



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

DEBATES
and
PROCEEDINGS

33 Elizabeth II

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Speaker*



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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Second Legislature

Members, Constituencies and Political Affiliation

Name	Constituency	Party
ADAM, Hon. A.R. (Pete)	Ste. Rose	NDP
ANSTETT, Hon. Andy	Springfield	NDP
ASHTON, Steve	Thompson	NDP
BANMAN, Robert (Bob)	La Verendrye	PC
BLAKE, David R. (Dave)	Minnedosa	PC
BROWN, Arnold	Rhineland	PC
BUCKLASCHUK, Hon. John M.	Gimli	NDP
CARROLL, Q.C., Henry N.	Brandon West	IND
CORRIN, Q.C., Brian	Ellice	NDP
COWAN, Hon. Jay	Churchill	NDP
DESJARDINS, Hon. Laurent	St. Boniface	NDP
DODICK, Doreen	Riel	NDP
DOERN, Russell	Elmwood	IND
DOLIN, Hon. Mary Beth	Kildonan	NDP
DOWNEY, James E.	Arthur	PC
DRIEDGER, Albert	Emerson	PC
ENNS, Harry	Lakeside	PC
EVANS, Hon. Leonard S.	Brandon East	NDP
EYLER, Phil	River East	NDP
FILMON, Gary	Tuxedo	PC
FOX, Peter	Concordia	NDP
GOURLAY, D.M. (Doug)	Swan River	PC
GRAHAM, Harry	Virten	PC
HAMMOND, Gerrie	Kirkfield Park	PC
HARAPIAK, Harry M.	The Pas	NDP
HARPER, Elijah	Rupert Island	NDP
HEMPHILL, Hon. Maureen	Logan	NDP
HYDE, Lloyd	Portage la Prairie	PC
JOHNSTON, J. Frank	Sturgeon Creek	PC
KOSTYRA, Hon. Eugene	Seven Oaks	NDP
KOVNATS, Abe	Niakwa	PC
LECUYER, Hon. Gérard	Radisson	NDP
LYON, Q.C., Hon. Sterling	Charleswood	PC
MACKLING, Q.C., Hon. Al	St. James	NDP
MALINOWSKI, Donald M.	St. Johns	NDP
MANNES, Clayton	Morris	PC
McKENZIE, J. Wally	Roblin-Russell	PC
MERCIER, Q.C., G.W.J. (Gerry)	St. Norbert	PC
NORDMAN, Rurik (Ric)	Assiniboia	PC
OLESON, Charlotte	Gladstone	PC
ORCHARD, Donald	Pembina	PC
PAWLEY, Q.C., Hon. Howard R.	Selkirk	NDP
PARASIUK, Hon. Wilson	Transcona	NDP
PENNER, Q.C., Hon. Roland	Fort Rouge	NDP
PHILLIPS, Myrna A.	Wolseley	NDP
PLOHMAN, Hon. John	Dauphin	NDP
RANSOM, A. Brian	Turtle Mountain	PC
SANTOS, Conrad	Burrows	NDP
SCHROEDER, Hon. Vic	Rossmere	NDP
SCOTT, Don	Inkster	NDP
SHERMAN, L.R. (Bud)	Fort Garry	PC
SMITH, Hon. Muriel	Osborne	NDP
STEEN, Warren	River Heights	PC
STORIE, Hon. Jerry T.	Flin Flon	NDP
URUSKI, Hon. Bill	Interlake	NDP
USKI, Hon. Samuel	Lac du Bonnet	NDP
WALDING, Hon. D. James	St. Vital	NDP

LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, 1 May, 1984.

Time — 8:00 p.m.

BUDGET DEBATE

MR. SPEAKER, Hon. J. Walding: On the proposed motion of the Honourable Minister of Finance, and the amendment thereto proposed by the Honourable Leader of the Opposition, the Honourable Member for Inkster has 30 minutes remaining.

MR. D. SCOTT: Thank you, Mr. Speaker. In continuing from where I left off this afternoon, in looking at comparisons of the Province of Manitoba's fiscal policies, collection of taxes through income taxes, in particular, in comparison to other provinces, I illustrated before adjournment this afternoon where we are the second lowest in all of Canada, being the lowest income grouping of the \$5,000 family income, that Manitobans of that category and below pay amongst the lowest income taxes of anywhere in the country.

The actual income tax portion at that level is only \$246, Mr. Speaker, and I compared that earlier. When you consider the other added costs that are compulsory costs in our society today of insurance, car insurance that is, telephones, home heating and electricity, as provided in the Saskatchewan Budget of 1984, when you look at the basic income taxes themselves at a \$15,000 income level, a family of four in Manitoba would pay, with the latest lower income earners' tax reductions, some \$246.00.

That, Mr. Speaker, is less than one-third of what they were paying in British Columbia. It is about one-quarter, or less than one-quarter, about one-fifth of what they would pay in Ontario; one-third of what they pay in Quebec, provinces of similar size or closer to similar size, at least, of Nova Scotia, New Brunswick, approximately one-third of what they would pay there or less than that one-third actually, slightly less than one-third that they were paying in those jurisdictions.

When you move into the next higher category of the \$15,000 to \$25,000 income category, and looking at a family earning an income of \$25,000, a family of four, one again sees that Manitoba is still among the lowest. In fact, this time it is I believe the fourth lowest in the country, but we have moved up because the person, the family's ability to pay has increased as well. Now we find in this instance that we are paying considerably more than one would in Alberta or in Saskatchewan but still less than British Columbia and the rest of the provinces.

At the \$35,000 level, the same family in Manitoba would be paying just over \$3,000 in income tax. That now drops Manitoba down another couple of categories. We'll be paying more than in Saskatchewan, more than in Alberta, approximately the same as in British Columbia and still less than any other province.

Mr. Speaker, our income tax burden in this province is both progressive, within the realm of our provincial responsibilities and jurisdiction to make it so, and it

is as well among the lowest tax burdens in the country. When one considers that to the services, once again, the services, the role of the government, the government's involvement in the economy, the services we have here are second to none. In the valued role of the government in economy, we now have a government that is not afraid to take its rightful place in the economy of this province.

That is quite a turnaround, Mr. Speaker, compared to what we had a few years ago when the opposition was in office and, if I can fumble through my papers here, can find some - I hope I can find it, I've got enough papers to look through. Here we are, it's right on top. No wonder I couldn't find it. When you look at that in comparison to what the opposition did when they were in office, and from 1977 to 1981, when their tax reductions did not affect the lowest income levels, when their tax reductions for the under \$15,000, \$7,500 to \$15,000 for a family, they reduced it by \$11 over those four years.

For under a \$7,500 income, no reductions whatsoever; but you look at the higher income levels, \$25,000 to \$50,000 category, save an average of \$93; and a \$50,000-plus category, an amount of almost \$700.00. That is what you call regressive taxation policies and that is what we had from the government when members opposite were in office.

We have done the opposite. We have had a surtax on higher income groups. We have increased the exemption levels for the lowest income groups so that we have actually reduced that and it's affected some 60,000 Manitobans, 60,000 tax filers, I should say. It's many more than that as far as Manitobans go. And it's out of all of the province, in the economy of the province, I once again want to refer to when that government came into office, when the Conservatives came into office - it was 1977-78 - they took pride in stating in an initial press release that they were reducing capital authority, one of the major stimulus in our economy - capital authority. They said, and I quote, "It was the government's intention," he said - this is quoting from Mr. Craik, I guess, at the time - "to improve Manitoba's comparative position by limiting both direct and guaranteed capital outlay to the greatest extent possible," - that they would go to the greatest extent possible, Mr. Speaker, to take the Province of Manitoba and its role and its size out of the provincial economy. We saw what happened with that, Mr. Speaker. They bragged that their capital authority of \$292 million was down almost a-third from the year previous.

Mr. Speaker, when you have a province that is of the size which our province is, one must recognize the role of the province in the economy. I could refer to the Investment Dealers Association of Canada. In their recent review of the Manitoba Economic Outlook, they state quite clearly the role of investment in the Province of Manitoba. They state that investment opportunities - and this is a quote from their report - "Investment opportunities within the province have never looked brighter. Over the medium term, real construction

expenditures are projected to average 3.3 percent between '83 and '87."

Further quotes, Mr. Speaker - in the Speech from the Throne on April 12th, the government connected the improvement in employment with a strong investment outlook. "It is stressed that capital investment will be a critical factor in long-term economic initiatives. These investment opportunities are encouraging and should help reverse the under performance that has plagued the province for a decade."

"Manitoba" - continuing to quote - "is the first province to enter into an economic and regional development agreement." And they finish off this section by stating, "Prompt action is necessary in order to expand the economic base and improve the province's productiveness and competitiveness."

Mr. Speaker — (Interjection) — I think the Member for Minnedosa may need a little bit of help, Mr. Speaker. Certainly his party does.

When one looks, Mr. Speaker, at the investment community's assessment of Manitoba's performance recently, they state that Manitoba's overall production in real terms is forecast to rise 4.9 percent in '84, followed by 2.9 percent in '85. From an historical perspective, this would be viewed as remarkable progress. Remarkable progress, Mr. Speaker, is how the investment community sees the turnaround in Manitoba's economy currently. "Economic activity will be stimulated by a major increase in non-residential investment, a continuation of the mini-boom in housing and increased consumer demand for goods and services."

Mr. Speaker, can I point out once again that these announcements in this report were made before the fine Minister of Energy in this province now has announced a Northern State Power Corporation sale of some \$3.2 billion and before we had the Alcoa announcement of their present involvement in the Province of Manitoba leading to the intention to build a 200-tonne smelter in this province.

Mr. Speaker, I don't know what the members opposite had for supper, but they are a lot louder tonight than they were this afternoon.

