the Opposition, the Leader of the New Democratic Party. I look forward to speaking in support of the Budget; in support of the direction that it sets forth for the government activities for this year; in support of the confidence that it exudes in the people of Manitoba because they are producers in this province, not the government; and the kind of confidence that it exudes as well for the future, not only of our people but of this province, given the right kind of leadership and the right kind of direction over the next period of time.

Mr. Speaker, the theme for the Budget as set by the Minister of Finance when he gave his Budget Address almost two weeks ago was the theme of confidence. His words were that no people in Canada were better placed than the people of Manitoba to take advantage of the opportunities that are and that will continue to be available to us. I sometimes think, and we're all guilty of this on all sides of the House, that in the course of our partisan bickering, in the course of our parliamentary barbs across the House and so on we sometimes tend to forget why we are here. We are here to represent some of the finest people on the face of the earth. We are here to represent, not only the current generation who have the power under The Elections Act to vote — those men and women 18 years of age and older — those who are younger who are going to come up and supplant us, the senior citizens who have in large measure made their contribution to society and who deserve the best in terms of compassion and in terms of decent and honourable conditions of life that can be given by

any modern government, any contemporary government in the western world. By and large, Mr. Speaker, as a province, through different administrations, Liberal, Conservative, New Democratic, now Conservative again, we've done a good job with respect to all of these groups whom we are here to represent in a trusteeship capacity.

I couldn't help but think yesterday as I was participating with my colleague, the Minister of Cultural Affairs, and the staff of the Department of Amateur Sport, Fitness and Recreation, in the award ceremony to the three young teams who had won Canadian titles this year in the field of curling. All you have to do is look at those young people to realize what the destiny and what the future of this province is and they're typical, they're just a small cameo of what we can see throughout our high schools, our community colleges, our universities, our workplaces and so on of the young people who are coming up in this province. We've got a great heritage in those young people and I think that from time to time it does us well to reflect upon that kind of heritage. While we can have our fun back and forth and our badinage in this House, with respect to the different party platforms, policies and so on, I think it behooves us every once in a while, Mr. Speaker, to remember why we are here; to represent those people, to try to give the best government that we can according to our present lights to those people to ensure that the kind of destiny that all of us in this House would wish for all of young people, the kind of decent and honourable conditions we would hope for our senior citizens, the kind of initiatives, the kind of opportunities that we would wish for those still in the work force can best be structured and can best be encouraged by the environment that is created by government.

I say that because from time to time, Mr. Speaker, I think that some of us do tend to lose sight of why we are here; we tend, all of us in this House, from time to time to be a bit more concerned about party, a bit more concerned about debating points, and I am going to make a few later on in this speech and break my own rule. I think it is well to reflect on the great heritage that this province has in its people and that really was the message that I derived from the speech that was given by the Minister of Finance and I want to congratulate him and his staff, as a new Minister, and new in that portfolio, for the work they have done to bring this Budget about and for the Estimates preparation that involves so much of our time here, because he is giving that department — following in the very competent and capable footsteps of his predecessor the now Minister of Energy and Mines — he is giving that department excellent leadership.

Mr. Speaker, I think the Minister as well gave a realistic review of Manitoba's place in the national and the international scene as well, having to do with the economic conditions that we all find ourselves in today. I will be the first to say that when governments are in office, they like to take some credit for some of the good things that happen and disclaim credit for the bad things that happen, and when parties are in opposition they like to blame everything bad that happens on the government, and pay no attention to any of the good things that happen because that's the way sometimes the game

is played. Then in between we have the media who are supposed to sort all of this out and give an accurate report to the people of what is happening and sometimes they are very successful in that task, and other times they tend to fail a bit.

I was reading from Winnipeg's newest newspaper this morning a comment from one of the pundits in that newspaper having to do with Alcan, and Alcan being a gift horse and so on. I must say that's one of the notable exceptions that I find of there being too much wisdom from the media with respect to public issues that are before this House and before the public of Manitoba at the present time. One can only hope that the young gentleman in question will complete his education on developments of this size before he attempts to put pen to paper, or finger to typewriter again, and make a fool of himself.

Mr. Speaker, I want to take a few moments this morning to talk about that Budget, about the position of the province. I would like to say, if time permits, a few words about the Constitution, not to in any way open up or to trespass upon the other debate that will be taking place on the constitutional resolution and then perhaps if time permits, say a few words of rebuttal and perhaps maybe even inject a few words of rebuttal from the speech of the Leader of the Opposition as we go through this exercise.

Mr. Speaker, without reading again all of the comments made by the Minister of Finance in his Budget statement, I think that the people of Manitoba can look back on the record of the government over the last three-and-a-half years and on this fourth budget as representing a consistent and an orderly development toward the restructuring of the government's portion of the economy of Manitoba in the way that we undertook we would do before we came into office and thereafter.

Our approach to economic development has been to try to create the kind of environment within the province where the private sector can flourish, working as we do in our mixed economy with those aspects of the public sector that have always and traditionally played a role in the development of our economy in Manitoba. This approach has had a positive impact on the Manitoba economy for the three-year period 1978 to 1980.

Our economy with relatively few exceptions demonstrated renewed strength across a broad spectrum of important industries, with the private sector resuming its traditional leadership role. Nowhere has the rekindling of private sector competence been more apparent or more important than in the mining and the manufacturing industries, two of the province's strongest growing sectors in the past three years.

Mr. Speaker, agriculture has been beset particularly during the past year — or the past two years — first of all with flood and lastly last year with drought, and then with bad harvesting weather which came along in the latter part of July and August which only compounded the problems that some of our basic producers in Manitoba faced, but they are doubtly breed, and there are enough of us in this House on all sides who know that we should never underestimate the resilience of the farmers of Manitoba and of the agricultural community.

While they are passing through a period of economic problem as they did last year, they still

retain that marvelous sense of optimism that has made this Province of Manitoba largely what it is, because I say here as I've said before on other platforms on other occasions, it is really the contribution that the farming community have made right from Day One in this province — a contribution that has always been disproportionate to their numbers — in terms of family, lifestyle, fear of God and all of the other fundamental qualities that go to make up this population of which we can be so proud. That farming community right from pioneer days on has been at the heart and the center of Manitoba. As other people have come and as our villages grew into towns and our towns grew into cities and the sons and daughters of the farm moved into those cities over periods of generations and took up other work and other jobs in the mills, in the factories, in the offices, in the service industries and so on, they carried with them that fundamental strength of character which they have brought to this province and which was nurtured in that farm community. So I make, by no false sense of flattery, a comment on the kind of contribution that the farm community has made over the years and continues to make in this province because they do lie at the heart and the sole of the initiative that we find in our people.

Mr. Speaker, a word or two about manufacturing. There has been a dramatic rebound in the manufacturing sector following a period of serious slack which culminated in late 1977 with only a 2 percent growth in the value of shipments and a drop-off of some 6,000 jobs or 10 percent of our manufacturing employment. In contrast since that time shipments have increased over 44 percent in the three-year period of '78 to '80 and manufacturing employment recovered to an average 64,000 jobs in 1980, up 10,000 over the low point in 1977.

Manufacturing investment estimates indicate an aggregate increase of 54 percent in that same three-year period and the expansion of productive capacity is taking place in what is described to us as a reasonably balanced way across the entire manufacturing sector. It is not confined to a few firms or industries and this perhaps is most encouraging of all, given current interest rates and other negative developments in the general economic background.

Preliminary estimates for 1980 indicate the performance of our manufacturing sector closely matched the national average. The growth and the value of shipments exceeded the national average in each of the last two years and the total reached 4.3 billion in 1980. The private sector's share of total investments since 1977, as opposed to the public's share, has increased substantially to about 70 percent from around 60 percent where it had been for most of the Seventies, virtually eliminating the gap between the private shares in Canada and in Manitoba. In other words, by that one statistical test — and I realize it's only one statistical test, Mr. Speaker — we are in a period of returning to normalcy in Manitoba from a period when there was an overinfusion of taxpayers' dollars or taxpayers' obligations, to be more correct, as a flywheel to attempt to keep the economy going; or as others have put it, with sufficient backing of evidence in the Tritschler Report and elsewhere, there was a firm

attempt made by the previous administration to prop up the economy by making public investments in Hydro which were not justified on any account when they were made.

