

**LEGISLATIVE ASSEMBLY OF MANITOBA**  
**Monday, 20 April, 1981**

Time — 8:00 p.m.

**ORDERS OF THE DAY**

**BUDGET DEBATE**

**MR. DEPUTY SPEAKER, Abe Kovnats (Radisson):** Orders of the Day. On the proposed motion of the Honourable Minister of Finance and the two sub-amendments thereto.

The Honourable Member for Roblin.

**MR. J. WALLY MCKENZIE:** Mr. Deputy Speaker, I deem it an honour to have an opportunity to take part in the Budget Debate that is now before us. I would like to congratulate the Honourable Minister of Finance for making this presentation of his first Budget to the House. I think it's a most interesting one and one that deserves more attention than it has had by the members of the Opposition to date. I regret very much the tactics that have been going on in the Chamber, however that's the wishes of the Opposition and they are entitled to carry on as they see fit.

I would also in passing like to comment on the First Minister's performance to date on the constitutional debates and matters that are before our great country. I think the First Minister has carried himself very ably in those debates. I think he has expressed the wishes of the majority of the people in this province. I'm sorry that he is still getting sort of a wishy-washy support from members opposite; however that is politics and that is what the House is all about. I daresay when the history of it is all written, I suspect that the members opposite will be mentioned in some capacity or other but not to the capacity that I would like to see them met.

I certainly can't understand the delaying tactics that were exemplified this afternoon, trying to avoid the discussions in the Budget by the members of the Opposition. I don't know whether it's a cloud or a smoke screen or a red herring or some old political trick that the members opposite are trying to utilize to take up the time of the House so that we will not have adequate time, as many of us would possibly like to speak to the Budget in the House, I certainly recognize that there is some problem across the way. Likely the Leader of the Opposition doesn't want to debate the Hydro matter — I think he proved that in the committee when he walked out with his troops — whether he doesn't have the troops there to deal with matters as complicated and difficult as Hydro, I do not know. I suspect possibly, Mr. Speaker, that the letter that appeared in today's Free Press, the name of Frank Syms who now by the way lives in Yellowknife, must have maybe caused the members some anxiety today, the Leader of the Opposition. It's a very interesting document where this learned former President of the New Democratic party has said that the people of Manitoba don't deserve the mayhem that would result if this radical element were to gain power in the province. What a damning statement from a former President of the New Democratic party to the present leader.

Of course, Mr. Speaker, it was not very long ago that I saw a letter from one of my close friends and former constituent from Grandview, Herbie Schultz who came out in loud clear terms and spelled out some of his concerns of the way the Leader of the Opposition is conducting the affairs of the party. He said here that the one or two examples the people in Roblin constituency are quite concerned about is that this policy, which he calls sheer lunacy, was forced through the convention by union spokesmen, their camp followers and the gutless politicians who privately admitted it was sheer lunacy but lacked the courage to say so at the convention. That's from my former constituent Herbie Schultz. He goes on at the end he says, "obviously the current crop of leaders of the NDP learned nothing from our eight years in office. Fine, but he said let them not pretend all NDP members are as naive and misguided as they are".

Mr. Speaker, I did have the honour and the distinction and the privilege of having the former Minister of Agriculture, the learned and veteran Member for Lac du Bonnet speak in Roblin constituency not very long ago. It was very interesting some of the remarks that he left on the minds of the people there from that oration in Roblin. If some of the members opposite would take the time to gain a copy of the Roblin Review of March the 30th it's a very interesting comment that the veteran from Lac du Bonnet put into the record in Roblin. He goes on and talks about the muscle tactics which include its intimidation of the members, the NDP MLAs and organized control of annual conventions, he has told the Roblin people. He says since official affiliation with unions was started about 20 years ago labour has increased its pressure within the party to the point where some MLAs have been threatened that unless they support union demands candidates will be found who will, he said. Mr. Speaker, that should be drawn to the attention of the Honourable Leader of the Opposition. Another tactic, he says, that union locals provincial-wide because of the affiliation are allowed to select and send over 100 delegates in the annual NDP convention.

**A MEMBER:** 100.

**MR. MCKENZIE:** 100. Farther down in the article it says, Mr. Speaker, once at the convention a pre-selected union commander directs the troops, he continued. Cited as an example was the booing tactics so extensive that an MLA speaking to the convention could not continue. And the Leader of the Opposition allowed that to happen to his members at a convention, an annual convention, Mr. Speaker. The article goes on to say that since 1961 the unions have become really bullish Mr. Uskiw added.

Mr. Speaker, no wonder the Leader of the Opposition is running around throwing up smokescreens and trying to deal with Hydro matters and clutter up the works of the House. With those kinds of problems that he has in shrines of his caucus I'm sure that the Honourable Leader of the Opposition doesn't want to deal with the Budget or matters such as are before the House when he has all those skeletons hanging in his closet.

Mr. Speaker, there are other articles that have been brought to my attention of the workings of the Leader of the Opposition and his party and I think, Mr. Speaker, that one of these times I would hope that the Leader of the Opposition will come out in the open and spell out to the House and to the people of this province that maybe he can't manage the party or he can't handle the problems of the day or just what is the problem. But I think the people deserve those kinds of answers; they deserve those kinds of approaches to the political structure of our province and he's the only one who can do it. We have no such problems in our party; we have leadership; we have the best First Minister that one could ask for to lead us in this province. Mr. Speaker, we've got a government in front of me here that's doing things and we're getting some action in this province. —(Interjection)— Right, right.

Mr. Speaker, I very briefly will just maybe give the honourable members a few of the interesting things that's happening in Roblin constituency. This year we'll have the Annual Convention of the USA-Manitoba Highway 83 Association in Roblin and I invite all members to bring their families and come to Roblin for that great day when we join hands with our American friends and renew the construction and the rebuilding of that great highway 83 which I hope some day will touch the salt water in Churchill as it already does in Mexico.

The Call of the Wild Festival, it's now becoming a very large musical event in our province and the posters are already out that it will be held on July 24, 25 and 26. I certainly recommend to members if they have the time bring their families and listen to some of the best western and bluegrass musicians that we have across Canada performing for the three-day weekend. The age-old Pine River community, one of the great Ukrainian communities of our province are celebrating a homecoming this summer in Pine River starting on July 17th, 18th and 19th. Another interesting weekend, if any of the members have the time to drop in, I'd be more than pleased to be their host for that occasion.

By the way, the Honourable Speaker who is not in his Chair tonight, but the Town of Russell and the Russell Agricultural Society will be celebrating their 100th Anniversary; and while it's not part of my constituency, the village where I live is only 10 miles away and I thought I should draw it to the attention of the honourable members that this is Russell's Centennial Year and a lot of events will be taking place there in the month of July.

I may also point out to the members that one of the great old horticulturalists of this province and Canada, the late Dr. Frank Skinner, a plaque will be unveiled to his memory at the nursery or near the farm home of the late Dr. Skinner on July 12th and 13th. I may also point out that on the weekend, the late Belle Busch the last remnants of her art collection which she had accumulated over the years was sold by auction on the weekend at the Village of Shellmouth, and it went at a very rapid pace. I think it's on the 28th of April, the American Consulate and the province and the City of Winnipeg are holding a sort of Crocus Day ceremony at the Embassy to the memory of this great Manitoba artist, the late Belle Busch, who has done so much with the crocus and for Manitoba with her art.

There are other interesting things. The first sewage disposal using the effluent to irrigate farm land will be unveiled in Roblin in the next month or so, a first for Manitoba. The environmental people held hearings in Roblin last weekend, and they were there from British Columbia, Alberta, Saskatchewan and Manitoba, some of the most learned people in the field expressing keen interest in this project; that is going to create a lot of interest in Roblin in the months ahead.

I have another project, and I don't know if the members opposite are familiar with this KATIMIVAK, this project with the Federal people that has been going on in Roblin and the area now for some time. If any of the members are interested, it is an excellent program where they bring these young people in from other jurisdictions across Canada and live in our environment and stay with us and live in farm homes. If you're not familiar with it I'm prepared to pass the pamphlet. It is an excellent program and it's brought great relations to our constituency from other parts of Canada. I was especially pleased a year ago where we had a delegation of some 27 from Quebec City who, in most cases, were not able to speak any English at all. The experience and liaison that went as a result of that program left many rewards and now Roblin has been down to Quebec and Quebec has been back to Roblin again to cement those ties.

Mr. Speaker, there's an article — I'm sorry the Honourable Member for Fort Rouge is not in her seat — but in today's Free Press there's a story of a very close friend of mine, Marshall Glasman from Russell, is one that's worth reading where he tried under this Federal program where they bring agricultural students from across the world and share them back and forth, Mr. Glasman has been trying through the Department of Immigration with Mr. Axworthy to try and get a chap from Switzerland who was there a couple of years back, to help him in this fine operation.