Mr. Speaker, they talk about the real output in our economy - recovery in '83 - and continuing, and the key role the province played in the past year. They state that the decline in interest rates was a major factor in the turnaround in housing demand; but equally as important they state, Mr. Speaker, was the Homes in Manitoba Program. Without these incentives the province was heading toward a serious housing shortage.

The Affordable New Housing Program which was announced back a couple of months ago and expired on the 31st of March - in reference to that fine program, the 10 percent mortgages - they stated, "This will offer below market interest rate financing to new home buyers and could stimulate the housing industry to an even greater extent than is currently forecast."

They referred to the rosy outlook for employment, employment growth of 1.3 percent in 1983 outperformed the rest of the country. Will the members opposite recognize that? Not a chance; and they attribute this employment growth to the government initiatives through its Jobs Fund and renewed capital

investment. Renewed capital investment, Mr. Speaker, will support a further rise in employment of 3.7 percent in 1983 and 2.1 percent in 1985.

Mr. Speaker, this was stated prior - once again - to the announcements of Alcoa, of the smelter, and the announcements of the Northern State Power sales and even today's announcement of TANCO's development, a pilot plant in the North. — (Interjection) — The source that is offered? - the Member for Minnedosa is wondering what it is - it's the Investment Dealers Association of Canada, for the Member for Minnedosa's information, Mr. Speaker.

They go on, and when you look at this province's performance to other provinces' performance, and that's what I'm trying to key in here, to show what other provinces have done, how Manitoba is performing and how we are outperforming other provinces; and the reason for that is very clearly the fine Budgets that have been brought in by this province in the past two years and this new Budget we introduced this year and, as was recognized by the Provincial Auditor, the fine job in management of the government this government is doing. It's the first time we've had, in 20 years, since we've had a - not 20 years, about 10 years since we've had an auditor's report which has not been noted, due to some irregularities - has not met his satisfaction, to give our books a clean bill of health.

When you talk about government deficits or government funding requirements, more specifically, for capital and current, as a percentage of the gross provincial product, Manitoba's is around 3.3 percent of our gross provincial product is what we spend or we'll be borrowing this year, Mr. Speaker.

That is the third or fourth lowest in the whole country. Compared to Nova Scotia, last year theirs was 5.8 percent. This year, they expect to borrow approximately 6 percent of their gross provincial product.

Quebec is around 4 percent, almost a full percentage point higher than ours. Newfoundland, of course, is much higher and the Government of Canada is well over two times as high - the borrowing requirements - as compared to the Province of Manitoba.

Mr. Speaker, the members opposite do not like to hear the good news in Manitoba. They do not like to recognize the progress that is being made in Manitoba. They have learned their lessons when they were in office, and I picked this up, "The Tories failed to learn a lesson in Budget planning," and this is from their Budget, Mr. Speaker.

"In 1974-75," and this is quoting from the Free Press, April 18, 1981, "In 1974-75, Manitoba received 32 percent of its gross revenue from federal transfers and equalization. By 1979-80, the federal share of Manitoba's revenue has risen to 43 percent.

"This year, Ottawa is forecast to contribute about 40 percent of Manitoba's money."

That was in 1981, Mr. Speaker. Mr. Speaker, this government is proud that we are now down to 35 percent. We have stopped the continual reliance of this province more and more on federal transfers and have reduced that, Mr. Speaker, fairly significantly. A 5 percent reduction in our total revenues coming from the Federal Government, Mr. Speaker, is a substantial amount of money, whether those members opposite wish to recognize that or not.

MR. A. DRIEDGER: Scott, we can't take it anymore.

A MEMBER: You're going to win the election on this speech.

MR. L. SHERMAN: Hansard can't take anymore.

MR. D. SCOTT: Yes, we're going to win the election on this Budget, that's right. We're going to win the election on the good performance of this government since it began office.

We're going to win the election because we are a competent government, because we're a caring government, because we are not like your colleagues and your cohorts in Saskatchewan and Alberta and British Columbia and Ontario, who don't really give a darn about what's happening to the poor people in their province, won't put the monies that we are putting into in our economy to try and stimulate job creation.

I would suspect and I would forecast at this time that in a couple of years, by the time the next election rolls along, with the announcement and with the work that our government is presently undertaking towards assisting, towards stimulating the economy of Manitoba, that our employment level will be down considerably lower than it already is and probably in the vicinity of 5.5 percent to 6 percent. You can quote me on that in two years time, Members of the Opposition, and then compare that to what your record is, compare that to other provinces across this country.

A MEMBER: Give up, Scott.

MR. D. SCOTT: You should have given up a long time ago. Yes, resign if you've given up.

Mr. Speaker, this is another comment from the Investment Dealers Association when they refer to capital spending and the government's role in the economy. They state, "The government realizes that capital spending programs will be a priority in the 1984-5 Provincial Budget. Progress has already been made to improve the province's capital stock and make its industries competitive domestically and internationally.

"Capital spending is forecast to increase 11.8 percent in 1984, with a strong growth in construction, and in manufacturing equipment." Manufacturing equipment, as a matter of fact, is forecast to be up some 15.6 percent by the Investment Dealers Association.

Mr. Speaker, these, I think, show very well the results of the investment community, the confidence that the manufacturers have in this province, and the businessmen have in this province, this fine province of ours.

Mr. Speaker, I would like to move for a moment, if I could, over to the question of the difference between the Tories and ourselves when it comes to developing the resources of this province.

MR. H. ENNS: Mr. Speaker, I wonder if the honourable member would permit a question.

MR. D. SCOTT: Mr. Speaker, I will gladly take a question at the end of my comments.

MR. H. ENNS: Thank you.

MR. D. SCOTT: I would encourage questions from all of them at the end of my comments, Mr. Speaker.

A MEMBER: You will never make Cabinet that way, Don.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. D. SCOTT: If you will give leave, I am sure my colleagues will give leave for me to respond to a question afterwards.

Hydro policy, Mr. Speaker, we have a fair reflection of the difference in the philosophy of governments, in the role of the government in economy, when one sees

Mr. Speaker, could I have a bit of order?

MR. SPEAKER: Order please. I am sure that the member wishing to make his remarks is quite annoyed with constant interjections.

The Honourable Member for Inkster.

MR. D. SCOTT: Thank you, Mr. Speaker. When one looks at the difference in economic benefits to Manitoba, at the difference in the philosophy of the government between the Tories' proposals with the potash development; the Tories' proposals with the Alcan aluminum smelter, in particular; the Tories' proposals for equity contribution in Manitoba's primary resource - or primary natural resource, I should say, because our primary resource is our people which you recognize first and foremost, but our primary natural resource certainly is our hydro-electric capacity and we on this side of the House, Mr. Speaker, shall never ever give up equity interest in our hydro capacity. We shall develop that for the benefit of Manitobans. We shall not participate with other firms towards a capital construction cost of aluminum smelters - I mean of power developments. We shall participate in aluminum smelters though, Mr. Speaker.

We shall participate in the parts of an investment that can yield profits, that can yield returns to the Province of Manitoba, because one thing that hasn't been raised yet, Mr. Speaker, is that when you participate in equity participation in a Crown corporation that under its terms of incorporation do not permit it to make a profit, that its basis of operation is to break even and to supply power at the best possible price to all consumers of Manitoba - and that is what they wanted to share in, the part of the deal that could not make money, the part of the deal that was supposed to provide costs to the Manitoba consumer at cost, to supply electricity at cost, Mr. Speaker - we are going to be participating fully on our public responsibility to produce the hydro-electric power, but we shall participate in a revenue-producing and a profit-producing aspect of the development which is the Alcan smelter - or the Alcoa smelter - the aluminum smelter, Mr. Speaker.

Mr. Speaker, when you look at the Conservatives in their Letter of Intent, one really wonders what the heck they are trying to do with our power supplies.

MR. D. ORCHARD: Where is your Letter of Intent?

MR. D. SCOTT: One sees here, Mr. Speaker, on Page 3 of their Letter of Intent, and they were trying to deny the other day that they were selling off part of a power

plant or a whole power plant or a potential for an existing power plant. We have Alcan, and this is from Page 3 of their Letter of Intent, "Alcan will require a minority, undivided ownership interest in a power station," a power station, any power station, Mr. Speaker, not a new one necessarily, a power station, "to establish a firm power base for the facility and Alcan Canada will assume its share of the cost of such power station, including construction costs, interest and other expenditures and costs which may be properly identified and agreed to." Okay, Mr. Speaker.

This, Mr. Speaker, after they've set themselves up showing that Manitoba is such a poor province, when they say that our hydro-electric resources - on Page 1, when they talk about the resources - whereas as Alcan Canada, it states, has stated to Manitoba that due to its particularly high dependence on energy export with the attendant risks, in other words, that power is not something secure, that hydro-electric power is not something secure that Manitoba can bank on. They say that because of the high, initial capital investment for aluminum production facilities in Canada, therefore they need a special deal again. The extended logistics of Manitoba for raw and finished materials and varied exchange rates and duties, before Alcan Canada could — (Interjection) — I'll ask you, what's a duty? It's your ruddy agreement. It's what you put in as an agreement, you wrote it in, in your Letter of Intent. You were the ones selling Manitoba down the tube with the thing. It wasn't us — (Interjection) — rates and duties.