Mr. Speaker, a word about the mining sector of our economy which is continuing to be of growing importance and which also has had a good shot in the arm in the last few years in terms of government policy and in terms as well of the activity that is being carried on by the mining companies and the environment that makes that activity worthwhile to carry on in Manitoba again.

We, as you are well aware, undertook a drastic overhaul of the mining and mineral taxation policy to allow this important industrial sector to regain a competitive position with respect to other taxation regimes in Canada — we did that in 1979 — and as a result we have seen a considerable growth in exploration and development activity. Mr. Speaker, I'm not trying to say that was sole cause of it. There has been in some fields an increase in the price of metal which contributed to it, just as in manufacturing people will say well part of your manufacturing increase was due not only to the more civilized taxation structure that you have in Manitoba now but due as well to the low value of the dollar for which — thank heaven Manitoba can take no particular credit because that's a bad indicator but nonetheless one of the upside benefits from essentially a down-side situation — that is the devalued dollar — is that it does help your export trade and that in turn helps to contribute to manufacturing activities. So without taking anything away from any of these other aspects that contribute to the scene, we're happy to be able to note that at least some of the government activity, some of the legislative activity carried out by this Chamber contributed in a positive way to these developments that I am indicating, have and are taking place.

Preliminary estimates for 1980 indicate the total value of mineral production including metals, industrial metals and fuels rose 27.7 percent on top of a 39.5 percent increase in 1979, to reach a record of \$833.6 million, the largest dollar value that has ever been achieved in the Province of Manitoba.

Strong gains in the value of mineral production were accompanied by increases in exploration for both base metals and for oil. Estimates of exploration expenditure on metal mining in the province indicate \$16.6 million was spent in 1979, that was up 22 percent over 1978; and for 1980 expenditures almost doubled for a total of \$31 million.

Another indication of exploration activity is the total acreage recorded for exploration. For 1980 more than 1,240,000 acres in claim blocks; claims and exploration permits were recorded and that's up 58 percent over the number recorded in 1979 and the 1979 figure was up 45 percent over the 1978 figure. So these are notable achievements, Mr. Speaker, that are taking place in Manitoba at the present time and they are good news for Manitoba. I must say to my honourable friends opposite that I'm not talking doom and gloom because I'm trying to open their eyes, raise their eyes if you will, from their boot straps, so that they can see what is going on in the real Manitoba, not in the ideological one that they like to think of all the time.

Mr. Speaker, the royalty in tax changes, the higher oil prices, the 1979 resumption on the sale of crown leases, royal and gas exploration which was suspended by our predecessors in 1971, all of these have resulted in a similar increase in the level of interest and the level of activity of the petroleum industry in the southwestern part of Manitoba. For example, oil exploration increased last year in Manitoba with 27 new wells being drilled, two more than in '79 and the largest number since 1969. A record high \$32 million was spent on oil exploration and development activity in 1980. Further increases are expected in 1981. The sale of crown leases brought in close to \$1 million in revenue in 1979. Three sales were held in 1980 and resulted in a new record of almost double the revenue received in 1979 and I think that's good news for exploration in Manitoba.

Industry leaders have emphasized repeatedly that the new investment climate in Manitoba, including the taxation reforms introduced by this government, have been key determinates of their decision to make Manitoba once again, a focal point for mineral exploration and development instead of a jurisdiction to be driven around or to be avoided — and, Mr. Speaker, even though the former Minister of Mines is sitting in the House at this time — the Member for Inkster regrettably I must tell him, that's a true fact of life. He may not like to acknowledge it; he may not wish to agree that his governments and his personal position of having the government as a forced expropriated partner in oil exploration was good; he may still hold to that rather old 19th Century view. But I say the freedom that has been given in this province since 1977, Mr. Speaker, the proof of the pudding is in the activity, the proof of the pudding is in the activity.

Now my honourable friend is saying across the way they found one mine, they found one mine, Mr. Speaker. My honourable friend's expenditures of taxpayers dollars over the years found one mine. How many million did he expend to find one mine? Mr. Speaker, I suggest to my honourable friend he might as well have taken that million dollars or many millions that he spent on exploration where he found no mines and drilled dry holes, he might just as well have taken that money of the taxpayers down to Las Vegas and thrown it away on the table, because if people want to get involved, Mr. Speaker, in the risky business of oil and mining exploration, then there's an avenue open in a free country for them to do it and that's by buying stocks in the company that does it. Mr. Speaker, if people want to gamble with their own money, I think, they should be allowed to gamble with their own money, but I don't think that it's the role of any government to gamble with their money in things that are as risky as oil and mineral exploration and we're not doing it.

Well, Mr. Speaker, the industry leaders that I have mentioned have emphasized that this new climate is good for mineral exploration and for mineral development. The exploratory work that is going on in St. Lazare has confirmed that there is sufficient potash of a quality and quantity to develop Manitoba's first potash mine and that's good news for the people of Manitoba. The proposed development will require a capital expenditure in excess of one-half billion dollars over the next five

years, resulting in a mine capable of producing two million tons of potash a year and directly employing 400 people. I'm happy to be able to report, without taking any of the news that he will be announcing I hope later on this year from the Minister of Mines, that the negotiations with the company in question are proceeding quite well and that we're optimistic about the announcement. We're not able to make that announcement; the company is not able to make that announcement yet, Mr. Speaker, but we know that there's an economic mine available now in Manitoba and that's good news; that's good news for Manitoba.

I'm happy to see the Honourable Member for Lac du Bonnet nodding assent because he knows that that's good news, even though it's not in his constituency. To the people in Western Manitoba, particularly in the St. Lazare area, in the Birtle area and in the McAuley area and all of those villages and towns in that area, which are going to receive, when this development takes place, the first wave of economic impact and the first benefits of economic impact from this kind of a development, that's big news and it's good news and it's lifetime news for them because it's news that will affect generations yet unborn, in terms of job opportunities, technological training and other things that will be available to them in Manitoba. We're delighted; we think that's good news for the people of Manitoba.

Mr. Speaker, up north the Hudson Bay Mining and Smelting Company undertook a four year, \$100 million capital program, which included expenditure of \$48 million, to revamp metallurgical facilities at Flin Flon and expenditures of more than \$50 million to develop new mines at Trout Lake, in which the government, thanks to the Member for Inkster, has a 27 percent interest — Rod Lake and Spruce Point. Mr. Speaker, we're delighted with that announcement too. We're delighted with the announcement of the one mine that the NDP mineral exploration program found, or at least participated in the finding of, over that long, drought-like eight-year period, when the millions of dollars were being spent on an awful lot of dry holes.

We're delighted with that news because Hudson Bay Mining and Smelting would not be putting into place at Flin Flon and at the other locations where they have communities in Northern Manitoba, that kind of developmental money, capital program for instance to revamp the metallurgical facilities, if it were not for the future that they can see; if it were not for the upgrading that they want to undertake for environmental and other reasons, to ensure that the technology that they have in their mine is up-to-date and able to receive the new production that they are getting from the new mines that they are finding in Northern Manitoba. And, Mr. Speaker, that's good news; not only for the people of Flin Flon and Snow Lake and the whole Northern tier of Manitoba, it's good news for all of the suppliers in Manitoba, it's good news for everyone who has a stake in further investment, further development and further job opportunities for our people.

Inco is spending \$20 million on a five-year exploration program in areas outside of the Thompson region, together with a \$10 million expenditure for commercial development of a new nickel smelting process at Thompson; and that's

significant. I was on the platform with the Chief Executive Officer of International Nickel, some two-and-one-half years ago I think it was approximately, when he announced that Inco, which had shut down its exploration program in Manitoba in 1974 because of the punitive tax laws that were inflicted on the whole mining sector by the New Democratic Party, Inco announced that it was resuming exploration in Manitoba again in 1979 because the tax laws in Manitoba had again been made competitive and it paid the company to make that kind of investment again in the Province of Manitoba.