It's the most interesting article to read, "The Nightmare of Bureaucracy" that my friend Mr. Glasman is going through in trying to get this young chap from Switzerland back to help him, offering him \$1,000 a month plus all expenses and the bureaucracy has run the project into the ground where it now has to be cleared through all the labour pools in Manitoba, Saskatchewan and Alberta. It's an interesting story and I was certainly hoping that the Honourable Member for Fort Rouge would take this matter under advisement and deal with it because she was very critical in her comments on Thursday afternoon about the agricultural programs on Northwestern Manitoba. If other farmers in the area are having similar problems no doubt that's part of the reason of the bureaucracy.

But in answer to her I can assure her that some of the finest beef herds in Western Canada are located in Northwestern Manitoba. One only has to go to any show, any national or international show, and you will see there are herds from that general area taking the top ribbons year after year after year. (Interjection)— Well, Mr. Speaker, to get back to the Budget.

Mr. Speaker, the Finance Minister in his first Budget to the province certainly laid out a very interesting document and a very interesting set of

guidelines for the province to follow for the next 12 months and with the \$219 million deficit forecast for the year ahead as recorded, I don't know of any better example of some of the serious monetary penalties that people in this province and across Canada are paying today as we enter this next phase of the Eighties.

In 1951 I am told that the Budget for the Government of Canada's total spending program was approximately \$2.5 billion. Today some 30 years later, only one of Canada's provinces, Manitoba, is facing an expenditure of about \$2.4 billion in expenditures to provide the many services our citizens request of government. If you and I, Mr. Speaker, were to add another dimension to this double-digit inflation factor that we're wrestling with in this province and all across Canada today, these comments that I've just put into the record lead me to believe that the dollar bills that we're walking around with in our pockets today are basically only worth 10 cents, a dime, as we relate to those dollars that we had in 1951, and I wonder if that has any influence or impact on our Budgets all across this country today, Mr. Speaker.

I believe, Mr. Speaker, the night that the Minister of Finance laid his Budget before the members of this Assembly, I think Alberta and Newfoundland brought down their Budgets for the year 1981-'82 as well. It's strange, they were deficit Budgets as well, Mr. Speaker. I believe that Ontario went into a deficit position this year. I believe Quebec is facing a deficit with their budgetary plans for the year ahead. I just wonder if those four or five examples are not other reasons for us to really express more concern than we have maybe in the past because of the serious effect that the extreme pressures of inflation, of high interest rates, exchange, the government printing money, of all these factors have on the dollar that we are trying to utilize in our system today to pay our way.

It's strange that even so-called "rich" Alberta couldn't avoid a deficit position in the year 1981-'82, which must be alarming to the people that are trying to prepare that Budget to the people of Alberta and it certainly alarms me as the Member for Roblin, if Alberta is not in a position to balance their books for the year ahead, my gosh, I see real problems not only for Manitoba but for every jurisdiction across this country. What about the Federal Government? If those are the economic problems that we're facing in this country as a result of the matters that I raised, I just wonder what we can do for the future.

Certainly we can talk about productivity and all other factors that may help alleviate some of the problems but, Mr. Speaker, I think the Federal Government of this day is not interested in matters of that nature because they have pledged time and time again, that they are going to try and put their house in order. But as I stand before you tonight, Mr. Speaker, I fail to see from records and reading that I have done, that the Feds are interested at all in the monetary policies or the 12.4 percent inflation that we're facing in this country.

So, Mr. Speaker, I'm most pleased that the Minister of Finance of this province has, during his address, told the Legislature that there will be no tax increase in our province for the year ahead, 1981-'82. As well I believe it was recorded in the

document that it's the fourth consecutive Budget without a general increase in personal income tax or sales tax and that, considering all the problems that we have in our country today of inflation, the exchange, the interest and the dollars, I think that's a credit to the Finance Minister that's sitting down in front of me and it's a credit to the government that they've held their books and their government in shape to bring in a report such as that.

Also noted I think, Mr. Speaker, in the Budget are matters that will certainly please the people of my constituency. We don't have maybe the influx of senior citizens in Roblin constituency that you have in the city but that Property Tax Credit up \$100.00 for senior citizens and up 50 for homeowners and tenants, I think will be well received by the people in Roblin constituency. The changes in the Cost of Living Tax Credit for married couples of course should resolve some of the concerns that were raised by members opposite during debates and I thank the Minister of Finance for recognizing the concerns of some of the honourable members opposite and putting that in the Budget to correct those problems that they so skillfully raised before us.

I have no problems, Mr. Speaker, with the problems of tobacco or booze but I do feel sorry for some of my heavy smoking and drinking friends, that maybe it will tax them or penalize them. But, Mr. Speaker, those people today do not have much sympathy in our society, they are the ones that can afford these luxuries and most of the tax men are after them.

I was also pleased that the Minister saw fit to look after the sales tax exemption for removable machinery which is one that had been drawn to my attention from time to time.

Of course, Mr. Speaker, the other matters in the Budget are certainly the 2.2 million for the hog producers insurance plan, that's well received. Certainly it may not be the total answer to the problem of the hog industry today but it certainly is a start. If the problems of the Minister of Agriculture are such that we're going to have to get into stabilization or insurance programs in this province and the feds again are going to back off their responsibilities then it certainly is a start. I'm sure the Minister and the government will make certain that the hog industry does not go under in this province and we'll do everything we can to try and get them through this most difficult time.

Of course the school grants, I shall not deal with that, I'm sure the Minister of Education will deal with that.

The one that I found a lot of interest already in the constituency is the New Incentive Program for Energy Efficient Housing. I hope that maybe the Minister can find some additional dollars for that as the year rolls around. I have already had four or five inquiries over this past weekend for that program.

So, Mr. Speaker, assuming as the Minister said its a normal year for agriculture, I think the real growth for Manitoba economy is predicted at the national average for '81. I think that's a fair statement for the Minister of Finance to put into the record. I daresay the announcement that was made today by Alcan and the Minister of Energy will certainly stabilize those that were concerned about this province, that

this government didn't have any leadership, that it didn't have the right kind of people in government. When you get people like Alcan coming in here and offering a program such as was laid before us in Room 254 tonight I think the province is in pretty good hands and that there is a future for this province and the future is going to be great.

I certainly am encouraged in my constituency where Sask Pool and Manitoba Pool have already got the crusher under construction at Harrowby. All one has to do is to drive into the town of Russell already and see the boom that's been evident since that announcement was made because there's a lot of jobs there and that is a good plant. I certainly am pleased that CSB Foods have seen fit to put it on the border of Saskatchewan and Manitoba and the farmers I can guarantee in the area will respond and provide them with sufficient oilseeds to make that plant a very feasible operation.

Mr. Speaker, I am also excited, from what I hear in the area from the bankers and the butchers and the bakers and the candlestick makers, about the proposal of the potash development in the general area. I understand there are maybe a few problems with the environmental people at the moment to control the tailings but with potash mines spotted along the province border in Saskatchewan I'm sure that the environmental people can take a look at Saskatchewan and environmental matters that are before the potash people will get a fair hearing.

Mr. Speaker, I very briefly have no qualms about supporting this Budget. I think it's an excellent Budget. I congratulate the Minister; I congratulate the government because, Mr. Speaker, I'm satisfied as we go to election tomorrow, we go to election next week or six months, I don't care when we go in this province we have one of the finest health care systems in all of Canada. I don't care what the members opposite say about bed sheets or bacon or anything else, I can prove by statistics and I go out and see the facilities, that we are No. 1 all across Canada in health care in this province and I defy any one of you members opposite to come out to Roblin and prove it otherwise to me, Mr. Speaker.

Mr. Speaker, we have made a lot of progress in the last four years of this government. As near as I can ascertain, Mr. Speaker, all the pledges that we made to the people of this province are now pretty well all completed with the exception of one or two minor ones; most of them are all in place and have been completed. The Family Law legislation is in place and it's recognized as another leadership for the Tories.

The north, look at all the things that are happening in Northern Manitoba. Look at all the things that are happening down in the southwest corner in the oil exploration field. Mr. Speaker, the only place that you hear any doom and gloom or ill will about the people of this province is when you walk in this Chamber; it's like walking in a tomb to look across and see those guys with their tunnel vision and their black glasses on spelling doom and gloom and death to this province and death to its people. It'll never happen in your time, it never will as long as you leave this government over here and these people running this province the province is in good hands with a great future.