They talk of the facility and I go on. The facility — (Interjection) — yes, wrong page. Mr. Speaker, the question of whether it's going to be a new power plant is totally up in the air because on Part B on Page 4 it states, "Alcan Canada and Manitoba Hydro will enter into an operating and maintenance agreement for the future operation of the power station and if the power station is not yet constructed, a construction agreement, as well as a bridging contract . . ." Mr. Speaker, what that means is that when you take that section, if the power station is not constructed, that Alcan was probably dealing with these people to buy into Long Spruce, to buy into Kettle, to take over the Grand Rapids, to take over the whole works of the Winnipeg River system, because they say - and what would they pay? They would pay the construction cost of that, which many of them were built up to 40-50 years ago. The interest and other expenditures and the costs which can be properly identified, so maybe they would have gotten half of Long Spruce. Old construction cost, old interest cost. The people of Manitoba would be saddled with replacing that power at the new rate which would not affect Alcan, for Alcan was not to be tied into any new rate structure with additional power plants built on because Alcan was going to have the 35-year deal on power rates. Granted power lease - they gave them a granted water license for 35 years with renewal provisions for further terms of 15 years each; so we had a situation, when the opposition was in office of negotiating with Alcan, not stating necessarily, but they were even going to participate in construction of a new plant which would be abhorrent to say the least, and abhorrent to our principles, that Manitoba's prime resource should be owned by the public and not by private sector, because they would get almost all the power - even in a new one - or they'd buy an old one

and get the whole power from the plant; yet we would be required to provide the transportation of that power, I'm sure, in the agreement as it was set out.

Our agreement, Mr. Speaker, has us building the power, has them sharing in future increases in hydro costs as we build new stations, and new stations are going to cost much more than the old stations were. I understand Long Spruce was completed for somewhat less than \$1 billion.

A new station is \$2.5 billion, at least, possibly even pushing toward \$3 billion by the time construction cost is finished. We don't know what's going to happen with inflation down the road as far as construction costs go for sure, but Alcoa will be participating in those costs. They'll be participating in those costs through the rate structure that they are charged, not through some sweetheart deal that protects their rate, and yet at the same time makes the Manitoba consumer and all the other consumers in Manitoba pay for the increased costs of new power plant acquisition.

If you look at their potash developments, they're even worse. They're putting in hundreds of millions of dollars, minority equity, minority interest, Mr. Speaker. The other party could sell out at any time to anybody else, take a profit and walk away, but they could have. It was a sweetheart deal if there ever was one, and that's one reason the deal is not I don't think going forward right now. Certainly under those terms, that opposition, which follows the same principles, the same principles as Tory Governments across the country, of development at any cost, and the public will pick up the risk. The public will pick up the risk, Mr. Speaker, is their motto. They've done that in British Columbia; they've done that throughout the country.

Mr. Speaker, the opposition is particularly loud tonight. I don't quite understand why. They were very quiet before they went to supper, but they sure as heck have come back with something on.

The tone that this government has set, the tone that we have set in office has been one of responsibility, has been one that we will match and meet our responsibilities, has been one that we will work toward the development and for a stable and secure economic future in this province. Our two previous Budgets and this Budget, each one of them is tied into that.

Our labour policies, the new policies that were just mentioned by the Minister of Labour, released last week, are an integral part of that, for you cannot have development - as B.C. can tell you, or as other provinces can tell you that have a great deal of labour strife - you cannot have development with interminable labour strife. You must have recognition and respect for both sides. You can't go in, like they're trying to do in British Columbia, with a hammer on one side and a velvet glove on the other side of the tables.

Mr. Speaker, that sort of policy will not attract people to Manitoba. It's a sort of policy that they had when they were in office and their respect for unions, their respect for the working men and women of this province. I don't think we've had a government, since I don't know when, that have less respect for the working men and women of this province that have given us and that have built us the economic stability which we have achieved to this date.

The services - we are certainly committed to maintaining a very high level of services, the best

possible services that we can afford. We are doing that without going into the universities like they did in British Columbia and say that we're only going to cut you back 5 percent from last year instead of 6 percent. We are still giving increases this year; we're asking universities, we're asking educational institutions, we're asking our health institutions to see if they cannot provide an equal level and a better level of services with a modest increase in funding, Mr. Speaker, a responsible increase in funding. There are no such things left in our society, I don't believe, as holy cows anymore. — (Interjection) — As holy cows and sacred cows, yes, sacred cows, Brian.

We have to work with the administrators of those institutions so that they are as responsible in their exercise of their duties and responsibilities as we are in ours, Mr. Speaker.

It's a great pleasure to have stood tonight, toe to toe to the opposition, to defend this fine document.

MR. SPEAKER: The Honourable Member for Pembina.

MR. D. ORCHARD: Thank you, Mr. Speaker. Usually I like to follow the Minister of Natural Resources. In no small way I am, in fact, following him tonight because his brainchild just finished speaking, the man that controls Natural Resources Department, the protégé of the Minister of Natural Resources.

You know, this afternoon, Mr. Speaker, it was kind of interesting to hear the Minister of Natural Resources go into an early 1970 rant and rave about corporations in evil corporate entities not paying taxes, really being the corporate welfare bum image that Lewis, in the federal NDP, developed in the early '70s. — (Interjection) — And the fellow who just finished speaking said, even now, but yet one of the major thrusts in this Budget that we're being asked to approve is a manufacturing investment tax credit for those very same businesses that the Minister of Natural Resources just say don't pay enough tax. And here's a giveaway of Manitoba tax. Now, how could the Minister of Natural Resources have sat around the Cabinet table and the caucus table and allowed the Minister of Finance to bring in a tax cut for those very business people that he railed against this afternoon that weren't paying their fair share? Mr. Speaker, this whole government is a gang of anomalies and differences in strangers. — (Interjection) — Right. A gang of anomalies.

Mr. Speaker, this is my seventh Budget that I've had the pleasure of listening to. — (Interjection) — This will be a Budget that unfortunately I'm not going to be able to support the motion of non-confidence that my Leader has put on, because I'm not going to be here on Friday for the vote, assuming the vote takes place on Friday. But I want to assure members opposite that should I be here, should I have been here, I would definitely be supporting my leader in his non-confidence motion and voting against the government and the Minister of Finance.

Mr. Speaker, there's no question — (Interjection) — the Minister of Municipal Affairs is all of a sudden curious to know where I'll be. I'm going to be at Tabor Home, at a personal care home in Morden, where senior citizens who are valued citizens in my constituency have invited me to be, and unfortunately I accepted that

invitation before the Minister of Finance brought his Budget down. I do not intend to turn down the senior citizens of my constituency and disappoint them by not being there. Senior citizens to me, Sir, are very important people. Not people that you would discredit as obviously the Minister of Municipal Affairs might want me to do. I treat them with more respect than that, Sir.

Mr. Speaker, this was perhaps the best Budget that the Minister of Finance has brought down in his three attempts. That's not to say that it's a good Budget, Sir, but it's perhaps his best. He finally listened to what the opposition was saying and many other Manitobans were saying in many areas of taxation, particularly in the payroll tax, where he admitted that the government made a mistake in instituting the payroll tax and attempted to partially withdraw from that payroll tax.

Sir, I want to refer to my honourable friend, the Minister of Energy and Mines. In his Budget speech debate, he urged us all to attempt to bring a tenor of debate and a quality of debate to this Chamber that we seem to have lost over the French language debate over the past Session. And he urged us all to enter into the debates of the Chamber with a little more civility, a little more dignity and a little more respect for the rules. I thank the Minister of Energy and Mines for making that suggestion. That, Sir, was a good suggestion for all of us to heed. But unfortunately, Sir, the Minister of Energy and Mines obviously did not speak to the Minister of Finance, because that Budget, Sir, was the most biased, was the most politically motivated and distorted Budget that we've seen. It was also one of the crudest Budgets, the most insensitive Budgets, the type of document that the people of Manitoba have come to expect.

Mr. Speaker, I had a couple of guests in the gallery listening to the Budget speech, and one of the comments that one of them made is that he did not believe that any Minister of Finance would deliver a Budget in such a rhetorical style. Now this gentleman, I don't know what his political spectrum is, I suspect he might be a supporter of our party, but he is a very objective person and he could not believe the kind of rhetoric and almost slanderous statements that the Minister of Finance used in his Budget Address. He thought that they were unwritten interjections, but then he got a copy of the text, and he saw that they were written into the speech.

The Minister of Finance should have shown more dignity in his presentation of the speech. This, as I said, was one of his better Budgets, there's no question about it. It's one of his better ones, because he didn't do anything in it of significance to the province. He didn't significantly increase taxes as he has in the last two Budgets; he even offered some minute tax relief in some areas; he didn't embark on any new form of taxation; and that I have to give him credit for. That is the good part of the Budget. It's a good NDP Budget because it didn't do anything. It is what we call, on this side of the House, the "Vickey Mouse Budget," because it didn't do anything, Mr. Speaker.

But given that that is the nature of the Budget, why didn't the Minister of Finance receive at least some accolades for his Budget? Why did he receive criticism on the Budget from various people in the media and from other people? Why was the Budget criticized? It's a question that New Democrats should be asking

themselves right now. I think if you ask yourself seriously why you didn't receive credit for the best out of three Budgets, not a good Budget, but the best of the three you've delivered, I think you have to come up with the answer that was given to us in the editorial page of the Winnipeg Free Press just yesterday. It said in the headline, "Misleading Propaganda." Mr. Speaker, that was the problem with this Minister's Budget speech this time. As it says in the third paragraph of this editorial, "Finance Minister Vic Schroeder, who seems to spend most of his time these days in a frenzy of self-justification, cannot stop patting himself on the back." Mr. Speaker, he lost the credibility due to a Finance Minister in his Budget Address. He destroyed the dignity that people have come to expect in a Finance Budget Speech Address. He did not deliver what people expect.

Now, the Minister of Energy and Mines mentioned somebody called Fred Stupidly. Well, I want to tell the Minister of Energy and Mines, if he hasn't read the editorial from yesterday, that I believe in the history of this province. This is the first time that a Minister of Finance in the province has been termed "stupid" in an editorial. It says in here, and seeing as how they're so curious, they haven't read this one, it's strange that Captain Xerox, my ex-patriot American friend here, hasn't xeroxed this and sent it around to us, because we get all kinds of editorials xeroxed.