Mr. Speaker, that's a fact of life in Manitoba and to me that was good news; that was good news for Manitoba as well, even though it may bother my honourable friends opposite to know that their policy had resulted in companies closing up shop, moving their exploration people elsewhere, because it just didn't pay, under their kind of penal double taxation, for mining development to take place in Manitoba.

Mr. Speaker, higher prices for precious metals are also, as I've mentioned, rekindling interest in a number of metals, but particularly in gold. In 1980 the value of gold production shot into fourth place in Manitoba metal production and that's largely attributable to the increased world price. Sherritt Gordon spent funds in 1980 at the Agassiz resources gold mine near Lynn Lake and I'm told is planning to spend another \$3 million in 1981 to deepen a shaft and undertake lateral exploration work.

Brinco, as we heard the other day, and New Forty-Four Mines recently announced their decision to invest \$15 million to resume production at Bissett-San Antonio Gold Mine, and that mine is expected to provide employment for almost 200 people. Mr. Speaker, that's good news for the people of Manitoba.

It's that kind of vitality that is being breathed into the Manitoba economy through these developments that are taking place; not government money, not taxpayers money, but private invested money coming in to do something with the resources of Manitoba and with the Government of Manitoba as the trustee for the people able to obtain an economic rent that is far and competitive from those public mineral resources in order that the people of Manitoba benefit, as do the companies and those who work for the companies when these developments take place.

Mr. Speaker, the Tantalum Mining Corporation of Canada is going to increase its mill capacity by 40 percent with a million dollar expansion presently underway. Omega Hydrocarbons, as the Minister of Mines announced recently, announced the discovery of a new oil-producing geological strata in the Waskada area about 65 miles southwest of Manitoba, geologically a very important find.

Clarium Petroleum are undertaking an extensive \$5 million oil exploration program in the Virden area and that's good news because they have announced, Mr. Speaker, that they intend to drill something like 20 new wells over the next year, year-and-a-half, I believe it is. So that's good news for the people of Manitoba, whatever their political stripe may be, because we see this kind of development beginning again in Manitoba.

Back in the oil fields of Manitoba, in the oil areas of Manitoba, we see exploration and development activity going on there which is now beginning to

match the intensive activity that went on in the late Forties and the early Fifties. For the first time since then we see that being matched. These developments come on top of new activities in 1979 involving the opening of the \$33 million concentrator at Snow Lake and the \$36 million underground mine development at Britton Lake to replace the open pit operation.

Mr. Speaker, mining and manufacturing are just two examples of the successful rebuilding and re-ignition that's taking place in the province's economic base. Let's just hesitate for a moment, when we talk about that economic base, to realize how important are the recent announcements that have been made concerning the final feasibility study for Alcan; the negotiations that are going on at the present time, between the government and IMC with respect to the potash mine; the negotiations that the government has been conducting lead by my colleague, the Minister of Mines and Energy, with respect to the Western Power Grid and so on.

But take the first two. The Alcan development and the potash development. We talk about the economic base in Manitoba. Can we realize, Mr. Speaker, how important it is to see these new initiatives coming into our economic base. God knows that we welcome expansions and enlargements in the existing areas that we know, in the nickel mining and in food processing and all other areas that are now becoming traditional to our economic base, but to see this kind of expansion as being possible in Manitoba, the smelting of aluminum in Manitoba; to realize the fundamental importance of that as a new dimension to our economic base in Manitoba. Then, Mr. Speaker, you begin to grasp the idea of how fundamentally important these developments can be, not only for this decade but for future generations. Potash, the first potash mine in Manitoba, with all of the technology that goes with that and so on, with all of the work and all of the ripple benefits that can occur throughout our province because this new dimension is being added.

I wonder if our friends who work for the Canadian National and Canadian Pacific Railways, those who work for the trucking companies in Manitoba have begun to realize the kind of an impact, the kind of security that the development, for instance, of Alcan and the development of the potash mine can have on their positions and on their hope and their expectation for future security of their jobs. If you stop to think, Mr. Speaker, in terms of the numbers of hopper cars, the numbers of rolling stock that are going to have to be increased coming into Manitoba with alumina, going out of Manitoba with ingots to the different markets in the United States, you only begin to get the first lap of the wave of what this new dimension can mean to all economic activity in Manitoba; and that's why it's exciting.

I'm not one who tends to get too excited about these things, Mr. Speaker, but I think that this is a pretty exciting development for Manitoba. I think potash is exciting as well for the new dimension that it adds and I think that the other large capital investments that we've been talking about here that are taking place, that they are good for Manitoba as well because they add to that and broaden and give depth to that varied economic base which has been the lifesaver of our province on many many

occasions. We all know that agriculture lies at the hub and the core of our economic vitality, but agriculture needs the kind of variety and diversity that the manufacturing and the mining and the service industries and all of the other activities that we engage in in Manitoba, can add to it in order to give us that kind of a cushion so that when bad years in agriculture come along, as they do invariably, regardless of what government's in office, because thank heaven, Mr. Speaker, political parties and politicians don't control the weather, because if political parties and politicians controlled the weather, in any way like they've controlled government over the years, we'd be in a lot worse straits than we are with the good Lord looking after it.

Well, Mr. Speaker, the province's economic base is growing and expanding and it's in a healthy state. The provincial employment picture further emphasizes this trend. In the three-year period between 1978 and 1980 approximately 30,000 new private-sector jobs were created in Manitoba, triple the job-creation rate of the previous three-year period and that's good. Mr. Speaker, I'm further happy to be able to stand here and say that only a small fraction of those jobs — I think it's something like 2,000-4,000 of those jobs — are dependent upon the taxpayers of Manitoba. In other words, they're productive jobs in the private sector, and they reflect new investment that is taking place in Manitoba, and new job opportunities.

Well, my friend, I'm watching him because he's at times been known to be reasonable, the Member for Lac du Bonnet sits and nods, in this case nods in the negative. I merely remind him that I had the pleasure — and it's one of the pleasures that you get in this job as he knows from having been a Minister on this side of the House — of going over and opening the new St. Vital Shopping Centre across the new bridge linking Fort Garry and St. Vital. I forget, as I stand on my feet now, the exact investment figure that large shopping centre represented. Since then there's been one opened in Transcona of almost equal size and dimension. But, Mr. Speaker, the important figure that does stay with me was that when that new service centre — and that's what it is, a new shopping service centre — opened up, there were 1,400 new job opportunities that opened up with it, and that's important. Mr. Speaker, that is an important development for Manitoba when it takes place. So the employment growth that has taken place in Manitoba is another indicator of the basic health of our economy.

Manitoba of course, continues to have the third lowest unemployment rate in Canada. We have aberrations from time to time that make us second and for one month may make us fourth but, on average, we remain with the third lowest in Canada and that's a healthy sign for the people of Manitoba and for the young people who are looking for jobs. In fact, Mr. Speaker, it's a known statement that the Minister of Labour and the Minister of Economic Development have commented upon.

In connection with our employment growth there is the real concern that the resource development projects in Western Canada, the large megaprojects in Alberta are creating a shortage of the supply of skilled labour, and that's a real problem here in the

Province of Manitoba as well. To overcome this problem the Minister of Labour and his department is emphasizing skills training particularly in terms of apprenticeship, and critical trades skills training because we're going to need all of these people and we need more of them than we can get at the present time. In the two-year period between the fiscal of '77-78 and '79-80 the number of persons entering our vocational education and occupational skills training in Manitoba increased by about 8 percent and we've got to make sure that figure keeps on increasing, Mr. Speaker.

Now I know that my honourable friends from time to time gain a little bit of satisfaction — I hope it's only partisan satisfaction because I know it can't be satisfaction founded in their feelings of good provincial citizenship — but they gain a little bit of partisan satisfaction from time to time when they talk about interprovincial migration. If you want to talk about fluffing of figures, Mr. Speaker, I can certainly report that I have heard, I believe it's the Member for Brandon East or one or two of his colleagues, making statements to the effect that say 40,000 — I think was the figure that he used — population of Manitoba was down by 40,000 because of interprovincial migration. Well, he's partially right if he explains that collectively over a three to four-year period or whatever it may be the number of people leaving Manitoba as opposed to the number of people coming into Manitoba, there is a negative balance and if you add all of those figures together you can come up with that. But thank heaven, Mr. Speaker, in the meantime babies were being born in Manitoba, other natural increases in population were taking place — regrettably people were dying in Manitoba at the same time — but the net figure of course for total real population in Manitoba showed a decrease even cumulatively over that same period of something less than a fraction of 1 percent.