I have only one thing to say. I urge the members opposite to drop your amendments and support the

Budget to the fullest because it's one that has great days for Manitoba and I sincerely wish the Minister of Finance continued success in that portfolio.

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

**MR. VIC SCHROEDER:** Thank you, Mr. Deputy Speaker. I'm pleased to have this opportunity to take part in the Budget Speech Debate. I noticed the previous speaker was asking us to talk about the Budget and I will be pleased to do so. We spent an hour-and-three-quarters the other evening listening to the Minister of Finance. Some have referred to him as The Rifleman and I heard him for an hour-and-three-quarters giving excuses, alibis and other songs and dances about why things are as they are; blaming former governments; blaming Federal Governments; blaming everybody but the government which is in charge here. I would suggest that in fact The Rifleman never lifted his barrel, he shot himself in the foot and then after he finished doing that, he started for three minutes on a Budget; for about three minutes he talked about next year and that salvo was more like shooting a starter's pistol, he was firing blanks, nothing happened; it was a disaster.

Mr. Speaker, one of the members opposite got up afterwards and suggested that the man be referred to as "handsome Ransom". This was after the man had stood up and told us about the disastrous economy and, of course, we know about the disasters that this government has visited on the economy of Manitoba, after he had told us about a \$219 million dollar deficit and according to their measure, not ours, according to their measure they should have been referring to him as "wrong-way Ransom" rather than "handsome Ransom".

This government has a sense of feel, a smell of failure about it, a total failure. One could not in one hour, in one day, in one speech catalogue or explain all of the failures of this government but I will attempt to deal with three areas of failure which this government has been involved in since it came to office.

Its first failure has been the proof that the major criticism of the previous government has turned out to be a half-hoax or a fabrication. Its second failure, Mr. Speaker, has been its total and complete and abject failure as a group of legislators; disasters, in terms of enacting legislation. Its third area of failure is in its economic performance, one should say non-performance because they just haven't gotten anything going.

Dealing with its first area. The Minister of Highways refers to Alcan which is a hope down the road. This is the first time in Manitoba's history, I should say, Mr. Speaker, where we are suggesting that we are going to attract new industry by having the Hydro, a natural resource of this province, sold to a private company. In 1912, in 1920, in 1930, in 1940, in 1950 and so on, no government, Tory or grit or whatever, went around giving away our grandchildren's rights to our Hydro projects for jobs. Our economy has come to that kind of a stage against problems.

My goodness, the Member for Thompson knows full well that, for instance, Inco has some 2,500 people working for it, they are using Manitoba Hydro, not somebody else's Hydro; they are not demanding,

in exchange for giving employment in Manitoba, that we give them a Hydro dam; not a moment, not for a moment. Mr. Speaker, its first failure — and this is very interesting dealing with Hydro — the first failure of the government has been the fact that it has been demonstrated to the average ordinary man in the street and woman in the street that the criticisms of the mid-Seventies and late Seventies by the Tories, of the NDP and Hydro were wrong; they were failures. The Premier and the Minister of Energy went around this province and in this Chamber and criticized everything they could about Hydro development in Manitoba, everything they could. During the last few years it has become increasingly evident to everybody in this province, except for a few die-hard Tories that they were wrong. Hydro employees told us last year at the Public Utilities Committee that the rate freeze could be accomplished by way of funds generated internally by Hydro. That is because they had good planning in the past.

Last year we heard testimony before the Public Utilities Committee that Lake Winnipeg Regulation, which you people never did approve of, was saving the taxpayers \$33 million or something like that last year. We didn't see that employee back this year. Talk about doom and gloom, the Minister was angry with this employee for boosting the morale and position of Hydro. Talk about doom and gloom, he wanted Hydro to say we are terrible managers, we don't want to hear anything good about Hydro; that's what he wanted, talk about doom and gloom.

This year we are going to be saving probably even more than the \$30 million as a result of Lake Winnipeg Regulation and, of course, we are now dealing with Alcan which, in itself, probably wouldn't even be looking at us had we not gone through with our Hydro development; had we listened to the Tories; had we listened to the doom and gloomers in the early 1970s. But this particular failure goes further than the failure of the Tory misconceptions as to what was happening with Hydro. They were wrong on that; Hydro was being well managed. But now they have had three-and-a-half years with Hydro and they are the ones who are now mismanaging Hydro. They are the ones who appointed the Tritschler Commission and that lawyer who happened to have been the current Premier's former executive assistant; they are the ones who set this Commission up in such a way that the expert witnesses who would come before it would be people who had a fairly biased position on any stand on Hydro; they set the whole thing up. What was the result? We had a cost to the taxpayers of Manitoba of somewhere between \$2 million and 3 million. Some people say 5 million but at least several millions of dollars.

We had damage to the reputation of Hydro as indicated by Hydro's own counsel who recommended that the Tritschler Commission be taken to court to stop those unfair proceedings. Damage was done to the reputation of its chairman, irreparable damage — I might say he was fired by the Minister of Energy who now pretends to be at such arm's length from Hydro that he won't pick up the telephone and say to the new chairman, whom we installed, could you tell Steward Martin to give me a call and let him tell me what is going on here with respect to his legal opinion. He is pretending that he is at such arm's

length from this man in that . . . Kristjanson; he is pretending he is at such arm's length from him that he won't telephone him and tell him, hey, I want to know what's going on. Of course this whole affair has led to stonewalling that we have seen in the last couple of weeks in this Legislature and in the committee.

You will recall the Minister of Energy telling the Public Utilities Committee that he isn't aware of any legal opinion received by Hydro or the Board Utilities Committee that he isn't aware of any legal opinion received by Hydro or the Board or by him with respect to the Tritschler Commission; you will recall Mr. Blachford saying the same thing. Then later on all of a sudden — the Member for Rhineland remembered; Dennis Scott, a former member of the Hydro Board remembered — in fact he remembered that the Minister had indicated that if that advice was followed they would all be fired. So Dennis Scott remembered. The former chairman, Mr. Wedepohl remembered; he remembered talking to the Minister about this — of course a few days earlier the Minister hadn't remembered — Mr. Wedepohl couldn't remember whether or not there was this threat of firing but he certainly wasn't saying there wasn't this threat of firing, and then the Minister remembered.

But he went on CBC and referred to the matter as a "half-hoax". He said he did everything he possibly could to determine what was going on. Stop and think about that. He did everything he possibly could. The one thing he didn't do was what we had told him to do all along, and that is to pick up the telephone, phone his chairman, have him phone the lawyer to explain to him that he is released from a solicitor-client privilege insofar as any conversation with the Minister is concerned; he could then have had a nice conversation with Mr. Martin and he would have found the truth. But here he says, "I did everything possible". Well, Mr. Speaker, the half-hoax is the statement of the Minister that he did everything possible. We told him how to go about getting the information and he has simply refused to get the information. He pretended in the House several days ago that there was some agreement under which he was to send a Hansard to Hydro, and I suggest that there was never even any thought of such an agreement by members on this side. What we wanted was to find out what had happened.

I suggest that the half-hoax was that of the Minister of Finance. He only half-believed the nonsense about the improper development on Lake Winnipeg that he was suggesting during the mid-Seventies. He has been proven 100 percent wrong on that. The half-hoax is that of the government with respect to the handling of this stonewalling affair, the Hydrogate. If they wanted to find out what the truth was, it is a very very simple matter to just check with the lawyer involved. We had the Premier earlier today withdraw the statement that there was a fabrication about this, but he did talk about triple-hearsay and he pretended that none of this existed. When the Minister talks about those kinds of things, he is certainly the first to know.

You will recall that just last week he left Manitoba for Ottawa to go to a Premiers' Conference to discuss an amending formula, to discuss the Constitution and to arrive at an agreement with

seven other Premiers in a 10-Premier country. But the purpose of the meeting was to get an amending formula and this pamphlet that he so blithely distributes in Manitoba, says, "No. 5 — Is there another amending formula which is more acceptable? Answer: Yes". That simply was not the case. When this document was printed there was not even an agreement between the eight, let alone all 10. There was no alternative amending formula but this government has no compunction about sending those documents out, so when the First Minister refers to fabrications and triple-hearsay he knows whereof he speaks. Why the stonewalling? I would suggest that it is because the Minister knows that he has failed in his duty.