Here's the fourth paragraph. "Mr. Schroeder's strangest aberration, was to use public money not to explain his government's policies but to distort the policies of the opposition. A certain amount of rhetorical misrepresentation is regarded as fair game in debate in the Legislature or on the hustings, but to include the distortion in a letter which is supposed to inspire confidence in the government's policies is not only dishonest, it is stupid." That's what they said about the Minister of Finance in the Province of Manitoba.

Then, Mr. Speaker, they ended all by saying, "If the government's economic policies are to be effective, it is important that people have confidence in them." The word "confidence" comes up an awful lot. "One way to inspire confidence is to make sure the policies are sensible. Another is to ensure they are fully and accurately explained. It would help as well if the Minister of Finance would grow up."

Now, Mr. Speaker, the best Budget the Minister has delivered to date, and what does he gain, but an editorial that says he's stupid and should grow up. It is absolutely incredible, and it's a pity to the office that he purports to represent in this government on behalf of the people of Manitoba.

Mr. Speaker, why would the editorial page take that tough a line against the Finance Minister? It's because he does not deal honestly, accurately, and with confidence with the people of Manitoba. It's this Minister of Finance, Mr. Speaker, in collusion with the Minister of Energy and Mines and the rest of the Cabinet, that passed a \$1.5 billion Special Warrant. How did that inspire confidence in the financial administration of this government?

It is this Minister of Finance that sent his letter out to the employers of Manitoba regarding their exemption on the payroll tax. And did he tell the truth in that letter, Sir? No. No, he didn't. That is why the editorial page tore him apart in delivering the best of his Budgets

to date. I repeat, not a good Budget, but the best he's been able to come up with. And he was called stupid and he was told to grow up.

Sir, that explains the kind of level of disrepute that this government has fallen into in the eyes of the people of Manitoba. The people of Manitoba, the editorial writers, the news reporters, can no longer trust this government when they make statements. They cannot believe words issued from the mouths of government Ministers because they have to constantly check them to see if they're the truth.

Last night, a very excellent speech by my colleague, the MLA for St. Norbert. You heard the statistics in the Minister of Finance's Budget Address about the employment statistics and the growth in job creation under their administration. They were wrong. They were not the truth, Mr. Speaker. And the Minister of Finance put that in the document. The Member for St. Norbert took statistics from the Department of Labour, developed by the same government that theoretically developed the Budget speech. Those statistics that the Minister of Finance delivered Tuesday night of last week were shown to be total fabrications and untruths. We don't have to search far in the Budget speech to find more and more half-truths, misrepresentations, selective statistics, which has led to the general feeling in the people of Manitoba that this government, this Pawley administration, cannot be believed in any of their pronouncements and in any of their statements. They are not trustworthy, Mr. Speaker.

That's why the Winnipeg Free Press comes up with an editorial calling the Budget misleading propaganda, suggesting the Minister of Finance is not only stupid but he should grow up. That's why it has happened.

Now, the other thing that has happened to this government over its two-and-a-half-year tenure - and people can't believe that it's still two years to an election - is that whilst these people were in opposition, and the Minister of Energy and Mines was there with the group, recall how they criticized us when tuition fees went up at the University of Manitoba. It was as if the sky was falling, Sir. We had demonstrations out in front of the building; we had the then Leader of the Opposition walking arm in arm with these anti-restraint demonstrations. Now, at the University of Manitoba, over 200 staff are being laid off, courses are being cut, and tuition fees are going up year in and year out. And, Mr. Speaker, do we see the government backbench complaining about this? The previous speaker just said, well, we're doing what's reasonable and within limits. Why was it wrong four years ago, Sir, and it's so correct today - and in larger doses.

Recall, Mr. Speaker, the promises during the election, signed by the Leader of the Opposition that they were going to, not maintain the health care system, but restore it, to rebuild it. Now, Mr. Speaker, what do we have happening? We had a series of articles within the last year, hospitals in crisis, we've got layoffs of staff in the hospital system, we've got elective surgery in rural hospitals being cancelled and cut back, we have got problems in the health care system. And what were these people doing who complained so vehemently . . .

MR. SPEAKER: Order please.

MR. D. ORCHARD: . . . when the health care system was being administered very capably, very honestly,

very sincerely and very well by my colleague, the MLA for Fort Garry, during our administration? They were crying crocodile tears, they were crying wolf. Today when the system is in much worse problem than it ever was during the Lyon administration years, they say, well, it's perfectly all right, what's everybody alarmed about?

Mr. Speaker, I suppose the worst thing that destroyed their credibility as a government is the Minister of Energy and Mines in the last two weeks with his announcements. Recall four years ago how when we were making an announcement about the Western Power Grid, about the Alcan development, we were faced with criticism from the opposition, from members saying we were giving away the resources of the Province of Manitoba, we were doing the wrong things. During the election, Sir, they had union hacks come in from B.C. and wherever, with letters to the editor in the newspapers during the election saying that aluminum smelters were the worst sweat shops in North America, that they were going to pollute the whole Manitoba environment, that aluminum smelting was a terrible industry, that we were going to have to import Third World country labour to run it, because no decent Manitoban would work in a smelter. That was the kind of letters to the editor from their union hacks that were in this province defeating us in that election.

We had that Minister of Energy and Mines stand up within three months of getting his office, complaining about Alcan advertising in the Province of Manitoba. Well, he solved the problem with Alcan advertising, Sir, because he blew Alcan out of the water, he drove them out of the province. They are now expanding in B.C. and in Quebec and not in Manitoba. Who contributed to it? The fellow that sits behind me with letters to the editor, the MLA for Inkster now, with letters to the editor during the election campaign, all decrying aluminum smelting as an industry for Manitoba, and now what do we have? We have these people clinging to an American multinational to save their electoral hides next time. Déjà vu, Mr. Speaker, four years later.

We have these people, who said that aluminum smelting industry would be no good for Manitoba, now coming around and saying it would be the best thing possible for Manitoba. We have this group of people that fought against the Western Power Grid which would have supplied hydro-electricity in the development of Manitoba to Saskatchewan and Alberta, to create jobs there. They fought it tooth and nail, they said it was bad. They had their friends in Saskatchewan in the Blakeney Government fighting us tooth and nail to stop it from going through, and now what do we have them doing? Announcing a power sale to where? To Northern State Power, to our American friends. And why, Mr. Speaker, why is Northern State Power buying hydro-electricity from Manitoba in 1993? Because of the economic development and job creation that is going on in United States of America.

What have we heard already in the last 10 days from these people over here in government? We have heard them decry Reaganomics as evil, horrid, etc., etc., but it is the Reaganomic policies that have caused the kind of job creation and growth that have allowed them to conclude an Agreement of Intent to sell power for industrial development in the Northern United States. The people who fight Reagan at every opportunity are

living off the benefits of his job creation in the American economy.

So, we don't help Alberta and Saskatchewan create jobs with Manitoba electricity. No, no, no.

HON. W. PARASIUK: Do you want us to subsidize them?

MR. D. ORCHARD: Well, Mr. Speaker, the Minister of Energy and Mines is asking, "Do you want us to subsidize them?" You know, Sir, we don't know whether the Minister of Energy and Mines has made a good deal because he refuses to table his documents. He is hiding something in his deal, Mr. Speaker. What are you hiding? What are you hiding, Mr. Minister? Why do you not want to tell us. — (Interjection) — Well, Mr. Speaker, he says, am I against it? I don't know what I should be for or against, because all I've heard is the Minister, and I have told him already that what he says is not to be taken as the truth anymore, as are all statements from this government. We want to see it in black and white before we comment on whether it's good or bad, and he will not deliver the black and white for the opposition to peruse.

That is a failure, that is the open government. They will not give us the information that we seek. This is the government that talked about freedom of information, hiding information important to making decisions for the future of Manitoba. Why are they hiding it? Why are they hiding it, Mr. Speaker?

Mr. Speaker, it is interesting also to see how these people who criticized us for education cutbacks, and now there's layoffs at the University of Manitoba, tuition fees, property taxes going up in the Province of Manitoba to finance education in rural Manitoba and in Winnipeg.

They criticized us for health-care cutbacks and we see hospitals in disarray. We see the medical system in crisis, articles run in the newspaper. We see them defeating us on the basis of a resource giveaway and a bad deal in a Western Power Grid and aluminum deal, and what do we have? We have all of those things coming back now and I ask you, Sir, is there not a credibility problem with these people?

SOME HONOURABLE MEMBERS: Oh, oh!

MR. SPEAKER: Order please. Order please.

MR. D. ORCHARD: Is there not a credibility problems with these people? They defeated us on the aluminum project, the Western Power Grid, and now they're selling power to the States, and they're bringing in an American multinational. What a group, Mr. Speaker! It's incredible! That is why, Mr. Speaker, they have lost their credibility with the people of Manitoba, lost their credibility.

Mr. Speaker, we got the dissertation from the Minister of Finance that deficits are good. He said that deficits are a good way for economies to be stimulated, jobs to be maintained, jobs to be created.

Now a simple question would come to mind: If deficits are so good, why did the Minister in the first paragraph of his Budget Address emphasize the fact that they were holding their Budget deficit in check this year? If deficits were good, why didn't you spend like wild

men and women? Why did you curtail your spending? Little problem here, and I suspect, Sir, that this Budget was not for Manitobans, this Budget was for the New York money market managers, the people that the Minister of Finance and the Premier go down to, to borrow money. The people that establish the credit rating for the Province of Manitoba, this Budget was for them, so that there would not be a further reduction in Manitoba's credit rating, but we heard the argument that we should separate capital and current deficit spending, because current was unacceptable, but capital spending, in deficit position, was good. That's what the Minister said.