My honourable friends, Mr. Speaker, have taken an uncommon joy in trying to point out to the voters of Manitoba that because there's been a fractional decrease in the overall population that was well within the margin of error, that somehow or other that's attributable to that terrible right wing Tory government and somehow or other that should be laid at our door as a sign of lack of leadership or whatever. Well, Mr. Speaker, at the risk of not getting myself into any further trouble I want to say that the members of this Legislature collectively I think have always done their bit to ensure that the population of Manitoba continued on an upward spiral in every fine respect, and I make no exceptions to that rule.

But, Mr. Speaker, let's be fair in the utilization of these figures because if one chooses to look at only one part of the corpus of a situation one can end up with a rather distorted view as to what that particular animal is all about. My honourable friend from Lac du Bonnet has been in the farming business and he knows that if you look at only one end of a cow you get a very wrong impression as to what that animal can do. I suggest that he's been looking at only one end of the statistical figures on population and I think it's the wrong end; but if he looks at the whole body of these statistics he'll find that things aren't really as bad as he's been trying to point out — or his colleagues have been trying to point out — to the people of Manitoba.

Mr. Speaker, five provinces lost population through net out-migration in 1979 and for 1980 all eight provinces east of Alberta and British Columbia had net interprovincial population outflows. I don't think that anybody could say that all of those eight provinces are going to hell in a hand basket at all. Even Ontario which has traditionally gained population from other provinces has had net losses in three of the four past years. The government that was in office there, the Davis government, was just re-elected with a majority. They were opposed by the Liberals and by the New Democrats and if I can believe what I read in the newspapers the New Democratic leader Mr. Cassidy was taking figures, I guess like the stats population figures that the members opposite have been taking, and he was trying to say that because there'd been a net out-migration from Ontario that things were going to hell in Ontario. Well, the people of Ontario turned around and gave Mr. Davis a majority government; they didn't like doom and gloom. That's why I warned the Member for Brandon East a few weeks ago that he would be well advised to avoid being called Hopalong Cassidy in this House because of using the same kinds of doom and gloom figures.

I think that those are one indication and they're not an accurate indication and we will all be perhaps better informed, Mr. Speaker — not perhaps — we will be better informed when the census takes place in 1981 because by the admission of the census takers in 1976 the population in Manitoba was underestimated anywhere as I recall from 4,000 to 18,000 people and the margins of error that we're talking about are just a fraction of those figures.

But we want to see the province growing; we want to see the population increasing if possible through natural and in-migration and all other means. Mr. Speaker, at the same time if I can say this without being misinterpreted, we want to retain the sense of our community in Manitoba. I don't know of anyone who wants to see Winnipeg grow into a megalopolis where we'll lose the sense of identity and the sense of community that we have within this already large city. I don't want to see us in the long run — and I'm not a no-growth person or anything like that — but in the long run I certainly think that we've got something to savour and to cherish here in the sense of community that we enjoy in this province.

So while others even in the Province of Alberta say from time to time, isn't it great, look at all of the people moving into Alberta to take advantage of the megadevelopments that are going on there. Let's hope, Mr. Speaker, that the developments that take place in Manitoba are measured and that they're orderly so that when the growth does occur in our population it's the kind of growth that we can absorb in an orderly fashion so that we can retain that sense of community that we have in Manitoba which makes this province one of the finest places in the world to live.

So I hope I won't be misinterpreted by somebody who will take out a half quotation some day and say ah, there's Lyon, he's one of these no-growth people. I'm not preaching no-growth at all. I'm preaching, Mr. Speaker, orderly development that retains a substantial part of our sense of community and our sense of adherence to commonly held values in this province, which makes this such a civilized place in



which to live. —(Interjection)— Mr. Speaker, the Member for Elmwood said think small — I leave that to him because he manifests it every day when he stands up to speak.

Mr. Speaker, can I take a few minutes to speak about the situation that was dealt with at great length by the Minister of Finance and I think intelligently by the Minister of Finance in his Budget statement, when he talked about the impact that inflation is having on the people of Manitoba, particularly on people on low or fixed incomes.

We've tried through the policies that have been brought forward, through suggestions that we've gained from the other side of the House and from consultations in the community, to come up with programs that act as some sort of a cushion against that kind of rapidly developing impact on people, particularly on fixed and low incomes.

For example, the SAFER and SAFFR Programs provide rental assistance to low income families with children and to seniors over the age of 55. May I say, Mr. Speaker, that these programs that I am enunciating represent one of the major thrusts that has been taken by any government in Canada to deal with this situation of inflation and the erosion that inflation has upon fixed incomes, particularly of senior citizens.

SAFER and SAFFR, the CRISP Program provides monthly payments to assist low income families with children and that's a new dimension to our assistance programs in Manitoba. We've increased the funding for day care services from \$3 million to \$9 million over the last three-and-a-half years and I think that's generally acknowledged as being good for the people of Manitoba. The supplement for pensioners has doubled and benefits have been extended to pensioners between 55 and 65 as well as those over 65. The maximum property tax credit has increased from \$375.00 to \$525.00 and to \$625.00 for senior citizens. Social assistance allowances have increased. The minimum wage has increased three times in the last three years and I don't think that anyone can say that our minimum wage is not as competitive as it should be with other jurisdictions that we find across Canada.

Mr. Speaker, I think that these are good and these are programs that are supportable even by our friends in the Opposition as meeting a need that is manifested today by the kind of increasing inflation that we have particularly affecting those on fixed income.

We come to health services. We don't have to take second place to anyone in Canada in terms of the quality or the quantity of services that are made available to the people of Manitoba. I'm proud, Mr. Speaker, of all of the people who work in the health service field in Manitoba because they do provide a quality of care and they do provide a kind of care that is available in few other jurisdictions in the Western World. I think we can confidently say that, and certainly on a par, a match with anything that's available right across Canada. That's been part of our tradition in Manitoba, Mr. Speaker, that Manitobans have always been able to say, we have one of the finest medical colleges in Canada and we turn out some of the finest medical doctors in Canada and that has continued to be the case.

The same applies with the paramedical professional staffing that we have, and the nurses,

the licensed practical nurses and the other branch of the paramedical services that we have in this province, second to none. Those services have not diminished, Mr. Speaker, in the last few years even though my honourable friends from time to time take a run at them and try to indicate that's the case or aided and abetted by that marvelous conjurer of figures out of Ottawa, Madame Begin. They try to come up with some glancing sidelong attack on health services which falls flat when one reads the report of Mr. Justice Emmett Hall into medical care across Canada.

Mr. Speaker, we make no apologies for the fact that the allocation of our provincial budget that goes to Health Care Services is 39 percent and that's some several percentage points higher than it was when our friends in the New Democratic party were in government. This year's spending estimates provide for a 20 percent increase in the Department of Health's expenditures for a total of just over \$700 million. Personal care home expenditures will rise by 24 percent. Spending on dental services is increasing by over 30 percent. The hospital Medicare programs will show a combined increase of about 18 percent this year. So, Mr. Speaker, we're not lagging behind in those fields at all.

My honourable friends opposite when they shift their attack from not spending enough to spending too much — then complaining on the one hand about acute protracted restraint and trying to fasten that label onto the government — then on the other hand the Leader of the Opposition stands up and talks about the deficit being too large. Well, Mr. Speaker, you can't have it both ways. If you support the expenditures that are taking place in Manitoba without any fundamental raise in taxation then you must in turn be willing to accept the responsibility for the result of those expenditures and the result of those expenditures is in the deficit that we are predicting for Manitoba this year. I think our record is quite clear. Again the proof of the pudding is in the eating — that we have always predicted deficits on the outside of the expectation or the projection — and over the years that this government has been in office the actual deficit that comes in has always been appreciably lower than the figure that we have predicted.