He admits he was told that Steward Martin, the counsel for the utility, Hydro, for which he the Minister of Energy is responsible, was of the opinion that the Tritschler Commission which he was responsible for creating — it was a member of the government responsible for creating — should be taken to court to stop its proceedings because it was improperly harming the utility it was the Minister's duty to protect; that was the Minister's duty. As the Minister in charge of Hydro it was his duty to protect the reputation and integrity of Hydro. He knew of an opinion by a lawyer for Hydro saying that its reputation was being damaged. What did he do? He was so blithe about it he ignored it, he forgot about it. He was in the committee saying he didn't even remember the opinion. That is the effect of this opinion on that man. He couldn't even remember it a little while later. He didn't remember — (Interjection)— Yes, the Member for St. Vital says, too much Gong Show, and I can only heartily agree with him. He didn't remember the basis on which the opinion was given, and this was from a lawyer whom the First Minister and other members of the government agree is a senior and respected counsel of the Manitoba bar.

The criticism was not of Hydro, it was of the Commission, so any kind of a solicitor-client relationship just doesn't make any sense. The statement further was not made to embarrass the Commission but to protect Hydro, which it was the duty of the Minister to ensure that it was protected. His response was to ignore, to wish away, and yes indeed to forget, and to forget the basis of the opinion. I suggest that it was because that opinion was directly contrary to the political interest of that Minister. I suggest further, I say that the failure was gross negligence on the part of the Minister.

It was totally improper of him not to find out the basis of that legal opinion and he said that he's never seen the document. That not seeing the document in itself, is negligence. When he was made aware of the fact that a senior counsel in this province who was hired by Hydro was saying that the Commission should be stopped, it was up to him to find that legal agreement or legal opinion. It was up to him to determine whether that legal opinion had any merit. It was up to him then to make an independent decision.

We agree that it was up to the Minister in the final analysis, to make the decision, but only after acquainting himself with the facts, which is apparently what he did not do, based on what he has told us so far, because he has told us so far that

he never saw the legal opinion which other people from Hydro clearly indicate is or was available somewhere, although it is interesting that the records of Hydro do not show this document having been produced to a Hydro meeting, although we know that it was produced to a Hydro meeting because members of the Board of Directors of Hydro say that it was produced. It raises interesting questions about who keeps the records; how they are kept and whether there are any changes made in Hydro records.

Again I repeat that there's no requirement for the Minister to follow advice. There is a requirement for the Minister to find out the basis of the advice and then make his own independent decision. His pretense of Hydro independence is, I would suggest, nothing short of a smokescreen and stonewalling. I would refer you to the criticism which the Minister himself used to heap on the First Minister of the former government when discussing Hydro. It was never somehow an independent body outside that he was criticizing, he was criticizing the NDP, he was criticizing the government, and the government was in the final analysis, responsible — I believe as it happens they did the right thing — but certainly they were in the final analysis responsible just as the Minister of Energy is now responsible for what is going on.

I remind you again of the firing of Mr. Bateman. It wasn't done at the request of the Hydro Board, some independent body; it was done on the basis that the Minister was going to fire the chairman — he did so and he has that right — but on the other hand he then also has the duty to stand up and speak for Hydro and not to try to shield himself and pretend that somehow there is some kind of an independence that isn't there. So when we to date say that it is the Tories and not Hydro, they shouldn't come back and try to pretend that there is some kind of independence there.

This whole affair, this failure to take advice is somewhat analogous to a person hiring a carpenter to build a house, and the carpenter tells you that your stairs will fall in if you keep building it the way you are building it, but then it's up to you to decide whether you're going to continue and if you make the wrong decision it's your problem, your problem and that of your family. You may ignore the advice; you may check the basis of the advice and find out that it's wrong; or you may check the basis of the advice and find that it's right, but it's your decision. That's not what we have here.

We have here a case, rather more analogous to that of the general contractor being told by someone else's employee that there is something wrong with the foundation of the structure, there's something wrong with the foundation of the structure. You can't just go and say, oh, I don't like your advice, therefore I will ignore it. You have a responsibility to check out what that person is saying to satisfy yourself that the basis of the advice is wrong and if you don't do that, then I would submit that you are being negligent in the performance of your duty — and there is a duty on the Minister to the people of this province to make sure that what is happening with tax dollars is that it is not being squandered on some commission where we have a suggested biased commissioner, biased counsel, asking leading

questions of witnesses who are all biased in one direction — that kind of commission is no good to the taxpayers of this province, it will lead to a biased result, it can do nothing else and it did nothing else. The Tritschler Report itself speaks volumes for that proposition and the sagacity of the lawyer who suggested that it should be stopped and the money waste be stopped. So this government has failed with respect to its criticism of the previous government on Hydro projects, but it has also failed with respect to its own activities in Hydro. It has failed further in its legislative program.

You will all recall the dismal operations of last year — the Attorney-General is looking up — I would remind him of the policing powers given under that Energy Act last year that was fortunately withdrawn and some of the disastrous material they had contained in the initial Elections Act — and many many others — many of which fortunately, died gracefully. No matter what we said and no matter how often we said it, they insisted absolutely on bringing in what they called were new and improved property-tax credits and cost-of-living credits, and we told them time after time that they were wrong; that they were taking from the poor and giving to the rich; that they were being inequitable and they didn't listen. This year when the complaints started coming in, suddenly the Minister decided to make one little change in the Budget to remove one of the inequities, just one of the inequities.

There were letters to the editor before this and there was a letter to the editor several weeks ago where the writer said that his Conservative MLA had written him and said that he supported the government's proposal of last year because he didn't want those with incomes of over \$50,000 to be benefiting from this program. Well that particular Conservative MLA, whoever he or she may be, had no concept of what the program was about because that program never did in fact achieve that kind of result. As the Minister is well aware anybody earning more than \$40,000 providing he was paying property taxes of more than \$325, gained \$100, and others lost. Now the Minister comes along after hundreds of letters and phone calls and criticisms — I'm sure that all of the members of the government were kept busy answering — he comes along and he says, well, I took it away from you last year but I'm going to give some of the money back that I took from you last year; I'll change the regulations for some people — only for some people — he's going to change it as between husbands and wives, but that will do nothing. The front benches don't pay attention to us but I would hope that the back benches of the Conservatives would listen because you're the fellows who are going to be in getting some of this stuff next year if you're still around.

Next year you will still be getting the letters of complaint from the single pensioners because your Minister isn't proposing to change anything about that. You're still going to get complaints from people like my secretary whose income tax return, I had indicated to the Minister, was one which — it cost her \$40.00 — the Minister of Agriculture laughs. I find it a pretty sad occasion when we have tax reform that gives one who earns more than \$40,000 a year an extra \$100 and takes from a single parent with two kids \$40.00. That is tax equity according to

the Tories? Fantastic. The new Budget is doing nothing to solve that problem. The new Budget is doing nothing to change the inequities created by last year's changes with respect to students and people who live together. It is an inept legislative program.

The new Education Support Program creates substantial differences between different districts within Winnipeg and for the first time in many years will put us in a position where we will again be competing for commercial and industry components within the City of Winnipeg between districts and it transfers tax from commercial to farm and residential; not exactly an example of good legislation.

There were other changes in the Budget itself. There was a change in the retail sales tax eliminating tax on immovable equipment contained within a manufacturing place on a sale. In two hours of Budget the Minister never did explain to us the purpose of this; there's no explanation. He may have a perfectly valid reason for this change which will cost taxpayers \$500,000 a year but there was no explanation and certainly no explanation about the retroactivity. Why was this made retroactive to May of 1980? What kind of good tax planning causes a government to make a retroactive sales tax change eliminating a sales tax back to May of 1980? What friends are they facilitating? What promises did they forget to fulfill in the last legislative session that they had to plug up this time? What happened? I believe that the Minister should have explained. One doesn't go and change tax, eliminate tax retroactively without an explanation.

Again, in a two-hour speech containing practically nothing new, just a regurgitation of the litany of complaints about the previous government and the Federal Government; he could have spent two minutes to explain to us what it was about this particular change that made it a requirement that it be retroactive. So the legislative program in general of this government has been a disaster. A failure would be a polite way, I suppose, of referring to it.

If there was one area in which this government started out ahead it was in the area of the perception of a great many Manitobans that a Tory government would be good for business. There were people in 1977 who believed that the election of a Tory government was somehow going to improve the economy of this province; there would be jobs for our kids; there would be the new Jerusalem, it was coming. They knew, they had heard people like the Member for Emerson who is related to Attila, the Hun, they knew that the distribution of the goods produced by people working in our society would no longer be as fair as under an NDP government but they believed that the pie would be bigger; they believed that, notwithstanding greater unfairness under a Tory government, there would be a bigger pie and somehow more people would get involved in getting just a little bit of a piece of that pie. They now know that, not only does the pie shrink under a Tory government, it is maldistributed, so they get the worst end on both sides. This is the one area where you people had an opportunity to get something going and you failed.