Well, I'm surprised that our honourable friend, the Minister of Finance, did not congratulate us for four years of surplus Budgets, because according to his calculations, when we ran a \$44 million deficit in 1980, we actually rang up a surplus on the current account, because all \$44 million were in highway construction and other capital projects. We ran a surplus budget, and if you take our four years, we ran surplus budgets. Where were the congratulations to us for doing that? And what we did to the economy during then was create more jobs, lower the taxes and increase the standard of living for all Manitobans, that's what we did during our four years, as well as balance the Budget.

Now, Mr. Speaker, I just want my honourable friends over there, particularly the ex-financial wizard, the MLA for Inkster, I refer honourable members to Page A-11 of the Budget Address.

Page A-11, Mr. Speaker, is a table, which shows the direct and guaranteed debt by purpose in the Province of Manitoba, and there is general purpose debt in here. This is what I want to point out. I'm not sure what all is included in general purpose debt, but I will make an assumption that that is current deficit, general purpose debt, because he's got other self-sustaining debt in debt of Manitoba Hydro as well.

During the four years that we were government, general purpose debt increased by \$370 million according to the Minister's table, and what is alarming, Mr. Speaker, and should be seriously considered by all New Democrats on that side of the House is that in the first year of New Democratic Party administration, 1982, they rang up an increase of \$360 million in general purpose debt. In one year they rang up general purpose deficit equivalent to our entire four-year record according to his chart. Then in the next year they rang up an additional \$432 million, and in 1984 they estimate it to be \$645 million.

Now, Mr. Speaker, totalling those three years alone, general purpose debt will be \$1.4 billion more than it was than when these people took over government. That is going to be, Sir, four times ours in three years only. I want our honourable friends to consider that very seriously.

Now, Mr. Speaker, we had our honourable friends talk about capital spending. If the secret to a healthy economy is to spend deficit financed money on capital projects, then I have a suggestion for my honourable friends. The government controls the purse strings of Manitoba Agricultural Credit Corporation as a lending agency to the farm community. The Minister identified 20,000 farmers in Manitoba with gross sales of over \$10,000 in the Budget Speech, and, Sir, we have in Manitoba a reasonably strong agricultural machinery

manufacturing industry. We have Versatile, we have MacDon, CCIL, various smaller manufacturers - Westfield, J.B. Agri, Load King, Farm King, Brock Industries, Laurier Welding, and there's a myriad of other ones.

If deficit spending is so good for the economy of Manitoba, then let the government give Manitoba Agricultural Credit Corporation another \$200 million, \$300 million, \$400 million, whatever it takes in money, and allow MACC to lend that money to the 20,000 farmers in Manitoba, specifically for the purpose of buying machinery manufactured in Manitoba for their farm operations. Throw the gates absolutely wide open. That will create employment at Versatile, MacDon, CCIL, Westfield, Brock Industries, Laurier Welding, more at Broadway . . . Throw it wide open. Charge the 13 percent that you are going to charge farmers, but throw it wide open. Because, Mr. Speaker, if we follow the Minister's logic, that would be good for the farm community because he says it's good for the Province of Manitoba to go into capital debt because once you buy it you have an asset; therefore, you are in good shape.

Well, Mr. Speaker, if the government was to do that, I would suggest they would get very few takers from the farm community today. My honourable friend, the MLA for Morris, attempted to explain why - I know people like the Member for Inkster don't understand cash flow and repayment schedules - but the farm community would never buy the argument that they should go into debt for capital assets because a capital asset is offsetting the debt they owe and that it does not make any difference if you have borrowed money as long as you have a capital asset. The farm community would not buy that.

Do you know why, Sir? Because the farm community could not afford to make the repayment charges to carry that additional equipment in their farm operations, and unless they can pay the carrying charges and repay the capital cost over a period of years out of the cash flow of their farm, then they will not make the investment. So the offer would be a free offer. They could advertise about it for days on end at what a wonderful job they have done and it wouldn't cost them a nickel because the farm community wouldn't take them up, because the farm community knows that the Minister of Finance is foolish when he talks about capital assets are good even if they are financed through borrowed money because you have an offset of an asset and a debt. The farm community knows that is false, that it is wrong, it is not true. But yet the Minister of Finance and others in that government said that it would be perfectly all right to deficit finance this province to the hilt on capital assets.

Well, okay, let's consider that. Question - a question to the Minister of Finance, and he might be able to answer this when he gets his opportunity to address his own Budget: Who are you going to sell the asset of the Trans-Canada Highway to and recover your capital? Who are you going to sell the Winnipeg Floodway to as a capital asset in the Province of Manitoba? Who are you going to sell a school in Morden to, that is a public asset? Who are you going to sell a hospital in The Pas to, that is a capital asset for which there is offsetting debt? Who are you going to sell a personal care home in Winnipeg to? It's a debt

on this side, a capital debt, but who are you going to sell it to?

You see governments cannot essentially make any different decision in terms of capital spending than business can, than the farm community can, because government should and must and will, Sir, do cash flow analysis before they spend money on capital assets and borrow the same money to make that expenditure because you see, Sir, when we borrow money to put it into a capital asset, if we operate like a business does, we must establish a 5 year, a 10 year, a 30 year repayment schedule after which that capital asset and the debt incurred through the purchase of it has been retired out of cash flow from the business.

Now to put that in simple terms for members of the New Democratic back bench, that means that if you build a highway and you are calling it a capital asset on this side and you have borrowed \$5 million on this side to pay for it, then over the lifetime of that highway, which may be 15 to 20 years, this \$5 million you have borrowed should be paid off at the end of the 20-year period for which you have owned this asset. It should be paid off. One of the members opposite agrees because he has some business sense, and I know he does - the Member for Lac du Bonnet.

Well, Mr. Speaker, I want honourable members in the government to contemplate something in the Minister's own Budget Address. The Minister is saying, Sir, that deficit spending is good if it goes into a capital asset. But I refer you to Page A-9 in the Minister's Budget Address. It says - it is a chart showing the Province of Manitoba Direct and Guaranteed Debt - net refunding requirements by fiscal year by currency of payment and purpose, and here is the footnote, Sir, that is terribly important: The above table indicates the amount that the Province of Manitoba will have to borrow for the purpose of repaying direct and guaranteed debt after application of sinking funds based on the Canadian dollar equivalent on date of issue. In other words, they have the asset over here and they keep borrowing more money to repay the original debt. That's what Page A-9 is all about.

And the fallacy that the Minister of Finance put to the people of Manitoba the other night is the same kind of liberal, socialist fallacy that now has us at a \$30 billion deficit federally and in financial crisis in this country because, Sir, as the Member for Lac du Bonnet well knows, we are borrowing for capital assets but we are not retiring the capital borrowing through the revenues of taxation in the Province of Manitoba, but rather we are retiring borrowing by more borrowing. Let me assure you that has an exponential effect on the financial capacity of the Province of Manitoba that will devastate this province.

Mr. Speaker, I only want to close by offering to my honourable friends over here a couple of words of advice. I want honourable members in the New Democratic Government to seriously consider the two charts that I referred them to tonight, A-11 which showed the exponential growth of their general purpose debt in three years. In their first year of government, they equated our entire four-year increase and they have increased it every year since. I want honourable members opposite to consider Page A-9 of the Minister's Budget which they are giving such accolades to and consider what kind of a future you are

mortgaging on behalf of yet unborn generations of Manitobans, because you have laid out in your own budget a schedule of borrowings to refinance past borrowings. You are not repaying them.

So while government members are so proud to listen to government ads that cost \$2, \$3, \$4 million - we don't really know; while honourable members opposite are so proud of misleading letters sent out by the Minister of Finance and others at a cost of tens of thousands of dollars; while honourable members are taking great pride in relying on some 80 personal staff of EAs, special assistants, propaganda people, at salaries of \$30,000 to \$40,000 per year at a massive cost to the people of Manitoba; while they are taking great pride in the layers of Assistant Deputy Ministers, Deputy Ministers, directors, special advisors, contract people at \$85,000 per year as economic advisors; while they are taking pride in all of those expenditures, just refer once in a while, ladies and gentlemen in the government, to Page A-11 and to Page A-9 and ask yourself if it is really that essential to waste very scarce, borrowing dollars to polish a failing government's image through advertising, through the hiring of personal staff and economic advisors, through the bloating of the top layers of the civil service with political friends.

I ask you, and I plead with members of the government, to consider the future of the Province of Manitoba, not their own political future which they are trying to save some two years from now, but the future of Manitoba. Give it serious thought, give it careful thought and stop wasting the taxpayer dollars in the vast amounts that you have been doing over the last two-and-one-half years and appear willing to continue to do, Sir.

Have mercy on the taxpayer and the people of Manitoba, I beg you. Back off your inordinate spending. When we suggest additional program funding requirements and you say, where's the money to come from, I've just told you four areas, ladies and gentlemen, that you can cut back. I beg you to take my advice seriously and to listen to the Minister's words of wisdom as contained on Page A-9 and A-11 in his own Budget.

Thank you, Sir.

MR. SPEAKER: The Honourable Minister of Employment Services.

HON. L. EVANS: Thank you, Mr. Speaker. I welcome the opportunity to participate in this 1984 Budget Debate and make some comments with regard to the impact of that Budget on the Manitoba economy and to perhaps make a few comments on some of the criticisms that have been levied by members of the opposition with regard to this Budget of 1984.

First of all, I want to say, Mr. Speaker, that I think it's quite clear this Budget reveals a commitment by this government to wish to stimulate the Manitoba economy because even though we have been doing fairly well, relative to the rest of Canada, and indeed to many other parts of North America, it is our view that we should leave no stone unturned to reduce the level of unemployment to even further low levels.