Mr. Speaker, we're also happy to point out even under the combined system of accounting that we brought in in 1977 after its being urged on the previous government for years and years by the Provincial Auditor, even under that system we were able to point out that the bulk of the deficit, the vast majority of the deficit that we're predicting is for capital expenditure.

Mr. Speaker, my honourable friends opposite found something strange when my colleague the Minister of Finance said that we were still committed to the idea over the longer term of a balanced budget and we still are, Mr. Speaker. In fact we were the only jurisdiction some two years ago who came within a hair's breadth on a budget of something like \$2 billion; who came within a hair's breadth of being in total balance when we had a deficit of \$45 million. Mr. Speaker, no other jurisdiction in Canada to my knowledge, except Alberta and those with the large resource revenues, could make that kind of a statement. So we are committed to that as the long-

term practising policy of government but I don't hear anyone on the opposite side, Mr. Speaker, suggesting this year that we should raise personal income tax; or that we should raise corporate tax; or that we should raise the sales tax; or that we should raise the mineral tax. If they want to say we should raise these taxes, let them stand up on their hind legs in this House and say so, Mr. Speaker. But you can't on the one hand vote for the expenditures that are contained in the Estimates of expenditure, say that you don't want any increase in taxes, and then complain and bellyache when the deficit is shown to you because that's cause and effect. You've got to be responsible for the outcome of the policies that you support.

We know that our friends opposite imposed a punitive tax structure and drove business out of the province. When we assumed office in '77 there were a number of tax policies that were altered. I talked about some of them today and reduced to improve the competitiveness of the Manitoba economy, that had to be done. Even in the face of doing that, Mr. Speaker, we've been able this year in the Department of Education to spend about 20 percent of the provincial Budget on education on our young people. The 1981-82 spending estimates indicate an increase of \$101 million or 25 percent in departmental expenditures in the Department of Education over last year. I don't know of anyone on that side of the House who said they are going to vote against that increase in education expenditures.

The increased funding provides \$70 million, Mr. Speaker, for a new Education Support Program and will fulfill the government's commitment to pay 80 percent of the costs of education throughout the province. The Education Support Program will also result in a significant shift of education costs from real property taxation to provincial funding and that's important. Did I not read that the Leader of the Opposition said of this Budget that there were no new initiatives in it, that the government lacked lustre, lacked any forward progress and so on? Mr. Speaker, in the Department of Education alone my colleague the Minister of Education and his staff have been working now for two to three years to bring about this program of refinancing for education in Manitoba, the most fundamental change in education financing to have taken place since the Foundation Program was brought in, in 1967. I was around when that program was brought in, Mr. Speaker, and can remember that represented a fundamental change as indeed the new program announced this year by the Minister of Education does.

If my honourable friends opposite want to belittle it or to forget about it or just not mention it, they can go ahead and do that, but I've seen the letters that have come in from the school trustees, from the school superintendents, from the school teachers of Manitoba saying this is good for our young people, this is good as a new means of financing education in Manitoba and we congratulate the government for doing it. I've seen that, I've had the conversations with the people and my honourable friends opposite can try to paint a picture of doom and gloom and nothing being done and deficits and all of the things that they like to talk about ad nauseam but, Mr. Speaker, out in the real world, out in the real world

where the men and women and the boys and the girls of Manitoba live, work, laugh and have their sorrows every day, they know what's going on. They know that this new plan is there, it's taking place and it's going to have an impact on the real property taxes and they are in support of it. I couldn't leave education without saying this, Mr. Speaker, that those same men and women and those same boys and girls in Manitoba know today that they are getting a quality of direction and leadership from the Department of Education that they never had in the times of the New Democrats.

Mr. Speaker, we sometimes become preoccupied with the costs of education. I want to say without fear of contradiction that it's the quality of education in the long run that's more important than the cost of it because it's the quality of education that determines in some measure at least the kind of an opportunity that you're going to give to young people before they are turned out into the pretty rough work-a-day world that all of us have had to fare in for a good number of years.

Mr. Speaker, the kind of experimentation that was taking place when the New Democrats were in office, the kind of tinkering and misguided experimentation, programs from the Sixties that were being trundled up here from the United States and from god knows where else by educational oddities who came and went and thank God are heard of no more, that kind of thing is in the past. Our kids are no longer being used as ideological guinea pigs for out-of-date experiments that the Department of Education was carrying on when my honourable friends had some responsibility for it and pray God, Mr. Speaker, that kind of a situation will never return to Manitoba where the quality of education will be eroded in the interests of trying to perpetuate or trying to teach some kind of an ideology or some kind of an experimentation in the public schools of this province.

Mr. Speaker, I talked briefly about taxation. The personal income tax rate, it was reduced by us; succession duty and gift taxes were eliminated; the corporate income tax rate was reduced; a wide range of new exemptions under the provincial sales tax were implemented; the corporation capital tax, major reforms were undertaken in it; major areas of reform took place in resource taxation; a number of nuisance taxes were eliminated and the end was put to compulsory participation by government in private mineral and oil exploration. All of that, Mr. Speaker, has had a positive effect upon the economy of Manitoba.

I talked briefly at the beginning about agriculture, still the most important single sector in our economy and we have high hopes for expansion in the economic field of agriculture in the next few years as world demand for food increases and stepped-up transportation plans will hopefully enhance the movement of farm products to export markets. It's the policy of our government, Mr. Speaker, to help farmers increase efficiency of production in a wider range of farm products, particularly those that lend themselves to further processing within Manitoba. The more processing that we can see achieved in Manitoba of all of the primary products that are produced here, the better off the province and our people are going to be.

I mentioned the droughts and the adverse weather conditions that we've been subjected to in the last few years, in the last two years, in particular. It goes without saying that in the last year where there was a slight increase in the total value of agricultural production, that increase can be attributed wholly to improved prices rather than increased volumes.

Farm cash receipts, Mr. Speaker, went up — an increase of about 9 percent over the '79 total — however such figures obscure the hardships that were faced by many agricultural producers as well as the significant negative impact of the drought on potential production and on producers' net income predictions. As we said last year and unfortunately have to repeat again, Mr. Speaker, the impact of last year's drought will be felt in this year's farm income and we would be fools, we would be burying our head in the sand if we tried to indicate otherwise. The farmers are still not out of the problems that occurred because of the drought that afflicted us last year.

Still I think we can take some pride in the special assistance measures that were introduced. They proved quite effective in backing up the determined efforts of the producers themselves to prevent permanent damage to the agricultural sector and particularly to livestock production which had appeared to be especially vulnerable.

Well, Mr. Speaker, I talked earlier about Alcan and I talked a bit about potash. I'd like to talk a little bit about Hydro because we all know that Hydro is still one of the key areas and major areas of new growth for Manitoba. The expansion of Manitoba Hydro will be used as a vehicle of industrial development within the province and Canada. We set forth in the Throne Speech some time ago the ideas, the policies, the firm plans and policies that we have for that future development. It will be on the basis of identified markets.

The Hydro development strategy involves negotiations with the Aluminum Company of Canada, with the development of a Western Power Grid; the possibility of further electrical interties with the United States. We all know that the prime and the best utilization of Hydro is to have that hydro power, that hydro energy consumed here in Manitoba by industry and by business that can create job opportunities. That's the highest and the best use on the economic and industrial side for the utilization of Hydro, aside altogether from the fundamental need for it for home heating, for home lighting and the other domestic uses with which we are all familiar.

The active discussions that the Minister reported on earlier this week with Alcan Aluminum as I said before are exciting for the future of Manitoba. I think that the discussions that the Minister of Energy and Mines has been carrying on, on the Western Power Grid over a period now of some three years, are certainly coming to fruition and we can look forward within a reasonable period of time to some announcement in that connection.

I say to my honourable friends because I hear from across the way occasionally that they don't know what the government's energy policy is, I say to them, read the statement on energy that was given that I had the honour to deliver on behalf of the Government of Manitoba in the Federal-Provincial Energy Conference in November of 1979 in Ottawa.