That party lost its interventionist stand in the economy sometime during the 1960s, I suppose, but

at that time they had a little bit of imagination. They were prepared to spend public money on good projects such as, for instance, the "Roblin ditch" around Winnipeg; they didn't farm that out to some company to make a dollar on. We had the MDF started by that government; it was unimaginatively run, it needed a lot of fixing up but there were some ideas there.

There are no ideas like that now in that group; they don't know the difference between current and capital spending. The Roblin government knew the difference; the previous government knew the difference. Its complete abdication of any role in the economy resulted in the failure of the economy to move ahead. That failure was ensured by, in addition to its laissez-faire attitude to the economy, in addition to that they piled on the acute protracted restraint program which, together with its laissez-faire policies, just absolutely ensured economic disaster in this province.

The government is totally unable and unwilling to deal positively with the natural resources of this province. It has an 18th-Century fixation on how business has to be done; it has an absolute inferiority complex and believes that government cannot get involved in any business no matter how clearly wrong they are. Just for example they could, if they chose, finance a public company to get into resource extraction in the same way for instance that Dome Canada has just recently been split off from its parent corporation.

I happen to be a shareholder in Dome Canada; I believe it is a sensible investment. I think it's a tragedy that the taxpayers of Canada are being asked to subsidize these companies in that way, but if it's happening, I suppose if there is no public company we can do that with, we can — (Interjection)— Yes, for every dollar of drilling Dome Canada does on federal lands it gets 80 cents back from the Federal Treasury; 80 cents. Then beyond that . . .

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

**MR. SCHROEDER:** . . . it still has the regular depreciation and all of the other rules in its favour for the other 20 cents that it may spend. But these people, they like to compare a 100 percent-funded company against that and say, well, my goodness, based on that we can't make a buck. So the result of their program has been more unemployment; there's been more bankruptcies; fewer housing projects, less housing, disaster on population; wage rates have fallen behind those in other parts of Canada. Take a look at the minimum wage in Manitoba compared to Saskatchewan, for instance. I'm sure the members in the backbenches are somewhat embarrassed to learn that now we, per capita, are receiving more in equalization payments than Quebec. Take that home to Emerson; how will that run down there? You're getting welfare from Quebec, how do you like that? The debt of the province, notwithstanding the fact that there's been practically no new investment, is the highest in our history. We have the highest budgeted deficit in our history. That's the kind of economy that you are leaving to us, that we will have to take over after the election. Now that doesn't mean that we are afraid of it. We are looking forward to it and we would hope that you come along soon.

We do not share the abhorrence of the Progressives or the Conservatives with respect to deficit financing; it depends on the times; it depends on the purpose. A deficit is only a very inaccurate measure anyway of what is happening in an economy. You heard the Member for Emerson talking about pollution; he calls the Member for Churchill a "fearmonger", when he is concerned about the environment. That is the most incredible statement that I have ever heard the son of a farmer make. You know, farmers should be the people first in this world to understand the husbandry of our resources, the concern to preserve and protect them and, when we find that there is something wrong with material we are using, the farmer should be the first one to be shouting, "We must protect our environment, not only for ourselves but for our children and our grandchildren". The farmer should be the first to understand that we are only here a short time and we have a responsibility to future generations.

That is something that is never calculated into these deficits or surpluses that we have. For instance, if the Minister would have chosen to say, "We're going to ask a mining company to spend a couple of million extra dollars on antipollution equipment". That may have increased the deficit for today; it may have made the papers look worse for today, but it may have saved a few thousand acres, or a lake, or some fish for our grandchildren. Where does that come into the calculations of surplus and deficit? Maybe there's something wrong with the measures that we are using to determine whether, in fact, we have a surplus or a deficit.

Mr. Speaker, in short, this government has been a disaster with respect to its handling of our economy; it has been a disaster with respect to its legislative record; and just as much it has been a disaster with respect to its Hydro policies. I can only urge the members opposite, for the good of the province, to please call an election soon so they can get this over with.

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

**HON. KEN MacMASTER (Thompson):** Mr. Speaker, it's with a considerable amount of pleasure that I rise to participate in a debate on the fourth Budget that's been offered by this government of which I'm proud to be a part. I know that several of the members opposite could not say the same thing about some of the budgets which their Ministers of Finance unloaded on the taxpayers in the Province of Manitoba.

Before proceeding, I want to congratulate the new Minister of Finance, my colleague from Souris-Killarney, on his first Budget. I think it was quite an achievement when you consider the legacy of the New Democratic party, and when you also realize the adverse economic forces that are world-wide, working against, not only our province but against our country. Listening to the Minister of Finance review the sordid fiscal irresponsibility that was practiced between '69 and '77 was useful. It reminded me how enormous the task really was when we took office. The fact that a recounting of those years still has a shock value after the many times I've heard the story only demonstrates how



shocking and how frightening the results of NDP socialism really are. If I was to describe the performance of the Manitoba economy under the NDP mismanagement as dismal and lackluster that would be kind.

Despite the NDP maladministration for eight years, and despite the real world of outside economic pressures, the Minister of Finance produced a fair and equitable Budget for the people of Manitoba. Moreover it's a Budget which expresses faith in Manitoba and in the citizens who make our province their home; it expresses a faith which is foreign to the members opposite; it expresses hope for the future of Manitoba; it outlines economic realities of today, and concludes that Manitobans are going to fare well because they are industrious and they're competent and they share their Progressive Conservative government's faith in Manitoba.

The members opposite don't believe in Manitoba. The reason they don't, because they do not believe in the value and the vitality and the importance of the individual. Mr. Speaker, it logically falls that if you don't believe in the potential of the individual then you cannot believe in the future of your province. Our government has expressed this confidence in Manitobans, and in Manitoba, on numerous occasions. It was shown in the general tone of last week's Budget and in statements such as this one from the Minister of Finance. "On the longer run we will require additional revenue to pay for expansions and improvements in government revenues but we are confident that sufficient revenues will be generated, not by growing taxes but by the growing economy that Manitobans are capable of achieving". We will never hear that type of understanding or that type of faith in Manitobans from our friends the members opposite.

It was noteworthy that the present Minister of Finance was able to focus on not one, not two, but eight different areas in which our government has been able to achieve significant tax reductions. That's quite a difference from what we had under the previous administration.

As a resident of Northern Manitoba for over 20 years I witnessed too many examples where the government bureaucrats from Winnipeg were deciding what the people of the north needed. The NDP willingly allowed its ideological party people to experiment in the north with projects aimed, in our opinion in the north, of putting individuals out of business. Mr. Speaker, the cover on this year's Budget pictures a Hydro generating station and that's appropriate because the hydroelectric potential of our Northern Manitoba rivers is one of the keys to Manitoba's future. However, our government will ensure that the potential is realized without the waste and mismanagement and the political interference which pockmarked the scandalous record of the former NDP administration.

I must admit that, given the sordid record of the manipulation by the members opposite, that I was somewhat taken aback by their would-be leader's recent remarks about Manitoba Hydro. I would have thought that he would have wanted Manitobans to forget about Hydro and the out-of-sight escalation in rates during the NDP years. In my home town it was in the neighbourhood of 150 percent over the previous three to four years of their administration. I

would have thought that he'd want some people to try and forget that. I'd have thought, Mr. Speaker, that the Leader of the Opposition would have wanted Manitobans to forget the NDP-built dams and the projects that kept going, not because Manitoba Hydro needed more power but because the Provincial Government of the day had to camouflage the economic stagnation that was taking place within their province. So they dictated that Manitoba Hydro overbill, what a waste. What a waste of Manitoba tax dollars and what a shock to the rate payers of the Province of Manitoba.

The Leader of the Opposition being the dynamo that he is apparently indicated he could have responded to the Budget immediately instead of taking the traditional 18 or 24 hours, but after listening to the Member for Selkirk I believe him. I think he could have responded immediately with the same lack of insight and the same lack of understanding and the same lack of comprehension. But if you don't understand basic economics and if you don't understand what motivates Manitobans and makes them tick, then it's impossible to appreciate the quality of the Budget given last Tuesday. The Leader of the Opposition and other members of his party have proven that.

It is no surprise then, no surprise whatsoever that the Leader of the Opposition just wailed and frailed without offering anything substantial as an alternative. I guess if you don't understand something then you can't properly comment on it. Your only option is to try and fudge it.

I have to talk, Mr. Speaker, for a couple of moments about what may be, because we're never sure what may be some of the labour policies of the members opposite. Now I'm not going to refer to the letter tonight that the previous speaker from our side of the House spoke about — Mr. Schultz's letter where he talks about the type of anti-scab legislation that the NDP was talking about — that's the type, Mr. Speaker, where if they had their way and a strike took place, one person could be left on the picket line for a day or a year or two and the rest of them would scurry on their way and the company in no way would be allowed to try and survive; that's just one interesting portion of it. That's what anti-scab legislation is. Some of the members opposite don't agree with it but it's hanging in the background.