We can do that stimulation, Mr. Speaker, via deficit financing and via a specific focus on job creation, and indeed, that specific focus on job creation has been

provided by the creation of the Manitoba Jobs Fund which enables this government to direct its attention, to focus its attention on the very vital, No. 1 priority facing the Provincial Government and that is to do whatever we can to create more jobs for Manitobans and to lower the level of unemployment.

I listened with interest to the remarks of the Member for Pembina when he compared what was happening in the United States with what was happening in Canada with regard to unemployment and with regard to deficit financing. The fact is that he's partly made the point for me, Mr. Speaker, that the level of unemployment has been falling quite dramatically in the United States relative to the level of unemployment in Canada, and I would suggest the main reason for that has been the fact that the Reagan Government has gone out on a limb and has engaged in a large, heavy amount of deficit financing.

They have gone into a very, very high level of deficit financing and some of the members of the House may recall - this was shown on the national TV News, CBC News only a couple of weeks ago, where there was a chart showing this growing gap; and the explanation that was given was that the Reagan Government of the United States was engaged in heavy deficit financing. Unfortunately, most of that deficit financing is going toward military spending but, regardless, it has the same impact. It's too bad they don't declare war on poverty; I think most of us would be very happy about that.

The Honourable Member for Pembina also, in questioning the value of some of the assets that we have and enjoy in the Province of Manitoba, asked the question, what is the selling value of the Trans-Canada Highway or what's the selling value of a personal care home or a hospital? Mr. Speaker, in all due respect, I do not suggest, surely you cannot measure these social assets, these economic assets in terms of what the market value is. You cannot measure the market value by asking the question, what do you get for a Trans-Canada Highway?

As a matter of fact, Mr. Speaker, this was driven home very dramatically. The Trans-Canada Highway has great value to myself and others of us who wish to go to the western part of the province frequently. I left on Friday, unfortunately, at 2:00 p.m. I didn't want to drive because the weather was rather bad so I took the Greyhound Bus. Unfortunately we left Winnipeg at 2:00 p.m. and arrived in Brandon at 10:00 p.m., having spent three hours five miles east of Carberry, stuck with another 25 kilometres of vehicles in a snowstorm and having arrived only at Brandon thanks to a highway snow plough providing an escort and, in effect, creating a convoy of vehicles, taking them small groups at a time to the City of Brandon. It took us two-and-one-half hours to go from five miles east of Carberry to the Brandon Bus Depot.

For all those people involved, some of those people who were very hungry on that highway, and for some people who may have felt rather sick and needed to get some care or whatever, that highway is a very valuable asset to the Province of Manitoba; and indeed, a personal care home is a valuable asset to the people of Manitoba and you surely don't measure it by asking what will the market pay for it. You measure it by what value, what social value, what economic value does it provide to the people of this province?

I think that this Budget is a Budget for our times, Mr. Speaker. It's a reasonable Budget and it's an adequate Budget and I believe it's a Budget that has been accepted by the majority of the people of Manitoba who have taken the opportunity to read the highlights, at least, of the Budget.

Mr. Speaker, we argue so often in this House about the economic progress of the Province of Manitoba and about government programs as they affect the economic progress of Manitoba; but let us recognize - I suppose it goes unspoken - but it nevertheless should be recognized and needs to be said that, surely, what happens to the economy of Manitoba obviously and surely is not a function alone of what the Government of Manitoba does, by whatever party is in power. Surely what a government in Manitoba does will have an impact on the rate of economic growth, but surely it is only one factor that has an impact on the rate of economic growth.

If you look at each of our industrial sectors, you'll see how dependent we are upon national markets and upon international markets. If you look at our agricultural sector - and we concern ourselves about the price of wheat. It is not what the Manitoba Government does that has the bearing on the price of wheat. It has nothing to do with the Government of Manitoba as to what the world market for ore happens to be or for nickel or for what other mineral product we may produce, similarly for many of our other products, even from the manufacturing sector.

A great deal of our clothing industry product output is sold in markets outside of Manitoba and the degree to which that industry flourishes is dependent upon the market demand that exists in the United States and Canada.

Mr. Speaker, while the Provincial Government can have some influence, and I think the influence that we had over the last couple of years has been a positive influence, we have to recognize that we can only do so much; but the main thing is to recognize that, to recognize their limitations and to recognize the role that we can play as a catalyst in our provincial economy, the role that we can play to at least fill the gaps that we see occurring, at least come in and provide some programs, albeit it short-term programs, to help create jobs or to help the private sector where we may.

I'd like to take a few minutes, Mr. Speaker, to review some of the statistical evidence that we have of the performance of the Manitoba economy. In 1981, which was just prior to the recession, the 1982 recession that we experienced in Canada and in Manitoba, and what has happened since the recession? I would like to take a particular look at what is going on in the Manitoba labour market, and I would also like to say a word or two about the outlook for Manitoba in the forthcoming year of 1984.

I think if you examine the economic indicators, you will note that Manitoba experienced poor performances in many of the economic indicators prior to the recent recession of 1982. For example, employment in the Province of Manitoba - and I am, of course, using figures from Statistics Canada in the labour force survey - increased by only 0.7 percent during 1981. We ranked seventh out of the 10 provinces in terms of rate of growth of employment and rate of growth of jobs. This was well below the Canadian average of 2.8 percent. That is the situation of 1981.

If you take year-over-year percentage change, the Province of Manitoba ranked seventh only in capital investment in 1981, eighth in the value of construction, eighth in farm cash receipts, and nine out of 10 in the value of mineral production. As a result, Mr. Speaker, a number of people were seeking job opportunities in other areas of the country and, as a result, Manitoba experienced the greatest population loss of any province in the period preceding the recession in 1982. That too, Mr. Speaker, is well-documented, and I tabled some of these charts the other day, and there is no question that Manitoba unfortunately stood out alone with a fantastic drop in its population, the worst of any of the 10 provinces. This is 1981.

In 1982, our economic output slowed considerably because of the recession that hit us in 1982, along with the other provinces in Canada, but overall the province did not fare as poorly as other areas of Canada. For example, Manitoba's real domestic product - that is our comprehensive measurement of our economic performance - declined by 2.9 percent in 1982, ranking the province fifth in overall output performance, but noticeably better than Canada as a whole where output declined by 4.7 percent.

The recession hit hardest in those resource provinces of Newfoundland, Alberta and British Columbia and, as well, at the secondary manufacturing sectors of Ontario and Quebec. Now, since the recession of 1982 where we get, more or less, into 1983, we find our province fortunately has rebounded strongly in many areas. Compared with the other provinces, Manitoba's percentage growth ranked in the top three in 1983 for housing starts. In the value of building permits, in the overall value of construction, in the total new capital investment, in average weekly earnings, in farm cash receipts and in the value of mineral production, we are among the top three.

In addition, the unemployment rate was the second lowest in Canada and, while Manitoba did not fare as well in terms of real output growth during 1983, but that was primarily because the province did not experience that large decline during the recession, if growth in real output over the '81-'83 period is looked at as a whole, Manitoba experienced less than a 2 percent reduction compared to much larger declines in Newfoundland, minus 4.3 percent; Quebec, minus 2.6 percent; Alberta, minus 6.3 percent; British Columbia, minus 4.9 percent; and the Canadian average of 2.6 percent. So, all in all, Manitoba was doing very very well. As I said, we ranked among the top three of all of these major economic indicators that are available to us.

Let me elaborate a bit, Mr. Speaker. While Manitoba's rate of economic growth was somewhat less than the national growth rate in 1983, a strong movement to the national rate of 3.3 has been forecast by the Conference Board for Manitoba's real gross domestic product in 1984. That is a 3.2 percent increase, reflecting the growing strength of our provincial economy. In fact, as our Minister of Finance has pointed out, the latest forecasts project a growth of about 4 percent which will approximate the national average.

If we look at personal income, Mr. Speaker, in 1982, it increased at approximately the Canadian average. Manitoba was 9.9 percent and Canada was 10.0 percent. The seventh-place ranking of Manitoba in this

regard may be contrasted to three of the four years from 1978 through 1981 where the province was twice ranked ninth and once ranked tenth.

A MEMBER: Who was the Minister of Economic Development?

HON. L. EVANS: I wonder. Preliminary indications for '83 show an increase of 4.9 percent in personal income for the province. Looking at total capital investment in Manitoba in 1983 over 1982, the increase in the level of total investment was 10.5 percent, which was well above the national average which showed a decrease, Mr. Speaker, of 3 percent. Therefore, again we looked very very good compared to the rest of Canada.

If you look at the 1984 manufacturing investment intentions, and the Member for Sturgeon Creek would be very interested in that, Manitoba is expected - this is manufacturing investment - to register a 33.7 percent increase over 1983, whereas for Canada as a whole, Mr. Speaker, a decline of 2.5 percent in manufacturing investment is expected. Canada is expected to decline by 2.5 percent and we are going to increase by 33.7 percent.

Housing starts in 1983 show the largest percentage increase of any province in Canada. The increase, 194.8 percent, was more than six times the national increase of 29.2 percent.

The value of building permits increased 62.5 percent in 1983 over 1982. This positioned Manitoba in the No. 1 spot in Canada with the increase being over four times the national change of 13.3 percent. Manitoba improved from a fourth-place ranking in terms of the 1982 change. Also of note was Manitoba, if you look back in 1979 and 1980, where was Manitoba? We were tenth and ninth, respectively, and I say, Mr. Speaker, that is progress.

The value of construction work in 1983 that was performed showed a 15.5 percent increase, ranking us third in the country, well above the Canadian average increase of 0.1 percent.

Growth of retail trade in the province, while ranked seventh in the country in 1983 over 1982, nevertheless approximated the Canadian average. Canada was 7.7; Manitoba was 7.9 percent.

Value of mineral production exhibited the greatest increase of any province in Canada in 1983. We had a 20.4 percent increase.