It stands up very well, Mr. Speaker, according to all of the developments that have taken place since. It's a realistic kind of a view for a national energy policy which I think would serve Manitobans better than what we are seeing take place at the present time, particularly in the field of confrontationist and divisive negotiations between Alberta and Canada, based upon the negative impact of the national energy policy on the whole economy of Manitoba and of Canada.

The national energy policy thus far, Mr. Speaker, has been nothing short of a disaster for Canada and as I think I mentioned when I returned from talking to some of the money-market representatives in the United States and in Europe, they all know that Canada is blessed with resources. They can't understand why we are engaged in national energy policies that are so perverse to the development of those natural resources. Mr. Speaker, there are tens of thousands, indeed, there are millions of Canadians who share that same view on that same question as to why the Federal Government is persevering with such a perverse policy for the development of oil and gas in particular in Canada, at a time when we should be rejoicing in the fact that we have these God-given resources and we should be moving ahead with all speed to develop those resources so that we will cease to be dependent on offshore oil. How simple the proposition is, Mr. Speaker, that we can't continue to be hostage to offshore supplies of oil, particularly industry in the east.

I'm surprised, Mr. Speaker — not surprised — but I'm encouraged when I go to Ontario and Quebec from time to time to find that those industrial leaders, some of whom pass through here from time to time, say, look, we in industry know that we can't continue to have this dependence on offshore oil because we could have another Iran and any one of the countries that are major suppliers to us. The sooner we develop our self-sufficiency in Canada, then the sooner we will have that kind of security for our basic industrial and manufacturing enterprises in this country that we need. That, Mr. Speaker, is as well part of the rationale that we have been putting forward for the Western Power Grid because if one chooses to look at Canada one can see that a Western Power Grid makes a great deal of sense and ultimately tied into a national power grid, so that you will have that kind of security of supply of electrical energy in Canada that we need to have with respect to fossil fuels as well.

So, Mr. Speaker, when we are talking about energy policies for Canada, whether they be Hydro policies in Manitoba or the national energy policy and the impact, the negative impact it's having on development of our heavy oil and our oil sands in Alberta in particular, let us remember that we should be engaged in a strategy that is good for the future security and viability of Canada. That kind of a strategy seems to be have been lost sight of by Mr. Lalonde and Mr. Trudeau and the bureaucrats in Ottawa who are more concerned apparently, Mr. Speaker, about dividing the swag from the returns on the oil than they are from developing and getting on stream the oil itself. There's plenty of time to haggle about how much the Federal Government should take or how much Alberta should take after you've got the oil developed but for heaven's sake,

Mr. Speaker, get on with the development of it. That's what we said in our energy paper in 1979; that's what we say today in shortened form — I'm not attempting to present that whole energy package — but I commend to the reading of members of this House and any other members of our provincial community who are interested in the stand that the government has taken, I commend to their reading that energy statement from 1979.

Mr. Speaker, I could go on to talk about the other good news in Manitoba that we hear so seldom from across the way, the expansions of plants at Versatile with some 800 jobs that are going to be created over five years; the expansion that we see going on right across the road at Great-West Life, a \$62 million expansion ultimately in a complex that is going to be built there over the next decade; a \$14 million upgrading of Shell Canada's St. Boniface Refinery; the Boeing expansion of \$5 million with over a 100 new jobs; General Aluminum Forgings of Hamilton setting up a \$4 million Winnipeg plant with 52 new jobs; the Tan Jay plant with 261 new jobs; \$33 million expansion to Simplot Chemicals in Brandon. You know to hear the Member for Brandon East or from Transcona East or wherever he claims domicile now, you would think that nothing was happening out west. But these things are going on in Western Manitoba, in and around Winnipeg and throughout Manitoba and they're good news and they're good for Manitoba. I have no hesitation in mentioning them to you and to the people of Manitoba today, Mr. Speaker.

Canada Wire and Cable are establishing a \$3 million fiber-optic plant in Winnipeg and it will be one of the largest of its operations in North America. In food processing we've seen developments like Winnipeg Old Country Sausage, 35 new jobs; Export Packers and Egg Processing; Granny's Poultry, a \$1.5 million expansion of the poultry processing plant at Blumenort — and that's in Manitoba, Mr. Speaker, for the benefit of the honourable members opposite — and that kind of development's good for all Manitobans, just as well as some of the other things that we talk about from time to time.

The Woodstone Foods of Portage la Prairie, a \$1.25 million in pea-processing; Mohawk Oil opening of the gasohol plant at Minnedosa, \$3.5 million, 20 new jobs and more in the future, and the government I pause to say, can take some little credit for Mohawk Oil because it's a direct result of an incentive by way of non-taxation that we offered that brought Mohawk into that development; CSP with their \$40 million oil seed crushing plant at Harrowby near Russell, in operation by 1982, a community that's very close to your heart, Mr. Speaker, and in your constituency, 85 new jobs, I think that's good news for Manitoba, good news for western and for all of Manitoba. The new jobs in the Centennial Company, \$2.5 million, 30 new jobs; Carnation Foods in Carberry are putting in a \$3.25 million expansion; McCain Foods in Portage have a large expansion under way, \$16 million, 300 new jobs; Campbell's Soup in Portage, under a \$1 million expansion in 1981, creating 20 new jobs; the Bradley Meats people are spending a \$1.25 million in 1981, with 30 new jobs. And yet, Mr. Speaker, all we hear from across the way is, "What about the Tribune, and what about Swift's?"

Well as I said earlier in a bit of a semi, not jocular but bantering mood, that the Opposition always likes to talk about the failures, and government likes to talk about the successes. But I think in fairness, Mr. Speaker, whether the New Democrats or the Liberals or — God forbid — the Progressives were in office in this province, the Winnipeg Tribune — I think even my honourable friend from Inkster would have to admit that the Winnipeg Tribune would have closed even if he'd been the Premier of Manitoba — now the only difference is, would he have expropriated it and taken it over as the new Progressive newspaper for Manitoba? That's the only question. But the Winnipeg Tribune would have closed whether Lyon was the Premier, or Green was the Premier, or Pawley was the Premier, or Mr. Lauchlan was the Premier of Manitoba. I don't want to get off into wild flights of fancy so I shouldn't really have mentioned that last eventuality.

Mr. Speaker, with regret we have to admit that Swift's were going to close, whether Lyon was the Premier, or Pawley was the Premier, or Green, or any other wild eventuality that might occur in Manitoba. That's the truth of the fact because there has been over the years a surplus of processing plants in the meat business. They've been closing plants in Saskatchewan, closed them in Alberta, and I've never heard the Opposition in Alberta or in Manitoba say that was the fault of Peter Lougheed; or in Saskatchewan that it was the fault of Premier Blakeney; but by golly, Mr. Speaker, when it happens in Manitoba, it's the fault of this darned Tory government here.

All I ask is that we look at these situations, none of which we like. Nobody wanted to see the Winnipeg Tribune close for reasons that go even beyond employment. Nobody wanted to see Swift's close but they did as part of the rationalization, Mr. Speaker, that is going on in that industry. But the important thing is that you can't keep faltering industries, you can't keep money-losers in business. That's why I was surprised when I heard from the NDP some of their spokesmen at the time of Swift's say, "Oh, the government should move in and take over Swift's". Well, Mr. Speaker, one of the reasons that Swift's closed was that they couldn't get sufficient number of heads of hogs to go through their plant, and I don't think that the Leader of the New Democratic party, whoever he might be, would be any more proficient at producing hogs — I'd better watch what I'm saying now, Mr. Speaker — would be any more proficient at increasing the hog population in Manitoba; in fact he might be less proficient at it than a Tory or a Liberal, because if I'm right on the figures — I'm looking for help to the Minister of Agriculture — I think when we came into office there were 800,000 head of hogs, roughly, in the Province of Manitoba. Today roughly, there are a 1,100,000 head of hogs and we don't claim any particular benefit or responsibility for that; that's the state of the industry. But notwithstanding that, Swift's closed.

So for my honourable friends to try to lay that at the door of government I think is wrong and it's wrong-headed because it tends, Mr. Speaker, to give the public and the citizens of Manitoba an expectation that government can deliver something that government can't deliver.

