

**LEGISLATIVE ASSEMBLY OF MANITOBA**  
**Friday, 23 May, 1980**

**Time — 10:00 a.m.**

**OPENING PRAYER by Mr. Speaker.**

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

**PRESENTING REPORTS BY STANDING  
AND SPECIAL COMMITTEES**

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

**MR. MORRIS MCGREGOR:** Mr. Speaker, I beg to present the third report of the Standing Committee on Economic Development.

**MR. CLERK:** Your Committee met on Thursday, May 22, 1980, to consider the Financial Statement of McKenzie Steele Briggs Seeds. Mr. McGregor was elected Chairman in place of Mr. Wilson.

Messrs E. Mazur, Chairman of the Board of Directors, and W. A. Moore, President and General Manager of McKenzie Steele Briggs Seeds, provided such information as was required by members of the Committee with respect to the Company.

The Financial Statement of McKenzie Steele Briggs Seeds for the year ended October 31, 1979, was adopted.

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

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

**MOTION presented and carried.**

**MINISTERIAL STATEMENTS AND TABLING  
OF REPORTS**

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

**HON. HARRY J. ENNS (Lakeside):** Mr. Speaker, I beg the indulgence of the House to make a brief statement updating the fire situation in the province. Regrettably time just has not permitted me to have the necessary copies available; it will be very brief.

**MR. SPEAKER:** The honourable member has leave.

**MR. ENNS:** I would simply like to inform the honourable members that the major air lift of the residents of the community of Red Lake, Ontario has begun some time ago, and some 360 people have been arriving per hour in Winnipeg. The armed forces are landing one aircraft every 20 minutes in Winnipeg and people are being transported with the full co-operation of the city of Winnipeg to the St. James Civic Arena and being dispersed to other locations. Those people who have beds available for evacuees are advised and requested to call the St.

James Civic Arena to make themselves known. The full resources of the provincial government are available for these evacuees faced with this most unfortunate circumstance.

Mr. Speaker, allow me to indicate the appreciation and the full co-operation of the city of Winnipeg. I spoke to His Worship Mayor Norrie; they have promised us and are in fact providing every co-operation with the resources that the city has. I can report to the House that the Canadian Forces are making available to us in a general way, manpower and equipment to assist in this serious situation. We have been working closely with the armed forces as of yesterday, late afternoon. They have provided us, at this time, with upwards to 650 fully equipped men who will be deployed as the Department of Natural Resources fit.

The other announcement that I should make is that as of this morning an operational centre has been established in the basement of this building just across from the — I don't have the room number — so that the information flow can be coordinated out of this building and made readily available to honourable members of the House and to the media.

Just very briefly in the absence of my colleague, the Minister of Natural Resources, the fire situation remains still very serious. The Porcupine Mountain area has abated somewhat, but that is only because of the drop in wind velocities overnight.

We are advising residents living in communities along the PTH No. 10 and Provincial Road No. 277 that they should place themselves in readiness for evacuation. I suspect that some of that evacuation is taking place this morning. We estimate that a total of up to 1,500 people are involved in the several communities and individual farm sites along this particular area.

I must also report to members of the House that late last night the fire did spread into our National Park at Clear Lake, with several thousands of acres under flame in that beautiful park.

The Snow Lake situation, the latest report that I have is that the fire situation in the vicinity of Snow Lake has deteriorated in the last 24 hours. Officials on the scene report that while the town is not in great danger at this point, the hazard has increased as the fire is approximately 2, 2-1/2 kilometers from the townsite. Heavy equipment, several hundred men are currently battling, putting up fire breaks to help insure the safety of the town itself.

Mr. Speaker, there is just one further piece of information. The Premier accompanied by the Minister of Northern Affairs is currently on site, visiting these communities. I believe his plans are today to touch down at Snow Lake, Norway House, and possibly Cross Lake.

The only one good piece of news that I have to report, Mr. Speaker, is that it has rained in Norway House this morning.

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

**MR. HOWARD PAWLEY (Selkirk):** Mr. Speaker, I would like to thank the Minister on behalf of this side of the House for his very comprehensive report. It is a trying time for many Manitobans, and certainly in respect to those arriving from Red Lake. I hope every measure can be undertaken by all levels of government in order to assist the people of Red Lake to settle in, hopefully for a brief period of time, so that they can return to their homes. I want to commend the Minister for his efforts in this respect.

Also, Mr. Speaker, I would like to express pleasure that the Armed Forces have now been involved and are participating. I think that is a positive step forward.

On behalf of the members on this side of the House, we extend to the Minister our co-operation and help in this very critical period confronting all Manitobans.

**MR. SPEAKER:** Notices of Motion . . . Introduction of Bills . . .

### INTRODUCTION OF GUESTS

**MR. SPEAKER:** At this time I would like to draw the honourable members' attention to the gallery, where we have 55 students of Grade V standing from the Lord Roberts School under the direction of Mrs. Luckwell and Mrs. Stephenson. This school is in the constituency of the Honourable Attorney-General.

We have 25 students of Grade 5 standing from the R. F. Morrison Elementary School under the direction of Mrs. Chick. This school is in the constituency of the Honourable Member for Seven Oaks.

We have 50 students of Grade 5 standing from Frontenac School under the direction of Mr. Ed Reimer and this school is in the constituency of the Honourable Member for Radisson.

We have 30 students from Harrow School. These are also Grade 5 students under the direction of Miss Lambert. This school is in the constituency of the Honourable Attorney-General.

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

### ORAL QUESTIONS

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

**MR. PAWLEY:** Mr. Speaker, my question is to the Minister of Agriculture. In view of the statement which was released yesterday pertaining to the drought situation and as the same affects the farmers of Manitoba, can the Minister advise whether he has been in consultation with farm organizations? Has he enquired from the various farm organizations, the Farmers Bureau, the Farmers Union and others, their assessment of needs and have they been consulted and would they be involved in the government plans?

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

**HON. JAMES E. DOWNEY (Arthur):** Yes, Mr. Speaker, I have been in touch with the majority of farm organizations, those organizations representing

the bulk of the farm community. I have not been in touch with the Farmers Union, Mr. Speaker, not by intent but just by in fact we have been trying to meet with as many as we can. I have met with the Union of Municipalities, the Livestock Organization and Farm Bureau, the Manitoba Crop Insurance Corporation board of directors, and talked to the people involved in livestock marketing, as broad a base of people as I've been able to in developing and keeping in touch with the farm community, plus visits myself to my own riding which has been affected to the greatest extent to this particular time.

I would also like to say that it's not a situation of disaster but it is an urgent situation where we have to look at alternative feed supplies which we have identified. We have obtained pellets from Thunder Bay and we are available to move into some of these regions where they are extremely short of supplementary feed, plus identifying and moving in alfalfa hay from southern Ontario. That is actually taking place at this particular time.

**MR. PAWLEY:** Mr. Speaker, in view of the fact that the dairy farmers may be nearing a point where either they get feed or they will be ceasing to produce milk, can the Minister advise whether or not any priority is being given to the dairy farmers insofar as ensuring that they receive feed as a top priority during this particular period?