Farm cash receipts increased 4.8 percent in 1983 over '82. This was the second in Canada of the 10 provinces and well above the Canadian change which was minus 0.7 percent.

Average weekly earnings rose 4.5 percent in 1983, placing Manitoba third amongst the provinces and again above the national increase.

And when we get to 1983 population increase, our population increase was finally 1.2 percent which was, as I had said, finally above the Canadian increase somewhat and we were fourth in terms of population increase of the 10 provinces, which was diametrically on the opposite side of the scale, in effect, when we were 10 out of 10; in fact, we were negative in 1978-'79.

At any rate, Mr. Speaker, I'd like to spend a few moments talking about Manitoba's labour market and

to examine some of the factors that are affecting the current labour market and some of the figures that we have available.

The labour market conditions weakened considerably during the second half of 1981, as high interest rates contributed to recessionary economic conditions across the nation. The economy continued to deteriorate throughout 1982, with unemployment rates rising quickly in most parts of Canada.

In Manitoba, the recession most adversely affected output in employment in our goods-producing industries such as manufacturing, construction and mining. The latter part of '82 and through 1983, a modest economic recovery took place and the Conference Board of Canada's most recent estimate of our real domestic product shows that Manitoba's output grew by 1.0 percent in 1983, after having declined by 2.9 percent in 1982.

The point I want to make, Mr. Speaker, is that the province recovered most of the jobs that we unfortunately lost during the recession as the decline and the goods-producing industry employment lessened and as the service sector experienced some employment expansion. Overall, in 1983, our employment grew by 1.3 percent and well above the 0.8 percent increase for Canada overall.

I believe, Mr. Speaker, that this was a strong performance, considering employment reductions in Manitoba in the previous year had been much less than in Canada and the second best performance next to Saskatchewan.

Over the entire recession to recovery cycle, Manitoba's employment performance has been the best of all the provinces. In March of 1984, the number of employed in Manitoba was 1.3 percent above its pre-recession peak, a larger improvement than in any other province and much better compared to Canada, which was 1.5 percent below its pre-recession employment peak.

Despite a growth in employment, the province's unemployment rate continued to rise, reaching 9.4 percent if you take the annual average for 1983. This was primarily due to a large jump in the provincial labour force. The fact is people were moving into Manitoba and our labour force was expanding faster than it had done for a long time, so we not only had an influx of people expanding the labour force, but we also had rising rates of labour force participation.

Over the year, the labour force grew by 12,000 people, or 2.4 percent, to 508,000 and this was double the rate of growth that we experienced in 1982 and slightly faster than the long-term average annual rate of increase of 2.2 experienced, when we went right back to 1970 and looked at the whole 1970 to 1983 period.

The rise in the annual average unemployment rate in Manitoba during 1983 resulted from very high rates in the first quarter. These high rates, early in 1983, disguised the general trend that occurred over the year. In fact, the labour market conditions improved gradually throughout 1983 as economic recovery gained some momentum, and by the first quarter of 1984 the number of Manitobans employed was 16,000 persons higher than a year earlier.

Despite the continued labour force expansion, the number of unemployed in Manitoba was reduced by 7,000 in this period and the unemployment rate declined

by 1.5 percentage points, so that by March, 1984, Manitoba's seasonally adjusted unemployed rate had declined to 8.2 percent, ranking it, the province, with the lowest unemployment in all of Canada. — (Interjection) — Mr. Speaker, for the honourable member's information, the report that he refers to is in my Department of Employment Services and Economic Security, not in the Department of Labour.

The economic outlook in Manitoba looks promising both with respect to recent trends and compared to expectations in other provinces and the Canadian average. In 1984, it's expected that Manitoba's rate of economic growth, that is, the real gross domestic product, will rise by about 4 percent, close to the national average, which compares with a 1 percent rise in 1983 and the decline that I referred to of 3 percent that occurred in 1982.

The goods-producing industries in the province are expected to provide a stronger impetus than as the nation as a whole. Agriculture is expected to provide Manitoba with the largest advantage, while mining, manufacturing and the service industries are projected to expand at about the Canadian average.

Manitoba's expected to have the third highest increase in private capital investment, only behind Saskatchewan and Prince Edward Island. Total new capital investment intentions in Manitoba indicate an increase of 11.8 percent in 1984, the largest growth of any province in our good country.

The projected increase is more than 13 times the national average, which is estimated to be only 0.9 percent. Mr. Speaker, I'm talking about total new capital investment intentions, which is a key item, a key factor in the rate of economic expansion in our province, or indeed in any jurisdiction. Not only that, but the good news is that it's expected to be a very broadly based increase in investment spending, reflecting the diversification of the Manitoba economy.

In 1984, our employment growth in Manitoba is expected to be higher than the 1.3 percent rise that occurred during 1983. The labour force expansion is expected to be reduced as a result of the steady participation rates, because there's been a substantial increase in participation rates, we can't expect that to continue, and a somewhat slower growth in the population of working age. There will be more elderly among us who will be of retired age; but nevertheless we will expect another labour force expansion.

The combination of strong employment growth, coupled with only moderate labour force expansion, is expected to result in some reduction in the number of Manitobans unemployed, and the province's unemployment rate should average below 8.5 percent throughout 1984 compared to the average of 9.4 percent in 1983.

We believe, Mr. Speaker, that along with Saskatchewan we will be among the two provinces that will be blessed with the lowest level of unemployment rates in the country. We'll either continue this lowest level or we will be second lowest, one or the other, and here's hoping that we will be by the end of the year - look back and see that on average we were the lowest of all of the provinces.

Mr. Speaker, I've taken some time to review the latest economic development data that is available to us from official sources and I tried to present them in a way

that I believe gives us a fair picture of what's happened to the Manitoba economy. We have done, and I repeat again, we have done relatively well compared to the rest of our good country, and that is the most important thing, that is all we can ask for. If we are hit with a big recession as we were in 1982, fine, but how are we compared with the other provinces to the east and to the west? I say we've done fairly well and we expect to do even better in the coming year.

I believe, Mr. Speaker, that the recent announcements by my colleague, the Minister of Energy and Mines, will stimulate our economy even further. There's no question in my mind that the consummation of an agreement with Northern State Power and if the Alcoa deal comes to realization as well, that these two factors will have an impact on development of Manitoba Hydro and will cause Limestone to be started even earlier than one has anticipated.

There's no question, Mr. Speaker, that these developments will be a very very significant factor in stimulating the provincial economy. I believe that this news has to be good news and I was glad that the House Leader of the Opposition recognized it for the good news that it was. I think we all have to work very hard and very diligently to see that these agreements are realized and the actual investment takes place, creating the hundreds and indeed thousands of jobs, if you include the indirect impact as well as the direct impact of these particular investments.

Mr. Speaker, in conclusion, I would observe that our government is offering positive policies to encourage economic growth in Manitoba. We are desirous of working very closely with the private sector and we will be doing this in the years ahead, getting their advice and seeing what we can do to work with the private sector; indeed, as we are doing with Careerstart which is providing thousands of jobs to Manitoba's young people in the coming summer.

Economic development - job creation is our priority, Mr. Speaker. This government is dedicated to this objective, and I am sure that we will succeed in achieving our goals. Thank you very much.

MR. SPEAKER: Are you ready for the question?

The Honourable Member for Lakeside.

MR. H. ENNS: Thank you, Mr. Speaker. I was hoping for some further comments that the Minister alluded to as he arose to speak tonight about some other matters that he would enlighten honourable members on this side of the House with, but we will have to wait for another occasion.

Mr. Speaker, I am pleased, of course, to be able to participate in yet another Budget speech, many for me. I make the traditional gestures of congratulations to you, Sir, and to the Mover and the Seconder of the Budget, as well as to all members who are participating in this Budget Debate.

Mr. Speaker, I want to deal with two specific items that took up a considerable amount of time in the Budget that was delivered last Tuesday. They are, of course, the announcements that were made by the Minister of Energy and Mines having to do with the power sales agreement that is about to conclude with Northern State Power, and then the further

announcement about the Letter of Intent bringing in major aluminum smelting operation into the Province of Manitoba.

Mr. Speaker, of course, I think all of us understand - certainly all of us understand on this side of the House - that the real hope, real ambition, and one, by the way, which all of us share - when I say all of us - all Manitobans share - and that is to bring about orderly resumption of construction on the Nelson River of the next major power plant - the Limestone plant. That is clear, Mr. Speaker. I understand the government's desire to do so. I understand the government's frenzy to do so, Mr. Speaker, because not only is that perhaps one of the more significant promises that they made in that document that we like to refer to from time to time in this Chamber, but certainly we also understand, as Manitobans, the economic impact that an infusion of what was throughout the '70 decade and indeed half of the '60s an infusion of \$200 to \$250 million, 1970 dollars, on an annual basis, what that means to the economy of Manitoba. The Minister that just sat down alluded to the impact that that kind of economic activity on the Nelson River has for a province like Manitoba.

So I understand, Mr. Speaker, their sincere desire to bring about the kind of situation that will allow them to accelerate or proceed with the development of Limestone on the Nelson River. Mr. Speaker, nobody in the Conservative Party is not fully and totally aware of the importance of that great resource to this province, and I need not remind honourable members opposite that it was indeed a Conservative Government and a Conservative Party that recognized that in the early '60s and indeed translated that recognition into action that then provided the cornerstone, if you like, for so much of the Manitoba economy throughout the eight years enjoyed by a New Democratic Party Government while they were in office and, of course, then had to come to a standstill because of overbuilding and because of costs associated with that kind of overbuilding.

Mr. Speaker, I want to take this opportunity to put this on the record that it will be and, fortunately or unfortunately, depending on where you want us to view this situation from, but Manitoba history is replete with a whole saga of trials and tribulations that surround the word "orderly" development of our power resources because of the magnitude of them, because of their impact on hydro rates.