Let's talk for just a second because I won't have too much time to get to a rebuttal of the comments

that were made by the Leader of the Opposition. He did talk a little bit though, Mr. Speaker, about bankruptcies and somehow or other if the rate of bankruptcy is up in Manitoba that again becomes, I guess almost the personal fault of the Premier; if not that it's shared by the Treasury Bench and the whole government over here. If through reasons over which nobody in this House has any control, whether it's high interest rates that are causing cash flow to be unbearable in a company and it finds that it can't carry on; whether it's the domestic situation of the owner; whether it's the fact that they're turning out a product for which there isn't a market anymore; whether they're selling a product for which they're not good enough salesmen, how in the name of heaven and in the name of reasonableness, Mr. Speaker, is that to be attributed as a fault of government? I don't know. Yet my honourable friends persist in the peculiar kind of mythology which seems to sustain them year in, year out, through winter and through summer, that government should be all-pervasive, and government I suppose in the best of their kind of all possible worlds which would be a Marxian world, that government should say that this business stays in business, that one goes out, when the great malefactor of socialism takes over the whole economy, they would determine who would stay in business and who would go out of business.

Well, there is a society that runs that kind of an economy, Mr. Speaker. It's known as the Union of Soviet Socialist Republics, and I get a great deal of enjoyment from time to time when I read a little book which I commend to all members of the House; it's a book by a New York Times Pulitzer Prize columnist by the name of Hedrick Smith and it's called "The Russians". I think my honourable friends, before they get further down the road of being so doctrinaire about nationalization and public ownership, should read that little book about the Russians and find out just how society operates in a totally state-dominated society and see if they would like to transpose themselves into that society; if they would like to wait four-and-a-half years for a car; if they would like to live in an apartment with two other families and share one bathroom, and so on because that's the ultimate really, of what they suggest, Mr. Speaker, there is no really happy half-way in between.

So, Mr. Speaker, drawing to the end of the good news that I like to bring to the attention of the people of Manitoba, I think that while I haven't pretended to cover all of the topics that were covered in the speech that was delivered by the Minister of Finance, I have hit on some of the highlights at least and tried to reiterate and to reinforce some of the very valid comments that were made by my colleague in his Budget Address. I think it's a good Budget. I think it's a Budget that deserves support. It's a Budget I'm happy to say, that we on this side of the House will find no problem in supporting whatsoever.

Mr. Speaker, before I sit down I indicated I would like to say a word or two about the Constitution. Yesterday, the House of Commons adjourned after passing certain amendments and rejecting others with respect to the constitutional proposal that the Prime Minister of Canada has placed before that

House. I think it's important to say two or three words at this stage about the initiatives that were taken in the last several months by eight of the 10 provinces culminating as they did last Thursday, in the signing of an accord by the eight provinces in which we attempted to offer a new way out, a new initiative for the proper solution of this constitutional impasse before it further divides our country.

Mr. Speaker, I was happy to have been a part of that group and to remain a part of the grouping of eight Premiers because I think that each of those leaders in his own way is attempting to represent what he feels will be the best course for the future of our country, the course best designed to provide that kind of future for the people of his province, because while it's hackneyed and while it's a cliché, we are all Canadians first. Let there be no question about that. We are all Canadians first. There can be honest differences of opinion from time to time as to whether, as the Prime Minister says, his vision of Canada is the only vision as apparently he wants it to be, or whether the vision of Canada must be as we have always thought it historically to be, a shared vision of Canada, a subscription to common ideals and common ethics, and a subscription to a common view of order in society which is subscribed to by people from as diverse regions as Newfoundland right through to the Pacific coast and Vancouver Island. That's the kind of a Canada we've been building in this country and I'm afraid, Mr. Speaker, that we're taking — if the Prime Minister is successful in getting his proposal through Parliament — we're going to be taking a very radical departure from that kind of a community idea of Canada where we all felt an allegiance to something greater than our own provincial entity, our own provincial sovereignty and so on.

I regret to say that the Prime Minister's view of Canada is not, in my estimation speaking constitutionally, legally or politically the right view of Canada. I say it very simply, Mr. Speaker, for this reason. I was reading in this morning's paper — a further support for this because it's a position shared by many millions of people across this country — in this morning's Globe and Mail it says, "A fifth Liberal Senator said yesterday he will vote against Prime Minister Pierre Trudeau's constitutional proposals. Senator Daniel Lang of Ontario, a long-time Liberal organizer said Mr. Trudeau's plan to amend and patriate The British North America Act without the consent of eight of the provinces, 'rolls back 114 years of constitutional development'. Mr. Trudeau's Charter of Rights will create political overtones in the country's courts and promote a greater centralization of power, the Senator added. He joined Eric Cook of Newfoundland, Jean-Paul DesChatelets of Quebec and two other senators from Ontario, George McIlwraith, a former Solicitor-General, and Andrew Thompson, a former leader of the Liberal party of Ontario in opposing the package". He said, "Leaving the interpretation of rights to the courts instead of to Parliament and Provincial Legislatures would stifle social change because judges wouldn't be lobbied the way politicians are. The courts will for many many years be in unchartered waters and until a whole new body of judicial precedent accumulates, judicial decisions being in the amorphous area of rights will be highly subjective and the social

background, preconceptions and moral suasion of each judge will come into play', Senator Lang said. "Our courts can quite easily become politicized".

Mr. Speaker, I read those few comments because they are not impassioned partisan words of mine or of any other Conservative or any other New Democrat against what is being perpetrated in Ottawa today. These, Mr. Speaker, are the thoughtful words of a senior Liberal organizer now in the Senate of Canada and, Mr. Speaker, he is speaking the plain truth, he's speaking the plain truth. — (Interjection)—

Mr. Speaker, my honourable friend is making the point that the courts cannot; because we have seen them, he and I are old enough to have seen the Supreme Court of the United States in two extreme phases. We have seen the Supreme Court in the United States invested with the power to interpret Bills of Rights to the exclusion of the elected representatives in Congress or in the State Legislatures; we have seen them from the time of Franklin Delano Roosevelt in the early 1930s when they were staid and conservative and were acting as a break on the social change that FDR was trying to bring to American society and that's why in 1936 President Roosevelt said if he didn't get the court moving he was going to stack the court; he was going to go for a Constitutional Amendment to increase the number of judges and stack the court. And that was thought to be reprehensible and reprehensible it would have been indeed, Mr. Speaker, had he done it. But he felt so imperilled by the court frustrating the elected will of the Congress that he had to make that threat.

Time passes; we see the Court of the United States move into another phase under Chief Justice Warren when the court became, as some would say, radicalized; others would say, instead of being passive it became a very activist court. And in that time you saw a whole new set of jurisprudence build up in the United States which took court decisions well beyond what the elected representatives in the State Legislatures and in the Congress wanted to do. One of the examples that is overworked and overused of course is the busing decision which was not legislated by any jurisdiction in the United States. Regardless of your opinion of the social equity of that it was not legislated by elected people; it was enforced on the people of the United States by the Supreme Court of the United States.

Well, Mr. Speaker, why in this country are we tinkering with that kind of hot and cold situation that we will be putting our superior courts in if we have an entrenched Charter of Rights? Why indeed? What is wrong with the present system that we have in Canada which confers upon individual men and women in this country rights beyond the wildest imagination of many people on the face of this earth and protected in a way, while not perfect, Mr. Speaker, is among one of the best means of protection that man has been able to devise.

For people say to me and they have said to other premiers and to others who are adherents of the present system of the supremacy of Parliament and of the role of the judiciary in interpreting the laws that are made here and in Parliament by the elected representatives of the people, how can you be against an entrenched Charter of Rights? And the

first answer I must give is this, based upon Mr. Trudeau's proposal presently on its way through Parliament: People say why are you opposed to Mr. Trudeau's entrenched Charter of Rights? The simple answer comes back, because Mr. Trudeau is, under his proposals, purporting to strip jurisdiction away from this Legislature and from the traditional powers that the Province of Manitoba has had since 1870 to take them away, without negotiation, without our agreement, put them into an entrenched Charter and say that's where they are going to stay for all time. And, Mr. Speaker, as long as I draw a breath and my colleagues on this side of the House draw a breath we will not permit that to take place.