**MR. DOWNEY:** Mr. Speaker, I want to assure the Honourable Leader of the Opposition that we try to and are trying to alleviate all the farmers' concerns as far as feed supplies. The dairy farm people I can give them the assurance that if they are in a situation of short supplies, that they are going to be treated of top priority, as the majority of cattle producers are. The dairy industry being such as it is, that the cattle are pretty well confined to small pastures or holding pens, high concentrates of grain, which are available on a ready basis, I think we can make sure that those people are adequately supplied with feed, because of the fact that they can use higher concentrates of grain to provide the necessary feed.

I can assure the dairy producers and the farm community in total that it appears with the feed supplies that are being identified and available to move in, that we shouldn't have any major problems, particularly in the dairy industry.

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

**MR. PAWLEY:** Mr. Speaker, further to the Minister of Agriculture, could the Minister of Agriculture advise as to the number of spaces that are available in the PFRA community pastures, and whether or not, in view of the drought, there will be sufficient additional spaces in order to permit the extra use?

**MR. DOWNEY:** Mr. Speaker, as of approximately a week ago today, when we set our Co-ordinating Office up in Brandon, we had some 8,000 spaces; that is reduced to, I think, pretty well being filled up. There is a concern in one of the community pastures in the northwest region, where there is a lot of dry grass not too far from the forest fire area that we want to be concerned about. We are keeping an eye

on the movement of that particular fire. There is no immediate danger, but it is, of course, being watched. We have other community pastures in the province that are, of course, being managed; if the weather continues dry, then it would be a matter of having to add supplementary feed to those livestock, who have moved onto community pastures, to supplement them at the same time. The program of assistance for freight would work on community pastures, as well as privately owned farmland.

I would also like to indicate to the member that the Livestock Association have identified some 10,000 units or livestock animal unit spaces available in commercial feedlots, with sufficient corn silage to feed the numbers of animals that would be moved in on a custom basis. We have an assistance program to pay for the cost of moving of the cows into those units, so there are a lot of people working together to identify feed supplies and holding capacities. We have a pretty good handle on what is available and are working in a co-operative and collective effort to alleviate the problems that they are having.

**MR. PAWLEY:** Mr. Speaker, one final question to the Minister of Finance. In the statement which was issued yesterday by the Premier, reference was made to requests to Ottawa to participate in cost-sharing on the basis of the 1976-77 precedent. Can the Minister advise the nature of that cost-sharing arrangement, federal-provincial?

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

**HON. DONALD W. CRAIK (Riel):** No, Mr. Speaker, I can't indicate that we have anything that we can report from discussions with the Federal Government. I believe the Premier did say at that time that we would not be opposed to a 50-50 type of arrangement, but nothing has been finalized.

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

**MR. BILLIE URUSKI:** Thank you, Mr. Speaker. I direct this question to the Minister of Agriculture and ask him whether he has considered or he can assure farmers a steady feed supply, in terms of feed grains, and whether the province has set up a feed bank in terms of making sure that feed supplies are available to farmers?

**MR. DOWNEY:** Mr. Speaker, my department have been in touch and communicating with the Canadian Wheat Board as well as the grain companies and that of course is an ongoing basis. The pellet supply that has been purchased are coming from Thunder Bay. There are other supplies available. I'm informed that the supplies, as I've said, of hay and alfalfa in Ontario are sufficient and are available at a fairly reasonable price and that there are other supplies of alfalfa in the southern parts of the United States that could be moved in in a pelleted form.

As far as additional feed grains at this particular time, I can assure the member that we have and are trying to quantify what is available. However, I think from information we have received on the ongoing process of grain supplies in the province, that they

have appeared to be adequate and I don't foresee any problems of shortages. However, as this drought continues on into when the normal crop would be growing, then of course we're going to see a tightening of supplies and it's something that we'll have to keep on a continuing basis of monitoring.

**MR. URUSKI:** Thank you, Mr. Speaker. I thank the Minister for his reply, and ask him whether or not Wildlife Management areas, particularly in the interlake region, will be opened up for grazing purposes in terms of the numbers of cattle that are within the interlake; and what notification, and when will an announcement be made in this respect?

**MR. DOWNEY:** Mr. Speaker, I believe in the Premier's statement yesterday there was reference made to the particular Wildlife Management areas and Crown lands. In specific areas at this particular time, if particular Wildlife Management areas were identified as being needed and were reported to the committee and identified, I'm sure that we could allow to move livestock in at this particular time. I think that that is a part of the overall ongoing process of what is in place. We're prepared to move in those particular areas where, in fact, it is essential to move. Just as a point of information for the House, over the last eight years of the last government there was some 400-and-some thousand acres, I believe, of farm land and marginal land bought for Wildlife Management areas. So there is quite a large number of acreage that were traditionally in agriculture but have reverted to Wildlife Management areas. So we do have a base there that could be used for livestock holding space.

**MR. URUSKI:** Mr. Speaker, the final question that I have in this respect deals with cash flow to farmers who are — and many of whom are — strapped in a very cash-short position. The Premier indicated very vaguely in terms of how the province proposes to deal with this cash shortage. Can the Minister elaborate on the Premier's statements of yesterday as to how farmers, in terms of their credit rating, how they will face the problems now that are facing them?

**MR. DOWNEY:** Mr. Speaker, I'm sure all members, particularly the Member for St. George, are aware that the majority of the farm community have probably got their operating loans and financing put in place for a normal year and of course would not be hard-pressed to make any repayments until later on this year, in the fall of the year. Of course, we have some time on that. Where it's a matter of people not having the available cash or are not able to buy emergency feed supplies, then we have the capacity under The Municipal Affairs Act to loan money, The Municipal Loans Act, to lend money to people who are in these kinds of situations, and that is the vehicle that we intend to use, plus as I have indicated, if people are in a very severe situation as far cash flow, then we'll have to assess that on an ongoing basis.

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

**MR. JAY COWAN:** Thank you, Mr. Speaker. My question is to the Minister responsible for the Emergency Measures Organization in the absence of the Minister of Natural Resources. In a statement earlier this morning, the Minister neglected to indicate if the number of fires in the province have increased and if the number of fires that are presently burning out of control are the same as of yesterday, and give us that sort of specific data which we have come to expect in statements from his side of the House in regard to the forest fire situation in the province. I would ask the Minister if he could then give us a general update on the status of the situation in the province as to the number of fires, those under control, those out of control, and in specific how many water bombers are operational now in fighting the fires and where they are deployed.

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

**MR. ENNS:** Mr. Speaker, honourable members will appreciate that members of the Emergency Drought Committee worked until well past midnight last night in setting up the control headquarters here in this building. For that reason I was not able to have that in printed form for members of the House. I will give an undertaking to all members of the House, I know it's being prepared. If it's agreeable to members of the House, that I would simply distribute that without an additional statement, simply distribute that material to the honourable members for their information. In general, the situation has not improved. There have been additional fires breaking out. One additional fire that wasn't mentioned yesterday is of considerable concern to us, that involves the community of Cross Lake, where some 3,000 residents are living without any road access, and while not in imminent danger, but certainly one that hasn't been on the list of difficulties as expressed by the Minister of Natural Resources yesterday.