I won't waste my time going through the entire letter that appeared today, the one again that was referred to by the previous speaker, written by a gentleman called Frank Syms where he warns the people of Manitoba, Mr. Speaker, what may happen if members opposite maybe form the government some day. He warns them.

Another interesting item as we talk about labour legislation or proposed legislation, I read with some interest the Leader of the Opposition's new position. He said in the paper that the anti-scab situation was tearing his party apart. Well Frank Syms says that beware because if they get enough candidates they would bring that sort of legislation in anyway. So the Member for Selkirk, the Leader of the Opposition came in with a first contract sort of legislation; he thinks this is the answer. I don't know who over there should be advising him what that means. But let's keep it simple. What it means is if you have six or seven people out of ten or six out of ten, you get

them signed up in the union and they're recognized. They can bring in whatever set of proposals they like. If they're not reasonable they can refer it to the Labour Board — the Labour Board of the day can award a contract — that's generally simplistically how it would work.

What does that do to the thing called collective bargaining? The thing we pride ourselves of in our country. The system that we say, not just the Conservative party, but all responsible union leaders say and industries say is the best system in the country. What does that do to that system? It totally absolutely destroys it.

It's interesting too — it has similarities to binding arbitration — it has similarities to final arbitration. A system that was in place, Mr. Speaker, at one time, and was thrown out basically because the unions wanted it put out. You see, our friend the Leader of the Opposition finds himself in a field that he knows not where he is. Unions pay his bills, they finance their campaigning, they put organizers in the street and now they're proposing to bring in some type of binding sort of first contract agreements. I think maybe he should check with his union advisors, I think he should check with them.

But, Mr. Speaker, the final amazing part about this is they had a convention and the anti-scab thing was sifting around and they managed to sort of keep a lid on it but you've seen it popping up in the papers, and you've seen people moving around their seats in the House but after their convention — the party that says we have a policy convention where the grassroots make all the decisions — after that convention was over the Leader of the Opposition sat down with a select few and said, now we have a new labour position. I don't know what happened to this great philosophy of theirs where the grassroots makes all the decisions; where their open conventions make all the decisions. —(Interjection)— I think I do.

Mr. Speaker, the members opposite have been in a strange sort of a mental state the past few days because the Minister of Energy refuses to interfere in the internal affairs of Manitoba Hydro, order a former Hydro lawyer to talk. They have no difficulty in demanding this sort of political interference because it was a daily fact of life when they were in office. They also know that members opposite are anxiously biting their nails and really worried and concerned that the Western Grid may go. I really wonder if it's true; all the numerous phone calls that are floating back and forth between here and some of their western friends.

When the Western Power Grid does go, and it will, and when construction resumes at Limestone, and it will, I have to tell you, Mr. Speaker, that those Russian-built generators won't be a priority with our government even if they were with the NDP. As the Member for St. Johns stood up in the House and said — and I was amazed how he could stand there in this House a few months ago and defend what I thought was an asinine decision — it was obvious he hadn't spoken and you may recall his words when he said that when the NDP bought those Russian turbines it was a good deal for Manitobans, you may recall that. I recall it because Jenpeg's in my constituency. It was obvious he hadn't spoken to any of the workers who had to install those Russian

disasters nor had he spoken to any of the Canadian unions whose members went without work, Mr. Speaker, because the former NDP government elected with union financing, decided that Russians deserved the work more than Canadians; that was their decision. I would have thought that they would have had second thoughts at a later date. But the Member for St. Johns stood up and said it was a good decision.

Just think, Mr. Speaker, of the wealth lost to Manitoba and to Canada when the former government decided to buy those Russian turbines. It didn't matter that the Russian products were inferior and it didn't matter that the cost overruns made a sham of the whole tendering process, that didn't matter. The workers at Jenpeg just couldn't believe the poor workmanship in those Russian generators. They couldn't believe the poor deal negotiated by the NDP government. The workers at Jenpeg wondered what type of working conditions would cause such an inferior product even to be made.

The situation in Poland I guess explains it in terms that working men and women in Canada can easily understand. There you have union members trying to establish real independence from government control. Polish workers are only trying to establish rights which we take for granted in Canada and yet the Member for St. Johns said he'd go back to Russia to buy his generators. I wonder what the members in the Manitoba Federation of Labour and other unions in this province would think about that particular NDP position.

At least now unionized men and women in Manitoba know what to look forward to if, God forbid, an NDP government was ever put back in office. I wonder where Dick Martin would put his loyalties in that particular situation. I wonder, Mr. Speaker. I was glad the Member for St. Johns was so forthright and candid in his assessment of the Russian generators as being such a great deal for Manitoba. Manitobans now know where the NDP's priorities are.

While we're talking about Hydro I want to assure the Native residents of Northern Manitoba our government will do everything possible, Mr. Speaker, to ensure they are employed in the power projects that will happen with the Western Power Grid. The Manpower Division of my department is already gearing up for that. Our government knows how important that employment will be to the Native community. We also know how they suffered when the former NDP government ignored them during the Hydro developments in the 1970s.

Mr. Speaker, that's not only my words. The Leader of the Opposition made his little flip-flop through Northern Manitoba, trotting along a few of his cohorts. He was told time after time by the Native people how they hadn't been given opportunities during their years — NDP years — for employment. Instead of training the Native Manitobans and helping them to get real meaningful jobs, the former government in my opinion deceived and abused their trust with make-work projects. If the Native people mistrust government after those experiences I guess maybe they have a right to.

Manitobans are getting tired of the negative and pessimistic attitudes of the members opposite. When

they talk about our tremendous province, they use stats — selective stats I might add — which sound like doom and gloom. If you were to translate the NDP faith in Manitobans into music I guess you'd end up with something like a funeral march. Still the Member for Selkirk says he wants to be the Premier, Mr. Speaker, he wants to be the Premier. We know why.

He wants to be Premier because he knows what a good province Manitoba is to work in, to live in and to raise your family in. He knows what a strong, diversified economy Manitoba enjoys. He knows about the enormous potential of our Hydro. He knows that our government is serious when we talk about potash and surely he knows now that we're serious when we talk about Alcan. He also knows about the potential of the mining ventures in Northern Manitoba. He knows that Manitoba businessmen believe in their province and he knows that Manitobans believe in themselves.

What upsets him is that our government believes that individual Manitobans should take the initiative, that they should also get the credit. He doesn't like the idea that government doesn't know best about everything. The thought that our government won't nationalize, involve ourselves to a greater degree in big business, really disturbs him.

The members opposite have made a number of allegations about the performance of the Manitoba economy. As the Minister of Labour and Manpower my ears sort of perked up on charges about our government's alleged poor job-creation record. Maybe it's because I never studied economics with the Member for Brandon East but I fail to see the logic of the allegations.

We know about the last three years of their office. We know about the first three years of our office. We know about the 10,000 new jobs in Manitoba in their last three years, and we know about the 30,000 in our first three —(Interjection)— We know, Mr. Speaker, that of the 10,000 jobs in their last three years, six or seven were in the public sector and we know out of the 30,000 in our first three years, Mr. Speaker, we know that 2,000 or 3,000 were in the public sector.

Last year, Mr. Speaker, in July, Manitoba set a new peak for record employment, 476,000 men and women were working in Manitoba. Our unemployment rate continues to be one of the lowest in Canada, yet the members opposite claim we've failed. Mr. Speaker, I hear the gibbering from the seat from the Member for Brandon East, it doesn't really matter whether he's on his feet or on his seat it's the same sort of gibberish.

Mr. Speaker, I reviewed my department's many excellent programs and services during the review of our '81-82 spending Estimates. We talked about the significant advances and vocational and occupational job training over the past couple of years; about the Critical Trades Skilled Training Program where we had more people actually in the program than any other jurisdiction in our country. We talked about our government's real commitment to women, through actions such as women in apprenticeship trades; the Advisory Council on the status of women; the Advisory Council we all remember was asked for in 1972, '73, '74, and we all know who was in office during those years. The Apprenticeship Initiative is a

model for Canada, first of its kind. The Women in the Apprenticeship Program in Manitoba is the only one and the first of its kind in our country.

Mr. Speaker, it's working because the women involved are committed and because our government supports them fully. That's why it's working. I could easily spend an hour talking about the improvements in workplace safety and health in Manitoba in the past three years. These improvements were made in the best interests of working men and women and not for political expediency which was what motivated the former NDP government and it's important that we remember the next sentence — to proclaim The Workplace Safety and Health Act on September 1, 1977.