I think it's a very simple proposition that this country, Mr. Speaker, any Federal country, has to be a country in which the senior level of government, the federal level must work in conjunction with the provincial level. Why is it that when in 1971 Mr. Trudeau failed to get agreement on the Victoria Charter and on the Charter of Rights that he then had embedded in that proposition, the Government of Quebec withdrew its approval and later the Government of Saskatchewan said it wouldn't go along; Mr. Trudeau said then, I have the direct quotation here, "Well, if we haven't got unanimous agreement by the provinces we can't go ahead". He acknowledged the unanimity rule that exists in this country at the present time. What has changed, Mr. Speaker, since 1971? Why does he feel that as of the 2nd of October that he could introduce, or whenever it was, October of 1980, that he could introduce into the Parliament of Canada a bill which takes away the sovereign rights of this Legislature and of all Legislatures of Canada and picks up those rights and puts them into the Constitution of Canada, what makes them think that he can do that without our consent because the minute you acknowledge that the federal authority, the Federal Parliament, has the power to override, to override provincial sovereignty in that respect, then, Mr. Speaker, you have admitted the authority of the Federal Parliament to override all other powers that the provinces have. Since 1867 and in the case of Manitoba since 1870, the Province of Manitoba has had the power, and the power alone, to amend its own constitution, not the Parliament of Canada. That power was given as a sovereign right to the government, to the Parliament of this Legislature, to this Legislature. We are the only ones who can make that change. Why does Mr. Trudeau come along and say that whole history of 114 years is wiped aside and that he can expropriate those powers from the people of Manitoba?

Well, Mr. Speaker, he can't be allowed to expropriate those powers from the people of Manitoba because we are arguing in the courts it's illegal; and even if the courts were to find it legal, Mr. Speaker, I say it's immoral; and even if people would disagree with us when we say it's immoral I say that it is not right, it is not fair, it is not right, it is not in keeping with the traditions of this country and if you destroy that tradition of this country, which is that the federal level has its sovereign power and that the provinces have their sovereign power, if you've destroyed that then, Mr. Speaker, I regret to say you have effectively destroyed Canada. And that, Mr. Speaker, in the time that has been permitted to

me, is one of the reasons why we are waging the fight, the eight provinces waging the fight that we are against these wrong-headed proposals which Mr. Trudeau has before the people of Canada in the Parliament of Canada at the present time.

Mr. Speaker, I mentioned a number of the Liberal Senators who were opposed to the Constitutional proposal in Ottawa. May I read just briefly a quotation that was used by Senator Thompson in the course of his remarks to the Senate of Canada when he was speaking on this matter, it's in the Senate Debates of March 2, 1981 on Page 1904. At this stage the Senator was quoting from Professor Wade, Professor of English Law at Cambridge University, a world recognized authority on Constitutional Law, speaking before the British Foreign Affairs Committee, and he stated, "The Federal Government cannot take away the powers of the province, this is something which the Government of the United States is unable to do and the Government of Australia is unable to do. It is absolutely fundamental to a federal country, and if Canada is to remain a federal country that must be the situation".

Mr. Speaker, I again quote from other sources lest it be thought that I'm making a partisan speech, I'm merely trying to indicate to the members of the House and to you, Sir, and to the people of Manitoba why it is that many of us feel so deeply that what Mr. Trudeau is doing at the present time is a fundamental erosion from the federal system in Canada, which will not only turn this country upside down but, Mr. Speaker, which may well result in a country much different from the country that we were born and raised in and want to maintain as a united entity. I know of no one in this Legislature who wants to see Canada disunited, but I say regrettably that the course of action that is being pursued by the Prime Minister of Canada will have extremely grave consequences for that unity.

Now, Mr. Speaker, I close on this note by saying that I'm happy to have had this opportunity of participating in the debate; of saying some of the things that I think bear repetition about the good news in Manitoba, about the developments that are taking place here; to indicate to my honourable friends opposite that I was surprised that they came up with no positive suggestions whatsoever for improvement in the Budget; to indicate to my honourable friends opposite that I wish that they would screw up their courage and tell the people of Manitoba frankly what taxes they intend to increase if they are going to do anything about the deficit because they are the ones who say that they want more pump-priming spending on make-work jobs and things of that nature. Let them stand up on their hind legs during the balance of the session; tell us precisely what taxes they are going to increase. Will it be The Succession Duty Act again; will it be higher income and personal taxation; will it be higher corporate tax as advanced by their friends, their leadership of the Manitoba federation of labour, which one is it going to be? Now, all of the talk we've heard across the way, Mr. Speaker, about misleading, misrepresenting, and so on, why don't they just fess up and tell the people of Manitoba what taxes the Socialists are prepared to increase? And when they tell them that then we'll be prepared, in due course, Mr. Speaker, to go before the people of Manitoba and let them make the final judgment.

**MR. SPEAKER:** According to our Rule 23, Sub 5, the Speaker shall interrupt the proceedings and forthwith put every question necessary to dispose of the Main Motion and any amendments thereto.

**QUESTION put on subamendment; Motion defeated.**

**MR. GREEN:** Yeas and Nays, Mr. Speaker.

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

Call in the members.

Order please. The question is on the motion of the Honourable Member for Inkster.

**A STANDING VOTE** was taken the result being as follows:

### YEAS

Messrs. Adam, Bostrom, Cherniack, Corrin, Desjardins, Doern, Evans, Fox, Green, Hanuschak, Jenkins, McBryde, Malinowski, Miller, Parasiuk, Schroeder, Uruski, Uskiw, Walding.

### NAYS

Messrs. Anderson, Banman, Blake, Brown, Cosen, Craik, Domino, Downey, Enns, Ferguson, Filmon, Galbraith, Gourlay, Hyde, Johnston, Jorgenson, Kovnats, Lyon, MacMaster, McGill, McGregor, McKenzie, Mercier, Minaker, Orchard, Mrs. Price, Messrs. Ransom, Sherman, Steen, Ms. Westbury.

**MR. CLERK:** Yeas 19, Nays 30.

**MR. SPEAKER:** I declare the motion lost. Now proceed with the amendment as proposed by the Honourable Leader of the Opposition.

**QUESTION put on amendment; MOTION defeated.**

**MR. PETER FOX (Kildonan):** Yeas and Nays, Mr. Speaker.

**MR. SPEAKER:** Call in the members.

**A STANDING VOTE** was taken, the result being as follows:

### YEAS

Messrs. Adam, Bostrom, Cherniack, Corrin, Desjardins, Doern, Evans, Fox, Green, Hanuschak, Jenkins, McBryde, Malinowski, Miller, Parasiuk, Schroeder, Uruski, Uskiw, Walding.

### NAYS

Messrs. Anderson, Banman, Blake, Brown, Cosen, Craik, Domino, Downey, Enns, Ferguson, Filmon, Galbraith, Gourlay, Hyde, Johnston, Jorgenson, Kovnats, Lyon, MacMaster, McGill, McGregor, McKenzie, Mercier, Minaker, Orchard, Mrs. Price, Messrs. Ransom, Sherman, Steen, Ms. Westbury.

**MR. CLERK:** Yeas 19, Nays 30.

**MR. SPEAKER:** I declare the Motion lost.

On the Main Motion, the Motion of the Honourable Minister of Finance that this House approves in general the budgetary policy of the Government.

**MOTION presented and carried.**

**MR. FOX:** On division, Mr. Speaker.

**MR. SPEAKER:** Is it recorded On Division? (Agreed).

**MS. WESTBURY:** No, Mr. Speaker. I'm sorry I don't know what I'm supposed to do but I'm not voting for the Budget.

**MR. SPEAKER:** Order, order please. It is not a recorded vote as such. It will be shown as On Division. It means that names are not individually mentioned.

The Honourable Government House Leader.

**MR. MERCIER:** Mr. Speaker, it will be the intention on Monday to continue with Estimates in Education and Municipal Affairs.

Mr. Speaker, I move, seconded by the Minister of Natural Resources that the House do now adjourn.

**MOTION presented and carried and the House adjourned and stands adjourned until 2:00 o'clock Monday.**

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