Mr. Speaker, if that's agreeable to the honourable member, I will undertake to have that more detailed list of actual fires, their condition and/or the type of equipment and men employed, made available to honourable members later on during the course of the morning.

**MR. COWAN:** Mr. Speaker, we will await that information eagerly and would not, I'm certain I can speak on behalf of my colleagues, be opposed to the Minister making a statement at that time if he feels it is necessary, given the accommodations that we decided to make yesterday.

I would ask the Minister if he can expand upon his statement earlier in the day that the armed forces or Canadian Forces personnel have been called in, and if he can indicate if they've been called by the province of Manitoba, and if so where they are being deployed presently.

**MR. ENNS:** Mr. Speaker, late yesterday afternoon I had Colonel Cunningham in the office, who assured us of their armed forces' fullest co-operation. In essence it will consist of mobile units with full kitchen facilities. Honourable members will appreciate that

many hundreds, indeed I suppose, several thousands of people, everyday citizens, are working under most trying conditions in this heat fighting fires. They need to be fed. The army's capability in setting up mobile campsites which have to be moved very rapidly, as often as three or four times in one day, that was a particular area where the Armed Forces expertise and equipment would be of assistance to us.

The Colonel has also informed us that in addition to the two helicopters that are available to us as of now, three additional helicopters are being brought into the area to be placed under the disposal of the province in any way that they can be used, either for the airlifting of stranded or encircled people in danger of a fire or in the movement of firefighting men and equipment to particular areas where they're needed.

In total numbers the Colonel at this time has placed some 650 men — and again I don't have that information off the top of my head, but I would suspect that will be included in the information sheet — and I'll be providing the necessary support equipment in terms of trucks, mobile kitchen units, etc., at the disposal of the province.

**MR. COWAN:** Thank you, Mr. Speaker. We are of course pleased to see the government has acted on the advice of the opposition yesterday in regard to this and encouraged them —(Interjection)— You know, those members who are smirking, if they will remember their answers yesterday they will recall that the Minister of Natural Resources categorically rejected the idea and denied that the Armed Forces could be of use in this province. So I feel the statement that I made is basically correct. But not wishing to become embroiled in that sort of a conversation . . .

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

**MR. COWAN:** Certainly, thank you, Mr. Speaker. My question to the Minister responsible for Emergency Measures Organization is to clarify the situation a bit more if possible in regard to the community of Snow Lake and if it is in any imminent danger. I note from his answer today that the fire has moved indeed closer to the community and if the Armed Forces will be deployed in specific in that area to try and save the property in that community, if the Minister believes that to be necessary. I would also ask him to clarify or to confirm my understanding from his earlier answer just a minute ago, that the Armed Forces will be deployed on an ad hoc basis throughout the province to deal with specific situations such as the Snow Lake fire.

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

**MR. ENNS:** Mr. Speaker, the honourable member is essentially correct in terms of the deployment of the troops. The troops will be of particular value to us in helping to enforce the more stringent travel restrictions that the conditions have forced us to announce, i.e. to prevent people from travelling into forested areas which have been closed off. They will be of particular use to us in the patrolling of some of

the deserted communities in the protection of property in those areas. This is the kind of work, sir, that the forces are particularly adaptable for doing and my colleague, the Minister of Mines and Natural Resources, was attempting to say just that.

I gently remind the honourable members of the House that the fire that the Armed Forces started at Camp Shilo had to call upon resources of the civilians and the Department of Natural Resources to put it out. I say that, not in any way of criticism of the Armed Forces firefighting capacity, but Colonel Cunningham himself suggested to me that the army really feels rather foolish and embarrassed when they climb out of helicopters with their little spades. They can maybe dig a trench for themselves but they are not in a position — I say this very seriously — not in the position to fight the kind of fire situations that we have.

To fight these fires situations we have our Minister of Highways and Transportation, air bomber crews who are working around the clock. We have heavy equipment operators blazing fire guards and the local talent of the people involved who have fought fires, unfortunately in some instances, all too often in their lives, who have the expertise of fighting fires.

The army, the Armed Forces personnel is particularly helpful to us in bringing to us the use of their equipment; mobile command posts that have to be moved in a hurry; kitchen facilities; patrol duties; some aspect of law enforcement although they want to be very careful about that. It's simply a matter of, in most cases, maintaining that people that are not to enter a designated area, don't enter a designated area; manning barricades, road barricades, and the likes of this, Mr. Speaker.

Mr. Speaker, just while I'm on my feet I should also indicate to the House that in situations like this, there's of course always a problem of jurisdiction. I want to make it very clear, and particularly to the residents of Cross Lake and residents of Norway House, that it is the intention of the province of Manitoba to assume responsibility for provision of co-ordinated services for all areas of the province including federal Crown lands, parks and Indian reserves.

The Department of Indian and Northern Affairs does not have the kind of resources in the province to do this and that means that we, of course, will be involved in such places as the National Park at Clear Lake and providing the assistance, whether it involves evacuation or firefighting on any other areas of this province that are under a Crown jurisdiction, such as Indian reserves.

**MR. SPEAKER:** The Honourable Government House Leader.

**HON. GERALD W. J. MERCIER (Osborne):** Mr. Speaker, I undertook previously to respond to questions raised by the Member for Wellington with respect to allegations against Councillor Ernst of the city of Winnipeg Council. Mr. Speaker, this matter has been reviewed by my department.

I want to advise the Member for Wellington that the Crown Attorney in charge of provincial prosecutions, the Director of Civil Litigation and my Deputy Minister and Legislative Counsel have all concluded that on the basis of the existing provisions

of The City of Winnipeg Act, Councillor Ernst could not be successfully prosecuted.

Mr. Speaker, pending the report from the Law Reform Commission on conflict of interest, I wish also to advise the member that I intend in the amendments to be brought forward to this House to The City of Winnipeg Act, to make some interim amendments to that Act to strengthen the provisions relating to conflict of interest to cover what I feel is a gap in the existing legislation. Thank you, Mr. Speaker.

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

**MR. BRIAN CORRIN:** Mr. Speaker, we'd like to thank the Attorney-General for tabling that report. I would indicate briefly that there is some concern about the length of time it took and, relative to that, we would note that the report that was tabled in this House several weeks ago regarding the sale of allegedly obscene material by two book stores was provided much more expeditiously. And we would note that we are concerned about the embarrassment that was caused the Councillor due to the delay. We would indicate that it would seem that there should have been some great haste to make clear to the City of Winnipeg Council and the people of the city what the status of the matter was before Councillor Ernst had . . .

**MR. SPEAKER:** Order, order please. Order please. Has the honourable member a question? We're in the question period, not the statements.

The Honourable Member for Wellington.

**MR. CORRIN:** Mr. Speaker, I do have a question but I'm directing it at the Minister for Government Services because of the emergency. Mr. Speaker, I would ask the Minister whether he can advise us whether the armed services personnel that have been called in to assist in the manner he has described this morning, will be the subject of charges incurred for their utilization. Will the government be paying the federal government moneys in order to utilize the services of those 650 troops?