Do you remember what happened on September 6, 1977? There was an election called. So I guess this is what happened, Mr. Speaker, our friends opposite were sitting around the Cabinet table wondering when they were going to the poles and I guess somebody, maybe the Member for Flin Flon said to them, but Mr. Premier, we haven't done a damn thing in eight years but workplace safety in the Province of Manitoba — haven't done anything — we've done nothing in the mines and I know that's a fact because I live in a mining town, haven't done anything in the factories or industry. So, Mr. Speaker, we'd better do something quick. So on September 1st, 1977, five days before they proclaimed, before they called an election, they proclaimed The Workplace Safety Act, hadn't done anything, they just proclaimed an Act.

Mr. Speaker, let me tell you, people in Northern Manitoba are aware of that; people in the mining industry are aware of that. They know that it took our government about a year and we had an inquiry into workplace safety in the mines; they know that we took the results of that commission to a convention where the union people and the industry people said, let us form a committee, let us form a committee to give you some ideas how to implement that study.

It doesn't matter to the miners in Thompson, Manitoba, Mr. Speaker, whether they think that our government did it, or whether they think the NDP forced us to do it. What they are sure of, Mr. Speaker, damn sure of, that we had to be in the government and they had to be in the Opposition before it happened; that's what's important to the miners of Northern Manitoba.

The Wright Committee and the Roper Committee will ensure practical and necessary improvements in the mining and safety. We now have their recommendations. It just happened, Mr. Speaker, that we're already working on six or seven of those major recommendations. Finally after the so-called party of the working man failed to acknowledge the situation our party is active. The Lampe Report on workmans compensation should be available in mid June. No such an enquiry during their eight years in office, no such an enquiry, no such luck.

Mr. Speaker, I won't continue reviewing the achievements in the Department of Labour and Manpower. I want to conclude by again commending the Minister of Finance for the professional responsible manner in which he has exercised his duties. Maybe when the Leader of the Opposition has finally understood the significance of the Budget he might consider responding to it.

Mr. Speaker, after the Premier distributed the pamphlet on the Constitution members opposite complained they should have been able to have their position highlighted; but when they saw the blank back side, they realized their request had been met. Mr. Speaker, if we were to distribute a pamphlet detailing our economic blueprint for Manitoba, the product would be similar. Our side would be filled with insights and policies and faith and the NDPs would be empty and blank.

The people of Manitoba understand the prudence of this Budget and I know that individual Manitobans support it, as I will be when it comes time to vote. Thank you, Mr. Speaker.

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

**MR. LEONARD S. EVANS:** Thank you very much, Mr. Speaker. While it's late in the evening, nevertheless, I would like to make my contribution to the debate on this year's Budget, the fourth straight year of a Conservative deficit Budget and one which unfortunately, Mr. Speaker, was introduced by a Minister of Finance who chose to spend the first one-hour-and-fifteen minutes in a political rehash, a political diatribe in place of what I consider an important document, namely a financial statement by the Minister of Finance of the day. Instead of the traditional Minister of Finance statement we really got a rehash of political prejudices, political views of the Minister of Finance. But after we listened for perhaps, I suppose, the longest speech in the history of this province from the Minister of Finance, we found at the bottom line, at the very end there was really nothing in this Budget to stimulate the economy of the Province of Manitoba. There was absolutely nothing in this Budget to create jobs in this province. There was nothing in the Budget to assist small business, to hopefully turn the corner and perhaps not end up in the bankruptcy columns like so many other small businesses in this province have unfortunately done in the past year or two.

As a matter of fact, Mr. Speaker, we don't even see all of the small business difficulties by looking at bankruptcy and business failure statistics because many of these companies simply see the writing on the wall and close-up shop before they get into a position of going bankrupt. But, Mr. Speaker, I would say that because there was nothing to stimulate the economy, because there was nothing to help the small businessman, there was nothing to show the people of Manitoba that we were going to have some significant job creation from the Budget, I think this should go into the bankruptcy statistics by being referred to as the "Bankruptcy Budget" because certainly it was bankrupt of ideas, bankrupt of policy thrust with regard to economic development in this province and I think the other sad part of his Budget is the misuse of statistics by the Minister of Finance in his review. I thought last year was the bad year for a biased economic review because if you'll note, a great chunk of the report is an economic review of Canada and an economic review of Manitoba and I thought last year that we had a biased assessment of the local economic situation.

But, Mr. Speaker, this year takes the prize, because in no way does last year's biased economic review stand up to this year's biased economic

review. The amazing thing about this and listening to the Minister of Labour a few minutes ago and others on the opposite side refer to these statistics and use them as they will, the amazing thing is they actually believe that the economy of Manitoba has been turned around. They actually believe that we are making economic progress in this province under their policies; they actually believe their own propaganda, and that to me is amazing, it's unbelievable. I think it's a tragedy but perhaps the greatest tragedy, Mr. Speaker, will be for members opposite, because if they continue to go on believing their own propaganda they sure as "God made little apples" will be heading down the road of political disaster, as indeed I believe they are heading down the road of political disaster.

There is a complete coverup of the fact that the bottom line, that the growth of the economy, the real economic growth of the economy has been almost zero in the past three years; virtually nil, virtually nil. It is a fraction of 1 percent. I think it was something like 0.6 percent or what have you. We won't know for sure, I suppose, you might say for another year or so because there are revisions to statistics and so on, but the best estimates we have up to the point now is that there was virtually no growth of the economy since 1977, but there is no mention of that, virtually. So, I say, it's a coverup.

As a matter of fact, Mr. Speaker, when the real domestic product revisions come out on Tuesday, April 28, the Minister of Finance knows and the Minister of Economic Development knows that the 1980s are going to be proved to be even worse than it was estimated to be in the first place. The rate of decline in 1980 will be proven to be worse, in 1980, according to these revised estimates of the Conference Board of Canada compared to what they put out in February.

There was a coverup on investment decline. There's really a misunderstanding of what's happening to the manufacturing industry because the manufacturing industry has been declining in the past two years in terms of real output. The mining industry has declined in terms of real output in the last few years. Mr. Speaker, members opposite say, doom and gloom. You know, we are supposed to sit on this side and praise members opposite for a great job they're doing. That's what they do in totalitarian countries where they don't believe in Opposition parties. Mr. Speaker, the fact is that this Budget document does not look at the real economic situation. They do not apprise themselves of really what is happening to the economy and of course there is the glossing over of the population WASP.

Furthermore, Mr. Speaker, there is really no mention of the devaluation of the Canadian dollar except with regard to the fact that the devalued dollar has had a negative impact on the cost of interest charges to Manitoba Hydro. That is true that is true but apart from that, unless I have missed it, but I've been flipping over the pages the last couple of days, that I can't see any recognition that it was the devaluation of the Canadian dollar that gave a shot in the arm to Canadian industry from coast to coast including Manitoba industry and this, of course, has nothing to do whatsoever with the policies of any provincial government, it is a result of trading patterns between Canada and the

rest of the world and because we have a cheaper dollar, Mr. Speaker, it is easier for our producers, easier for our manufacturers to sell abroad, we are more competitive in foreign markets. At the same time we are afforded certain protection by that cheaper dollar, in other words, foreign imports are more costly so the Canadian, including Manitoba manufacturers and other producers, are protected within their own domestic market.

So, Mr. Speaker, the Budget Address tries to give the illusion that our economy has grown under the Conservatives and, in reality, the reverse is the case; it is just the total reverse. How anyone could come out with a Budget document, it took a great deal of ingenuity, it must have taken many man hours, many man weeks of work, many man days of work to produce this particular Budget Address. (Interjection)— Yes, a real make-work project if there ever was one.

The Tory thesis is that the Manitoba economy did poorly under the New Democratic party because of our tax measures and because there was supposedly some concern out there in the business community of takeover of industry and, of course, their thesis is that their economic policies not only will turn the economy around but indeed have turned the economy around. But in assessing the situation, Mr. Speaker, they are really using a double standard.

The Minister reviews the highlights of the economy during the NDP years; he reviews the economic difficulties and blames them on the NDP. Then he reviews the economic problems of 1978, 1979 and 1980, glosses over them and blames them on national or international factors; or putting it another way, the Manitoba economy, he says, grew in the 1970s, 1969 to 1977, because of outside factors; however, it has grown since 1977 because of provincial Tory policies. Mr. Speaker, if that is not a double standard, I don't know what is but that is what's embedded, that is what's embodied in this particular Budget document and, of course, that is the nature of the arguments used by members opposite I guess ever since they've been in government.