Mr. Speaker, Judge Tritschler, of course, spent a good deal of time in reviewing that situation. I am not going to try to dig up the past - let's look at the future - but I want to say it is so very important that that major commitment in funds, moreso important, Mr. Speaker, as we approach the mid'80s in terms of the fiscal capacity of our province in terms of the kind of deficits that we in two successive years have had to live with, that that be given a great deal of thought.

Mr. Speaker, I suggest it particularly to the First Minister, who is currently occupied, that the first mistake is in the process of being made. I want to remind the First Minister that it was not that long ago that he entrusted to another Minister to conclude a deal that was complete, that could not be changed one jot, one tittle, and presented to the people of Manitoba to be approved. I need not go through that long story of anguish and agony that flowed from that closed decision

that was made by that government that then fell literally apart, blew up in their faces. If it was only their faces, Mr. Speaker, I wouldn't be that concerned, but it unfortunately caused untold hardship, anguish, unnecessary emotions throughout the length and breadth of the province.

Mr. Speaker, as I understand it, the Minister of Energy and Mines is in the process of concluding, which I am prepared to acknowledge and did acknowledge, a major power sale with Northern State Power. I am given to understand, from the very skimpy information that he has given us, that we will not know what the deal is until it is signed, sealed and delivered. Mr. Speaker, I hold out to him at this point in time, not from the point of view of jeopardizing his negotiations position with Northern State Power - who, by the way, are no strangers to Manitobans or to Manitoba Hydro, who have done business with Manitoba Hydro and Governments of Manitoba for many many years, acknowledged not on the scale that is now being contemplated by this government and by this Minister - but, Mr. Speaker, he is about to take upon himself, and this government is about to take upon themselves, the total responsibility and the credit I suppose, from his point of view, of that contract. He will not entrust the people of Manitoba, much less the Public Utilities Committee of this Legislature to at least understand and appreciate the outside parameters which the deal is being concluded on, the kind of considerations that are being . . . that very important decisions are being made upon, the kind of concerns that Manitobans have; and by the way, Mr. Speaker, we have - particularly in the field of Hydro - some people that have spent a great deal of time, both in the public and past members, members of both sides of the House, having to do with Hydro business. Hydro and politics have been very much inter-meshed in the Province of Manitoba, I would suggest to you, ever since 1969, the time the Churchill diversion was under consideration, the flooding of South Indian Lake.

Mr. Speaker, it's my considered opinion that the Minister is embarking on what I believe to be, and could well be, a very major mistake in the manner in which he's going about concluding this deal. He is not giving us the opportunity . . .

HON. W. PARASIUK: Will the member entertain a question?

MR. H. ENNS: Certainly.

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

HON. W. PARASIUK: I would like to ask the member why it was that the administration of which he was part of did not table its Letter of Understanding with Alberta and Saskatchewan regarding a Western Power Grid?

MR. SPEAKER: The Honourable Member for Lakeside.

MR. H. ENNS: Mr. Speaker, I'm well aware that a considerable amount of information was tabled with respect to the Western Grid. I'm also well aware, as was correctly alluded to by my colleague who just spoke

tonight, that as a result of some final obstruction in Saskatchewan, the kind of firm understanding that we wanted to get at was not in the hands of the then responsible Minister and it was not tabled. The kind of understanding, the degree to which we had arrived at with an understanding with respect to Alcan, was tabled in this Chamber and has been quoted from. It was quoted from today by the Honourable Member for Inkster.

Mr. Speaker, all I'm suggesting to the honourable Minister is that he is contracting a very substantial sale of power to our American friends in Minneapolis and the northern States and I have no objection to that. When we kid the honourable members opposite about that from time to time, it's only because all too often in the past we've heard that kind of anti-Americanism or whatever you want to call it, expressed.

I can recall when New Democrats used to run around with bumper stickers on the back of their car, "No Intercontinental Energy Agreement." I know it related to the transfer of gas and other energy but, certainly in this province, it related to hydro exchanges. I have no hang-up about the selling of power to the Americans. It makes economic sense to do so, in terms of when they need the power and when we have surplus power, and we do have the capacity. We have the surplus right now to conclude a substantial sale of the type and the scale and the magnitude that the Minister is speaking about, but I want to be very sure that I can tell Manitobans in 1993 or indeed, in the year 2005, that they are not in any way subsidizing power to the users in Minneapolis at rates that they are getting and enjoying that are better than the rates that I have to ask my constituents to pay for.

I don't know, because we are not being told. I hear more over radio programs I listen to, when he talks about, well, we're all going to be well protected because it's related to, escalation costs, to the price of fossil fuels, in this case, coal. I know Americans have an awful lot of coal and I don't have the expert knowledge as to what has happened in terms of rising prices of coal. I know what kind of massively rising prices we face when we start to build Limestone, and the minute that we start building it how that will immediately impact on power rates.

Mr. Speaker, the Minister's not giving us any opportunity to sit down and have the members of this House, to have the members of the Public Utilities Committee, to share with us, because there may well be a far greater willingness to understand and to encourage and to constructively support the sale, as indeed there is; but I'm afraid, as was in the unfortunate experience that I just alluded to a little while ago, on the delicate question of language in this province.

This government saw politics in it for them so they entrusted a Minister to complete the deal, a deal that could not be changed, not by a jot or a tittle, because they wanted the credits, they wanted the politics of that particular community, to be able to say they delivered the goods; and I'm suggesting this Minister's in the process of making much the same kind of a mistake, could be. I don't know. I don't know, Mr. Speaker, because we are not being given any information.

My understanding is - and I invite the Minister to correct me - that we will not know any part of the deals

until the contract is signed. That's how I read the Minister's statement and his refusal to rise, to correct me, then I assume that I am correct, that we will be handed with a completed, signed contract that will obligate us to sell power to the year 2005, commencing in 1993, of which we have had no opportunity at all to either be supportive of the government's action, of this Minister's action, to express concerns about areas that perhaps he hasn't fully considered or Manitoba Hydro hasn't fully considered.

Mr. Speaker, that's going to be the problem that this government has to consider very closely before they do affix their signature to that kind of a long-term agreement, because Manitobans do many things. Do you know one of the things they do? They save Hydro bills. You'd be surprised how many people have a record of their monthly, yearly expenses. It doesn't take too much to remind them of what hydro construction that was not based on a proper, orderly way, what that meant to hydro users in Manitoba during the years '73, '74, '75, '76. We experienced 150 percent in hydro rates during those years.

It is also not that easy to remind those same householders to look into those same bills a few years later, '77, '78, '79, '80, '81 and see no hydro rate increases. Mr. Speaker, that is the kind of — (Interjection) — Mr. Speaker, I'm trying to be . . .

MR. SPEAKER: Order please. The Honourable Member for Lakeside.

MR. H. ENNS: . . . eminently fair to the members opposite. I'm not criticizing the power sale. I'm not at all. — (Interjection) — Well, Mr. Speaker, I get nervous when the Minister of Energy and Mines glibly refers to the fact that the cost . . . take into account the cost of building a thermal plant, and tie it to coal. Well, Mr. Speaker, building a thermal plant as compared to building a \$3 billion dam, that is the major difference between hydro and thermal generation of power. With hydro, all the money is up front. And a massive amount of it.

Mr. Speaker, I heard that because the price of the power is going to be tied to the escalating costs of coal. Well, Mr. Speaker, fine, I would at least like, and I would hope that we have some expert projections about where the price of coal is going in those years. I do know one thing, as a lay person, that America and particularly in the northern States, they are sitting virtually on unlimited reserves of coal. — (Interjection) — Mr. Speaker, I will find out, but the Minister cannot make any critical comment of my kind of a speech, he has not taken us into any kind of confidence, he has not allowed us to express these concerns prior . . .

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

HON. W. PARASIUK: Mr. Speaker, I would ask the Member for Lakeside why did not the Conservatives

ask me to table the Letter of Understanding that they initialled with Saskatchewan and Alberta? Why did they not want that to be tabled at that time, but rather said to us that we should conclude that agreement, which we tried to do, and we heard no questions from them at all at that time and now they are trying to have . . .

SOME HONOURABLE MEMBERS: Oh, oh!

MR. SPEAKER: Order please. The Honourable Member for Lakeside.

MR. H. ENNS: Mr. Speaker, I just learned another lesson. I do have this failing, I try to be fair with these honourable members from time to time. My colleagues tell me differently, and correctly so.

MR. R. BANMAN: You can't trust those suckers.

MR. H. ENNS: I purposely didn't try to get right back to 1969, when half the New Democrats got elected because they were opposed to power development, they were opposed to the flooding of South Indian Lake. I don't drag up the fact that Ed Schreyer, the Premier, the former Premier of this province, said never will South Indian Lake be flooded. I'm not going back into history, I'm trying to talk in advance now. I'm now trying to talk in advance.

MR. SPEAKER: Order please, order please.

MR. H. ENNS: I'm asking him to take us into his confidence so that we can collectively help in making sure - Mr. First Minister, you particularly should be listening to that. I will just conclude, Mr. Speaker, the First Minister a few months ago entrusted another Minister with a delicate matter, and look how that blew up in your face. You're about to do the same thing today.

A MEMBER: What matter?

MR. H. ENNS: The language question. The language question that you entrusted to your Attorney-General, and you wouldn't take us into confidence. You wouldn't let us be part of the negotiations that could have resolved the issue. You could have resolved the issue.

So Mr. Speaker, I'll be happy to conclude my remarks tomorrow.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. SPEAKER: Order please, order please. Order please.

When we next reach this item, the honourable member will have 18 minutes remaining.

The time of adjournment having arrived, this House is adjourned and will stand adjourned until 2:00 p.m. tomorrow (Wednesday).