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

**MR. ENNS:** Mr. Speaker, as was the situation during the flood, to meet the emergencies we do not really ask or worry about those details. We will resolve that when the bills have to be paid, and regrettably the Minister of Finance may get a few more grey hairs when those bills come in; they undoubtedly will be high enough. My recollection is that the salaries and wages of the armed forces' personnel are not borne by the province under these circumstances. Any additional costs incurred by the personnel in the field in terms of the use of some special or additional equipment or the provision of additional food — army cooking camps will undoubtedly be feeding many hundreds of volunteer fire workers in addition to their own troops that will be deployed, and it is these kinds of costs that I believe the province has to obligate themselves for.

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

**MR. CORRIN:** We would ask the Minister in the same regard whether the troops in question will be used for evacuation of residents affected by the fire, and we would indicate, to our knowledge at this moment, troops are being used in Saskatchewan and in the Red Lake area of northwestern Ontario for evacuation purposes. We would ask the Minister whether they will have this function with their equipment in Manitoba?

**MR. ENNS:** Mr. Speaker, let me make it very clear that one of the advantages of having the assistance of the armed forces is that they are specialists in knowing how to make maximum use of the equipment that is available to them, whether it is helicopters or transports, and they are expert in assisting civil authorities in the movement of people. This is precisely the role that I anticipate the armed forces' personnel assisting the province with.

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

**MR. CORRIN:** Mr. Speaker, with respect to this same matter, I would indicate this morning there was a radio bulletin on CBC from Norway House . . .

**MR. SPEAKER:** Order. Order. Order please. Has the honourable member a question? The Honourable Member for Wellington.

**MR. CORRIN:** Yes, Mr. Speaker, I was simply making my one sentence preamble, which was to the effect that this morning I had heard a radio bulletin on the CBC network put out by the Mayor of Norway House, Mr. . . .

**MR. SPEAKER:** Order. Order please. If the honourable member has a question, I would ask him to bring it forward at this time.

**MR. CORRIN:** Mr. Speaker, this is a very important matter. Thank you. We would ask, Mr. Speaker, whether or not the radio report that there was an emergency alert put out by the Mayor of Norway House, Mr. Albert Monkman, for immediate provincial government assistance with the fires raging in that area, has indeed been confirmed, and can the Minister indicate what assistance will be rendered to the residents of Norway House today?

**MR. ENNS:** Mr. Speaker, I can inform the honourable member that the Deputy Minister of Northern Affairs, Mr. Dale Stewart, was and, I believe, spent the night in Norway House last night. I already indicated that I believe at this very time the Premier of our province will be in Norway House to personally satisfy himself as to what particular assistance the community needs. Norway House, fortunately, is linked by road and thus the opportunities of moving people are considerably easier. I want to assure the Honourable Member for Wellington that there are many Emergency Measures' people in the north. There are people from the Department of Natural Resources, of course, as well as the local municipal officials, along

with the RCMP, that are coordinated by Emergency Measures. Information is coming into our central command headquarters here in this building right now, and this kind of information is coming to us virtually on an hour-by-hour basis.

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

**MR. SAM USKIW:** Mr. Speaker, I would like to ask the Minister of Finance whether or not he, given the fact that all sides of the House recognize that there are going to be huge expenditures of money involved in forest fire protection, drought assistance and so on, can the Minister at this stage indicate whether or not he will be introducing further supplementary estimates to cover those extra expenditures?

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

**MR. CRAIK:** Mr. Speaker, we already did provide 2 million, as I recall, in Supplementary Supply, for forest fire protection. I can't indicate to the member offhand whether we would feel it a requirement to provide beyond that at this point, probably not.

**MR. USKIW:** Mr. Speaker, I appreciate the fact that the Minister has a provision in the supplementary estimates with respect to controlling forest fires in Manitoba, but our problem is much more than just forest fires, it is a province-wide problem with respect to drought conditions that are going to affect many many people, and it is going to be very costly. Obviously, Mr. Speaker, since we are now in the Budget considerations, it is a proper time for the Minister, having perused our situation over the last week or so, as they have indicated they have, to indicate whether there will be further sums of money allocated in order to deal with any contingency as a result of those conditions.

**MR. CRAIK:** Mr. Speaker, the member is referring to more than the forest fire situation. I appreciate that the agricultural one, of course, is too difficult at this time to put any kind of a number on. It is going to depend on what happens largely over the next two weeks. Perhaps we can tell better at that time.

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

**MR. PETER FOX:** Thank you, Mr. Speaker. My question is addressed to the Honourable Minister of Agriculture. In view of the concern he has expressed that the livestock producers not be exploited by the packers, can he inform the House whether he has had communications with the packers or whether his department has had any communications?

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

**MR. DOWNEY:** Mr. Speaker, we have been talking to the livestock trade, the people at the stockyards. In fact, as of this morning we find out that the volume of livestock that have been delivered has dropped off somewhat the last couple of days. For example, at the Brandon Stockyards they were

anticipating something like 1,500 head. The numbers there today, I understand, are something like 900 head. I think it is a matter of the farmers understanding what is happening. There are some additional feed supplies. There has been contact in the monitoring of the packinghouse prices, and I would indicate to the House that the cow price has dropped somewhat in the last few days, but I do not think that there is anything we can do other than try and hold those supplies of livestock off the market, so in fact the price has some stability, and that appears, I think, to be happening at this particular time.

**MR. FOX:** In view of the fact that the Conservative Party has expressed belief in the free market system, can the Minister indicate how he is going to control that free market should the situation change and the cattle start flowing into the packers?

**MR. DOWNEY:** Firstly, Mr. Speaker, the member is bringing up a hypothetical case, and I think, secondly, there hasn't been any mechanism proven to date, that I know of, in any controlled marketing system, that would control the weather; and if he has such a system available, then I think he should let us know what it is. But I think all people have to work collectively to not see that hardship befalls another one of the individuals, because, I think, the total agricultural community and the processing industry understand that it takes a cow to have a calf and if you do not maintain your basic breeding herd, then the long-term effects to the consumers and the producers and the total economy is not good, and I think that everyone has to keep that in mind.

**MR. FOX:** Yes, Mr. Speaker, since the Minister has expressed a concern in respect to exploitation, I would like to ask him, what specifically is he doing except monitoring and hoping that everything will turn out all right?

**MR. DOWNEY:** Mr. Speaker, I went over that earlier, but I will do it again: That we are providing feed assistance and freight assistance; we are identifying and moving in . . .

**MR. SPEAKER:** Order, order please. The answer is repetitive. The Honourable Member for Rossmere.

**MR. VIC SCHROEDER:** Thank you, Mr. Speaker, a question to the Minister of Finance. In view of the fact that there's been a considerable amount of testing going on for the last 15 years in the government-owned potash fields up at St. Lazare, Manitoba, could he advise the House as to whether the government obtained an appraisal from a qualified appraiser as to the fair market value of our potash lands before entering to the agreement they did enter into with IMC?

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

**MR. CRAIK:** Well, Mr. Speaker, naturally the world prices and so on are well known for the product and that basic information led us to the conclusion that it was a favourable direction to move in at this particular time, and any further analysis will await the

work of the consultants that we've engaged to look and examine and monitor, as well as participate in the development of the feasibility study. The decision on a final mine will be taken after that feasibility study is available to the government.