As a matter of fact, Mr. Speaker, when they first were elected we were told don't worry about those bad statistics they are only a temporary phenomenon, they are only a passing phenomenon, we need time to turn the economy around, it's just around the corner; we're turning the economy around. Well, Mr. Speaker, we're waiting now for over three-and-a-half years and they are still talking about turning the economy around. I say, Mr. Speaker, there has been no economic progress and the progress they talk about is certainly a figment of their imagination.

What I would like to do, Mr. Speaker, is to take some time to look at the data that we do have on the Manitoba economy. In fact, I can use some of the figures that are shown in the tables here to analyse them and I can come up with using the figures that are shown here in some of the statistical tables and point out to the members opposite how the Manitoba economy is in serious trouble.

Now let me go on to say, before I'm accused of being against the Province of Manitoba, I repeat what I said the other day and I repeat what I said as Minister of Industry and Commerce for eight years,

or not quite eight years, that this is a great province; that we have a very excellent resource base, we have probably one of the most efficient agriculture industries to be found anywhere in the world. If we have a comparative advantage in any industry it's in agriculture. We have some hardworking farmers; we have some productive farmers and, Mr. Speaker, we are also blessed with a diversified economy. It's small but nevertheless we have a small forestry industry; we have a fair-sized mining industry; we have a fresh water fish industry as well as agriculture and we have some manufacturing. But, Mr. Speaker, above all we have, as the greatest resource, our own people, the highly trained, highly skilled, well-educated work force. The only trouble is we lost 40,000 of them in the past three years. In fact if there is any waste under this government it has been waste of human resources; that has been the greatest waste, the greatest tragedy, under this government.

But let me look at some of the economic factors that have been at work during the past decade or so. Probably the most critical economic figure that one would like to look at, or should look at, is what's happening to investment because investment, as we should all agree in this Chamber, is the key to growth. Members opposite will only look at private investment. I would look at private investment and public investment; they are both needed and they both are the key to economic development. Again, looking at the figures that are available to all of us from Statistics Canada I have to compare to see what's happened during the years of the NDP government with what has happened during the years of Conservative government. The fact is on average per year the total investment, that is public and private combined, was 13.8 percent on average per year during the period of the NDP in government; 13.8 percent per year. In the last few years, Mr. Speaker, it's supposed to have been bigger than that. It should have been terrific; it should have been double or triple that, but it hasn't been. It's only been 1.5 percent, 1.5 percent investment per year. Mr. Speaker, in real terms we are going backwards because we know in the past three years inflation has been running in excess of 10 percent a year. So we are not going forwards we are going backwards. In real terms there was even less investment put in place in the last few years on a yearly basis than there was under the NDP period in office.

Public investment during the NDP years averaged 13 percent a year. Under this government it was negative; it was minus 8 percent per year. But let's look at private investment — and incidentally it was the private investment that was supposed to come flooding into Manitoba — during the NDP years in government, Mr. Speaker, we had double the amount of growth in private investment than we've experience in the past three years. (Interjection)— Well, I'll come to that. Good question, very good question, very good question. Private investment under the NDP averaged 14.4 percent per year; under the Conservatives, 7.8 percent per year. (Interjection)

The Member for Minnedosa asked, well what has happened in Canada? I'll tell you what happened in Canada. When we were in office the Canadian

average was 21 percent compared to 14 percent for us, so we were only two-thirds of the Canadian average in private investment. The past three years, Canada has averaged 16.1 percent compared to 7.8 percent under this government. In other words, we've slipped from two-thirds —(Interjection)— no, no, you've slipped to half. Mr. Speaker, if the honourable member was listening we are now experiencing only half of the rate of increase of private investment, only one-half. I think that is the telling feature because we all should recognize the phenomenon in the business cycles and you do have the ups and the downs. The fact is though when you compare it to the national scene you are abstracting from that business cycle and, Mr. Speaker, instead of this great flood of private dollars we have a situation that is enormously worse than it was; if it was worse, if it was bad under the NDP, then it's enormously worse now under this government.

In 1981 the forecast for total investment in Manitoba is second lowest in Canada, 6.5 percent and again at 6.5 percent increase in this year of our Lord, 1981, again you are going backwards because inflation is almost 12 percent — 11 to 12 percent. In 1981, the total investment in Manitoba will only be a third of the Canadian average. I don't think that this is that significant, but in last year's speech the Minister of Finance made a great to-do about private investment increasing as a percentage of total investment in Manitoba, in fact, there was a chart in the Budget document in that respect. Indeed in 1979 to 1980 there was a slight increase in private investment as a percentage of the total but I beg to inform the present members of the government that private investment, as a percentage of the total, is now shrinking again, so for whatever that's worth, I pass out that little piece of information. As a matter of fact, Mr. Speaker, it's interesting, for 1981 the forecast is for public investment to increase faster than private investment in Manitoba. Public investment is expected to increase by 9.6 percent in 1981 compared to 5.1 percent for private investment. However, again I say, Mr. Speaker, in 1981 there will be no increase because this percentage increase is less than the increase inflation and therefore we are really going backwards.

The amount of money estimated to be spent in manufacturing industries, investment in manufacturing, is \$137.9 million. I say how many Swift Canadian plants will that build or how many Maple Leaf Mills factories, will that build?

Let me go on to the growth rates of the province. Again, Mr. Speaker, the growth rate in Manitoba has dropped very significantly in the period under the Conservative government of Manitoba. As I said earlier the rate of growth under the Tories has been virtually nil. Compare this to the rate of growth during the NDP years, 1970 to 1977, when we averaged just over 4 percent per year; this is real growth, just over 4 percent per year. Again, you want to relate it to Canada, again without quoting all the numbers, Mr. Speaker, I can assure you that we were much better in relation to what was happening in Canada during the NDP years than we've had under the Conservatives. Mr. Speaker, as I indicated earlier, the real economic growth in 1980 is negative. The first estimate was minus 1.6 and the scuttlebutt has it that it's going to be in excess of 2 percent

negative, minus 2 percent for 1980, that is according to the estimate that is to come out in a week or two from now.

Looking at another aspect of the Budget Address, I note for the fourth year running we have a Budget that shows a deficit and, Mr. Speaker, the fact is this is a deficit Budget by default. There is no strategy; as far as we can make out there is no strategy. The facts are that laissez-faire policies that the government believes in are not working and they don't wish to take an activist approach. So what we've got is policy purgatory; policy purgatory. They don't want a deficit but their economic policies are not working so they are victims of their own ideology and they are, in effect, in a policy purgatory situation. I might add, Mr. Speaker, that the estimated forecast deficit should really be larger than what the Minister has stated — 219.8 million — we should add to that. The Minister told us that he's dipped into savings to the tune of 24.8, so really the operating deficit is 244.6 million. I know these are all estimates and projections and all the rest but the fact is the Minister should add in or we can add in this other 24.8 and see that we are approaching almost 250 million; it's 244.6 million in terms of operating deficit required.

Of course, Mr. Speaker, every time we have a deficit we add to our total debt. In 1977, during the campaign, I'll never forget the now Premier told Manitobans they were going bankrupt because we were forecasting a debt load of \$3,600 million as of March 31, 1978, and we were going bankrupt at that time, Mr. Speaker.

Well today, as of March 31, 1982, if this forecast deficit comes true, our debt will rise to \$4,347 million, in other words \$747 million, or rounded off to \$750 million more debt, as of the end of this fiscal year, compared to the end of the fiscal year, the last year of which we were in office. This is the highest debt in the history of this province and I would point out to the Member for Minnedosa that he can go back to Minnedosa and say since he's been in office he's loaded each person in his riding with \$750 more debt; that each person in the constituency of Minnedosa has \$750 debt — that's not each family but that's each person, each man, each woman, each child, every baby, every child, every person in Minnedosa, as in Manitoba — is now loaded with \$750 more debt than we experienced prior to this government taking place.

Mr. Speaker, I would leave a closing thought with the honourable members opposite with the two minutes that I have left — I will finish tomorrow I trust with a few more minutes — but I say another sign of weakness of the economy under this government is the increase in Federal handouts, if you like, or Federal payments to the Province of Manitoba. The equalization payments, as I read the figures, have increased by 31 percent according to the Budget information; they go from \$317 million in '80-'81, to \$415 million in '81-'82. Now that I take out of the Budget documents. There may be revisions when the numbers come in but I'm just using the information that I have available to me. If you look at the total Federal transfers we are more dependent on Ottawa. In last year's Budget the Federal transfers were 39.5 percent of total revenue; now they're up to 40.7 percent of total revenue.

**Monday, 20 April, 1981**

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**MR. DEPUTY SPEAKER:** Order please. The hour is 10 o'clock. When we next resume Budget debate the honourable member will have 15 minutes.

The House is now adjourned and stands adjourned until 2 o'clock tomorrow afternoon. (Tuesday)