**MR. SCHROEDER:** Thank you, Mr. Speaker. In view of the fact that in return for 2 million worth of exploration the government has given up its right to 75 percent of its potash, I am wondering how the government arrived at that value and, if there was no appraisal done, I would like the Minister to advise as to how they came up with the figure of 75 percent, as opposed to any other percentage figure; and as well could he advise as to whether, if IMC does not develop that field, whether the information obtained by IMC will be available as a right to the government?

**MR. CRAIK:** Mr. Speaker, the member's analysis couldn't be more wrong. The government doesn't own 100 percent of the potash rights in that area. In the one area that looks like the most likely area, the government owns about 44 percent of the potash rights. There is one other single holder that owns about 40-50 percent, and there is a sprinkling of small holders. So the government hasn't given up, so to speak, 75 percent of its mineral rights to retain 25 percent. They never did own them. They own less than half of the mineral rights in that total area. The member has said this before and I don't know where he digs up this nonsense but that's the picture.

Look at it from the other point of view: The other party that holds 40-50 percent, he's going to have to give up all of his rights if this thing is going to work, so he's going to have to come up with a royalty. Now in addition to that, let the member be aware, in case he isn't, that he's talking about 25 percent equity, and we're talking about, the government is talking about 25 percent equity in an operating company. We still own whatever percentage of the mineral rights are there in that total area from which the people of Manitoba collect a royalty. And if the company is profitable . . .

**MR. SPEAKER:** Order, order please. I believe we are having a debate now rather than a question and answer period. The honourable member with a final supplementary.

**MR. SCHROEDER:** Thank you, Mr. Speaker. I might indicate that I wasn't talking about other people's potash rights, I'm talking about the government's potash rights, whether they are 40 or 50 percent. Of those potash rights, is the Minister now saying that IMC will not be entitled to a 75 percent interest in the government's potash rights? That is, is IMC not entitled to a lease of the government's potash rights?

**MR. CRAIK:** No, not the royalties, Mr. Speaker. I mean, the member can disabuse him of that immediately if that's what's bothering him.

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

**MR. WALDING:** Mr. Speaker, my question is to the Minister reporting for the Environment. A couple of days ago he took as notice a question regarding radioactivity in volcanic dust. Is he now in a position to report to the House?

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

**HON. WARNER H. JORGENSON (Morris):** Mr. Speaker, the question was whether or not my department were testing for radioactive material as a result of the volcanic ash that was over the province. I can tell him that we haven't done such testing but such testing has been done in the United States in the state of Montana. We are in touch with those people and we have taken their word for it that it contains no radioactive dust.

**MR. WALDING:** A supplementary question, Mr. Speaker. I would like to ask the Minister whether he has been in touch with Atomic Energy at Pinawa, who have also done some testing and have determined that the dust was in fact radioactive and that it raised the level of natural radioactivity in the air by a factor of ten times?

**MR. SPEAKER:** Order please. The time for question period having expired, we'll proceed with . . . The Honourable Minister of Labour.

**HON. KEN MacMASTER (Thompson):** Yes, Mr. Speaker, I would like to correct a word on page 3401 of Hansard, Thursday, May 8, 1980. In fact the words I used were, I do happen to believe, and the word in the Hansard says, I don't.

**MR. SPEAKER:** Those corrections will be noted.

### ORDERS OF THE DAY

**MR. SPEAKER:** We are under Orders of the Day.

### SPEAKER'S RULING

**MR. SPEAKER:** Last evening there was a point of order raised and, after listening to the advice of numerous members of the Chamber, I have looked the matter over and I find that we do have in our rules governing the Budget Debate, a rather unique system that doesn't . . . Our Budget Debate is different than that in every other Legislature in Canada. So in trying to get advice from other Speakers in other jurisdictions, we found that it didn't really apply because of different criteria. I would hope that the Rules Committee will take a look at some of the unique features of our Budget Debate rules with a possibility of maybe making some refinements at the next Rules Committee meeting.

However, in the meantime, I have looked at our rules, and our Rule 33 (2) makes it fairly clear that a person may, on specific occasions, be entitled to speak for longer than 40 minutes. The fact that the Leader of the recognized opposition party did not advise me in advance seems rather insignificant. The member when he rose did indicate that he was speaking on behalf of his party and at that particular time there was no objection, therefore the points of order that had been raised for quite a period of time,

I find that the point of order raised was actually not a point of order.

### BUDGET DEBATE

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

**MR. USKIW:** Thank you, Mr. Speaker. I had no doubt about our position being correct on that particular issue yesterday, Mr. Speaker, and I appreciate the fact that you have taken great pains to study the matter and to report back in the way that you have. I would like to first of all point out though, Mr. Speaker, that it had not been my intention to usurp all of the time left in the Budget Debate. I would like to also make the observation, Mr. Speaker, that about an hour of my time was lost yesterday because of points of order, and therefore the logistics of that probably has to be at the expense at whoever is going to respond after I am through. So that is not of my making, but whatever occurs is of the making of my friends opposite. Mr. Speaker, it is indeed unfortunate that members opposite were making unwarranted assumptions as to the intentions of myself and our group on this side with respect to the time that we would use up in the course of my remarks. Mr. Speaker, I hope that there will be some opportunity for whoever wants to respond from the other side sometime before our time limit this morning or this afternoon.

Mr. Speaker, yesterday I delved into the question of whether or not we are going to be faced with a much larger deficit than what has been projected by the Minister of Finance, because of the very unusual circumstances that we find ourselves in climatically in this province, and having to do with the fact that there are going to be huge sums of money expended, it appears, on forest fire protection, resource protection. But certainly, Mr. Speaker, unless this government is completely negligent, there likely will be huge sums of money, tens of millions of dollars spent or allocated for drought relief victims in Manitoba, namely the people in rural Manitoba. And I include in that category, Mr. Speaker, most likely assistance will be required for rural businessmen, who are going to feel the pinch just as much as do the farmers of Manitoba, because the negative economic spinoffs of this kind of disaster will have the same impact on that group of people, Mr. Speaker.

The Minister of Finance didn't say that he was going to introduce during this session further supplementary estimates to deal with that problem, but he did qualify that, Mr. Speaker, by pointing out, you know, we will know better in a week or two. That seems to be the sort of time-frame in his mind, and I suppose it is logical, Mr. Speaker, although we recognize that to date there has been extensive damage done to the pastures and to the development of our hay production this year, which has not yet been quantified, but I would hazard a guess there are tens of millions of dollars of damage already, at least that much has occurred to date, and I really can't presume to know the figures.

I know that when we were discussing the question of the drought in the estimates of the Department of Agriculture last week, the Minister of Agriculture was



quite casual and passive about it. He did not have any information at that time to be able to quantify for the Committee just what kind of dollars that we are going to be looking at in terms of compensation programs, relief programs, just how much shortfall of feed supplies we are going to be faced with and so on, but that he was only then considering or putting together some people in his department to do a survey to determine just what the impact is on our farm community.

Mr. Speaker, that is over a week ago, and I am sure that the Minister of Agriculture probably has come up with some figures, but for purposes of debate I suppose the Minister doesn't want to put himself out on the limb, that is, he does not wish to identify, for the benefit of debate, the kinds of dollars that we are going to be looking at in terms of this crisis. I don't know whether the Minister of Finance was in the House last night when I made reference to the fact that in 1977, Mr. Speaker, the then Leader of the Opposition, who is now the Premier, indicated that we were irresponsible for not having included in our estimates, in our budget, expenditures for the then apparent drought situation, and that speech was given to this House in April, Mr. Speaker. You know, in April one is somewhat presumptuous when one talks about disaster vis-a-vis the drought conditions. April is still early in the spring season, Mr. Speaker, and you know, the Leader of the Opposition at that time was stretching the point when he said that our estimates should have reflected expenditures and the budget should have reflected a greater deficit to take account of the possibility of drought conditions in 1977.

Mr. Speaker, this is now almost June, it is now almost June, two months later, beyond the date that one could have used if one was to follow the example of 1977 on the part of our Leader of the Opposition at that time, and it is obvious that the situation is extremely critical. It is also obvious that the government has so far not developed its program with respect to what it intends to do, and therefore is not in a position to indicate to the Assembly just what kind of dollar requirements are going to have to be provided in order to meet that contingency.

Mr. Speaker, that indicates to me, that even if the Minister of Finance fully appreciates, and I think he does, the magnitude of that problem, that he doesn't wish to admit to it at this stage, because he recognizes that it is a problem for him in this debate not having provided for it in his budget, and that is really the sub-total of it.

Mr. Speaker, the 139 million of deficit that he alleges or assumes or believes that he might have by the end of this fiscal year could very well be 225 million or 250 million, or it could be 300 million, I don't know. I don't think anyone can be precise about that, other than to say that it will logically have to be substantially increased if we are going to deal with the problem at hand.

Now what is surprising in that connection, Mr. Speaker, is the fact that this is not new. The governments of this province, and all provinces in Canada, have had to deal with these kinds of problems many times before. When we were in government on this side, Mr. Speaker, we had to deal with them, either flood problems or drought problems, things of that nature, from time to time,

and because of the frequency of those kinds of problems during that eight-year period, we managed to develop some basis of understanding with the government of Canada on cost-sharing of these expenditures.

There was a formula — and I don't know where the formula is today, whether it's still in existence; we've had some changes in government, I appreciate that — but in terms of changes in government we are back to status quo ante in that the formula that was drafted between our government and the government of Canada, we find that that same government is back in office and therefore the logical process of thought would conclude that they would be amenable to reinstating or continuing with that formula, or some improved formula.

In that formula I believe there was a threshold figure wherein the province would assume responsibility for the first part of the expenditures — and I believe it was something in the order of 1 million, if I'm not mistaken, and I may be out, Mr. Speaker — but there was a threshold figure beyond which the federal government would participate, and the larger the expenditure, the larger percentage share was absorbed by the government of Canada. Because of that history, Mr. Speaker, I am somewhat bewildered as to why the Minister is non-responsive to the question; because it was there, the precedence had been set, I don't believe there was any change of attitude in Ottawa. I believe, if anything, they might be more willing to deal or to assist in this problem than they were in the past, Mr. Speaker. Somehow it seems to me that at this stage, nearing the month of June, that there could have been much more precise information brought to this Assembly and for the purposes of this debate.

## INTRODUCTION OF GUESTS

**MR. SPEAKER:** Order please. I wonder if I can interrupt at this time to introduce to the honourable members 75 students of Grade 6 standing, from West Park School under the direction of Mr. Ken Doell. This school is in the constituency of the Honourable Member for Rhineland. On behalf of all the honourable members, we welcome you here this morning.

## BUDGET DEBATE CONT'D

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

**MR. USKIW:** Mr. Speaker, last night we were discussing, at some length, the question of interest rates, inflation and the relationship, and I wanted to — but it was an oversight on my part — to make reference to an article in the Winnipeg Free Press on the 22nd of this month. It's an article by John S. McCallum, a person I think, known to members opposite fairly well. This particular gentleman suggests that — he's dealing with the influences on interest rates, and what he's suggesting here is that the American recession is going to play a major part with respect to interest rates and overall economic conditions in North America, and that whatever happens in the United States is going to happen in Canada, because of the fact that we're so

interrelated economically; that there's no logic in assuming that somehow Canadians can isolate themselves from what happens to the American economy.

He goes on to say, Mr. Speaker, that what's going to happen to you as rates in the near future, a number of factors are at play, and I'm quoting from this article, Mr. Speaker. It says: Downward pressure will come from the steadily deepening recession and from the fact that in 1980 is a presidential election year. He combines those two factors as being very relevant with respect to what happens with interest rates and with respect to the question of their deepening recession. The U.S. securities markets have historically tended to do better than average in presidential election years, and this implies lower than average interest rates. As for the recession, it's likely to be particularly severe.

Now I thought, Mr. Speaker, that that might be worthwhile in mentioning for the benefit of the Minister of Finance, because we're talking about the economic performance and we're talking about the size of his projected deficit. It seems to me, according to this article, that we are going to face more severe circumstances than were anticipated, in terms of a recession. Mr. Speaker, I think it's true that we follow the American recession pattern somewhat behind — I believe if you look at past history, you find that the manufacturing areas of eastern Canada are the first ones to sort of receive the brunt of an American downturn and that we follow somewhat behind Ontario and Quebec in that respect — but it's something in the order of two quarters behind what takes place in the United States. So it seems to me, Mr. Speaker, that there is very little room for optimism for this Minister, and indeed for the people of Manitoba, despite the fact that the Minister is attempting to grandstand his way out of his dilemma by trying to convince the people of Manitoba that — we've had this bad government for a few years and it's taken them so long to get things in order and now things are going to be improving — he is in a position of only providing hope and promise, and that is all he has to go on, Mr. Speaker.

Mr. Speaker, this same person in this article alleges that inflation factors are very much related these days to oil price changes. It says: The situation is this, if Canadian inflation heats up, and that's not out of the question given the absolutely astonishing federal deficit — and here he deals with the deficit as being an inflation factor — and the fact our oil prices are at half the world level, if then the result could be significantly higher rates than we have right now. So, Mr. Speaker, he is suggesting very clearly, that because we are pricing our oil at half the world market price, that it is inevitable that we are going to have an oil price increase inflation on the economy. I want to deal with that at greater length later on in my comments, Mr. Speaker.

Mr. Speaker, with respect to the Minister's pride in the statistics that he uses with respect to the mining industry of Manitoba, I think it's worth noting that the effects of his new mining policy can be seen quite clearly in the fact that, Mr. Speaker, if you take the chart of Economic Statistics Manitoba, which is appended to his budget, for the purpose of rough calculation; if you reduce the value of mineral

production by the increase in Manitoba's Consumer Price Index, you find that in 1976 dollars, that we have not done as well in mining in 1979 as we were doing in 1976 and into 1977.

Just to give you an illustration, Mr. Speaker, in 1976, the value of our mining was some 515 million. In 1977 it went up to 525.9; we are talking now constant dollars. In 1978, it dropped to 399.2 and in 1979 it is at 469.1 million. It is still 12.1 percent below the value of production in 1977, and that is despite the effects of dollar devaluation and major increases in the price of minerals, Mr. Speaker. So the Minister can take very little comfort from the fact that the dollar figures may be up, but if you look at constant dollars, if you look at the fact that we are really dealing with inflation factors, we find that our performance is not great at all, even in that particular sector, even though it appears to be improving at the present time.

The Minister also from time and time, and in his Budget Address, talks about the fact that the bottom line is what counts. Mr. Speaker, I make mention of that, because that is the bottom line. You know, you cannot talk in terms of dollars unless you talk in terms of dollars minus inflation factor if you are going to use comparison tables. You have to talk in terms of constant dollars. So the bottom line is what I have just read with respect to the mining industry in Manitoba.

With respect to another area, Mr. Speaker, I think that we must recognize that that same argument applies, the bottom line argument applies. We want to now take a look at the average weekly wages and salaries adjusted in constant 1976 dollars as an illustration. I think the same argument applies again. In 1976 the average weekly wages and salaries were 208.50; in 1977 they were 209.50; in 1978 they dropped to 204.60 — I believe a true reflection of the philosophy of my friends opposite, Mr. Speaker. In 1979 they dropped to 202.40, so we have had a very steady erosion of weekly wages and salaries in Manitoba in terms of constant dollars, Mr. Speaker. I think this is the real measure that we have to use if we want to know what our performance is and how it is having its impact on the average Manitoban.

The Minister talks about deficits. What he has failed to recognize is that this represents a deficit in earning power and therefore in purchasing power to the vast majority of Manitobans, something that he does not like to allude to in his Budget Address, Mr. Speaker.

Mr. Speaker, Manitoba had the lowest average manufacturing wage in Canada — the kind of statistic that you wouldn't find in the Minister's Budget Address, but that in fact is the case. Manitoba had the lowest average manufacturing wage in Canada, something that I think we ought to be dealing with, but this government ideologically is committed not to decent wages, but it is committed to welfare, institutionalized welfare programs, to supplement very low, very poor wages, which is their policy, Mr. Speaker. They still believe that if you can keep wages down, that is a healthy thing for business.

Mr. Speaker, I don't think that you have to have a degree in economics to recognize a prosperous community from a non-prosperous community. Mr. Speaker, I am sure that you in your travels can very

quickly, very readily distinguish between a community that is doing well and a community that is on the poverty line. We have examples of those in Manitoba, and indeed in all parts of Canada, where you have a heavy low wage industry situation, where they are the prominent group in a community, you can readily see that reflected in the kind of buildings that you see on the main streets, the shops that you visit, the houses in the community. And, Mr. Speaker, if you go to the next community, which has a fairly decent mixed economy, to say the least, where we have high wage earners and some low wage earners, you see quite a different picture. Then if you move to a third community that is strictly high salaried or high wage industry, you know, something in the area of the trades, then you see a totally different picture again. You can see the affluence in that community and everyone is better off for it.

So the philosophy that wages should be held down, the philosophy of this government, Mr. Speaker, is not good economic sense, because there is no power to tax wages that are not sufficient to provide bread on the table. There is no revenue to be gained from that group in our productive system, and so the remaining group has to make up the difference. It becomes a drain on those that are doing better, Mr. Speaker, and we end up transfers of wealth from one community to another, from one group in society to another, and it is a dramatic drain on the whole economic system, and to the extent that we have more equity in wages, Mr. Speaker, the better off the total community is. I don't mind taking a moment out, Mr. Speaker, to point out that there was not too much wrong with our former Premier's notion that there ought to be some balance between the lowest paid wage earner and the highest paid wage earner or income earner in Manitoba or anywhere, that there ought to be some relationship that is reasonable, if there is such a thing, Mr. Speaker, that you ought not to allow the income gap to spread. This is something that has not been acceptable to members opposite. As a matter of fact they made a lot of fun out of that kind of comment, because they thought it was too much a hangup of socialist ideology at that time. Mr. Speaker, the Minister is going to, and I am sure he recognizes it, he is going to, and he does, feel the shortcomings of his philosophy through the fact that there are tens of thousands of Manitobans who are not earning a decent living through their work, Mr. Speaker, because of the wage policies of this government. Not only have they maintained low wages across the board, but we witnessed the spectacle of a reduction in wages by government action, and that is by taking out sectors of our economy out of the minimum wage regulations, which took place about one and one-half years ago, Mr. Speaker. We actually witnessed a reduction in wages.

Mr. Speaker, if you want to elaborate on that issue a little further, you find, Mr. Speaker, that this Minister believes, and the Minister for Economic Development believes, that the way to create jobs in Manitoba is to allow employers the privilege of hiring people for 1.40 or 1.50 an hour. In this day and age, Mr. Speaker, that is their mentality, that somehow we have got to bring the costs of labour down to less than 1.50 an hour in order to improve our

employment statistics, Mr. Speaker. That's been their whole exercise last year, in order to deal with their unemployment problem. Yes, 1.50 an hour in this day and age — Mr. Speaker, some children do better than that on their allowances from their parents. Yes, and that is the level that we have come down to in less than two years of Tory administration in Manitoba. Mr. Speaker, this is an example of a throw back attitude dating back many many decades.

I really am reminded and I really was quite young at the time when it occurred; when we had a similar ideology at work in the Government of Canada under R. B. Bennett. I know that at that stage, Mr. Speaker, that I was a very little guy. I have fairly vivid recollections of the experience the latter part of the 30s. But, Mr. Speaker, the R. B. Bennett government decided that he were going to deal with the crisis of unemployment and relief that was required by the masses was by giving employers 10 for every person that they would hire. Some employers passed on the 10 as a wage package to the employees that they hired, but many employers kept 5 and paid 5 to their employees — typical Tory economics, Mr. Speaker. And this Minister is doing exactly the same thing through their special employment programs. He is saying, we will give you 1.50 if you will put up 1.50. It is no different than the 30s, Mr. Speaker. I suppose they've done well in reading their history books. Perhaps they haven't gone beyond the history of Conservative Parties though, because they haven't changed their spots one bit in 40 years, Mr. Speaker.

Yes, it's a throw back to 1930, the philosophy of this government with respect to wages; with respect to the right of individuals to expect proper compensation for their services and for their work effort. How in hell, Mr. Speaker, can anyone be motivated into work activities with that kind of attitude and with that kind of philosophy? It's absurd. To motivate people into a minimum wage job — it's no wonder that people cop out in society and say the hell with it, I might as well apply for social allowances. That's the gist of it, Mr. Speaker. And so because of that attitude we end up with greater transfers of wealth from the more affluent parts of society to that particular group because they throw their hands up and say, the hell with it, we're not going to work for nothing. I believe that is indeed tragic, Mr. Speaker, because I believe that minimum standards, at least the government has a responsibility to maintain decent minimum standards of employment, and decent minimum standards of pay.

We witnessed the same kind of thing, Mr. Speaker, and I want to give you that example, at the Great Falls Overhaul Program; the overhaul of the Great Falls Hydro Plant. Mr. Speaker, we have a Construction Wages Act and we have regulations that determine the level of pay in different categories under the Construction Wages Act. But there is room for discretion, Mr. Speaker, in that connection, and this government has used that elasticity to downplay the wage scales of those workers who are overhauling one of Manitoba Hydro's plants. Yes, not nonsense, Mr. Speaker, not nonsense, that is exactly what is taking place. The Minister of Finance is accepting the idea that people that should be earning 7 or 8 an hour are now earning 4, or 5, or 6.00. Yes, he is accepting that as very reasonable,

and it's one of our key Crown corporations, Mr. Speaker, that is paying the bill.

Yes, the Minister says, well, but it's a private contractor doing the job; of course it is. But, Mr. Speaker, they are bending the rule of the construction wages legislation in that example. They may not be breaking it only because of the discretionary influence of the government, Mr. Speaker. Yes, the Minister of Labour, the Minister of Finance, the Minister of Economic Development, Mr. Speaker, I suggest to you that that example is a huge windfall to the construction company undertaking the project. Oh yes, I believe it is a transfer of wealth from the workers on that project to the company that succeeded in the tender process for that project. That's what is taking place, and that continues to — I can go into reams of examples where that kind of thing is happening, Mr. Speaker, because of the fact that the business community has the impression that this government prefers to play down the importance of a reasonable and just pay for a day's work.

Mr. Speaker, after allowing for inflation, real capital investment in Manitoba has not increased at all over the last two years, and again I am following in the same trend of thought as I did with the other examples, that if you take the inflation factor out we are not progressing one iota. We have no new capital investment outside of inflation. And what are the reasons, Mr. Speaker? The reasons are that the government has drastically slashed the public input part of investment over the last two years. That is one of the reasons. The second reason, Mr. Speaker, is that the government's reliance on the private sector to make up the difference was not a reliance that was well founded, because we find that the private sector has failed to offset the decline in public investment spending.

Now, Mr. Speaker, the Minister talks about some silver linings but, Mr. Speaker, if there are silver linings in our economy it has nothing to do with the performance of this government, because if you look at the statistics you find that the key factors in improvement had to do with devaluation of the Canadian dollar; has to do with high mineral prices of late; and has to do with, up until recently in some commodities, a fairly reasonable agricultural situation in the last couple of years. None of these relate to Conservative government policies but rather external factors that have had beneficial impact on Manitoba's economy, albeit very small.

Now, Mr. Speaker, the Minister of Finance cannot talk about the health of Manitoba's economy without explaining to us just how he rationalizes the fact that the perception of Manitobans is that there is something wrong in this province. The perception of Canadians, Mr. Speaker, is that there is something wrong in this province. Yes, Mr. Speaker, I have opportunity to discuss matters with people from a number of provinces and the key question, is what is happening in Manitoba, what's wrong; that is the key question. And why is it a key question, Mr. Speaker? Because these people have come face to face with what is taking place, Mr. Speaker. They have recognized that Manitobans have decided to make a move and to look for their opportunities elsewhere in Canada.

And you know, no better time can that be demonstrated, Mr. Speaker, than during the Christmas holidays; during the Easter holidays — oh, yes, in this city of ours, Mr. Speaker, in the town of Selkirk where I have my particular involvement in the business community, you will notice, Mr. Speaker, during the periods of long weekends or holiday periods, a lot of Saskatchewan and Alberta licence plates around town. —(Interjection)— Yes, that's right, that's what you notice, but you know who they represent, Mr. Speaker? They represent former Manitobans who have taken their jobs in those two provinces and have come back home for a visit. Yes, that is essentially what we recognize, Mr. Speaker.

Mr. Speaker, that is self-revealing. I have never seen so many out-of-province licence plates during these holiday periods as I have in the last year, Mr. Speaker. Now, Mr. Speaker, the Minister has not explained to us why it is, in his view at least, that Manitoba has a net outmigration problem of some 5,000 people. He has not dealt with that. He has tried to sort of sidestep that issue. But it has to be an issue, Mr. Speaker, because it is the only province that is in that position, and it is a Conservative government that governs this province.

Mr. Speaker, in the mid-60s we had a Conservative government and we had the same problem. Is it coincidental, or has it to do with government philosophy? Has it to do with the government's withdrawal from the economy in Manitoba and its total dependence on the private sector? Mr. Speaker it has to do with the policies of the government, because to the extent that you withdraw what was normal terms of public infusion of capital for worthy projects, when you withdraw those sums of dollars, you have to have impact in many many forms, and one of the impact situations has to be that these people who were employed have to look elsewhere for their employment, and the statistics bear that out.

Now, Mr. Speaker, who is on the move? You talk to the trades union people, you talk to the boiler makers or the pipe fitters or whoever you want to talk to in the trades. They say, you know, we don't have many members left. Yes, that's a common thing in the union hall. Most of our members have moved out of the province. That's what they tell you. —(Interjection)— Oh, yes. Well, Mr. Speaker, I don't know whether we're losing the NDP vote. I think that these policies of this government are replacing those votes in abundance, Mr. Speaker. I don't think members opposite should take comfort from the fact that trade union people find that the climate in Manitoba is such that they have to move on, and that in some way will reflect to their advantage politically. No, Mr. Speaker, the contrary is true. The fact is that the lack of performance in this province is going to make many more New Democrats in the next election, Mr. Speaker.

Let's examine that, for an example, Mr. Speaker, just how labour should view the performance of this government and the economy of this province. In October '77, we have a labour force of 461,000. In April 1980, we have 479,000, which is an 18,000 increase which is a 3.9 percent increase. On a seasonally adjusted basis, Mr. Speaker, it's a 5.9 percent increase with 27,000 in the overall increase. Employed in 1977, 440,000. In April of 1980,

448,000, which is an increase of 8,000 or 1.8 percent. Seasonally adjusted, Mr. Speaker, with 434,000 in '77, 459,000 in 1980, an increase of 25,000 and percentage increase of 5.8. Unemployed, Mr. Speaker, 22,000 in 1977, 31,000 in 1980, to is an increase of 9,000 which is a 41 percent increase in the unemployed. Seasonally adjusted, Mr. Speaker, we have 27,000 in 1977, 29,000 in 1980, an increase of 2,000, which is a 7.4 percent shift.

The unemployment rate, Mr. Speaker, 4.7 in 1977, 6.4 in 1980, an increase of 1.7. That's a 36 percent increase, Mr. Speaker. On a seasonally adjusted basis, you have October '77, 5.9, and in April '80, the same figure. So, Mr. Speaker, the labour force has grown by 18,000 persons; 8,000 jobs have been actually created over that period to the 1.8 percent rate of increase. So 10,000 Manitobans are still lacking job opportunities and are on unemployment rolls or, Mr. Speaker, I guess they're that group that are looking at some other jurisdiction.

The number of the unemployed has increased by 41 percent, 9,000 people. That's a lot of people, Mr. Speaker. Unemployment rate 36 percent. Mr. Speaker, that is a tremendous increase in unemployment rates. So these are the indices that are important, Mr. Speaker, to members on this side of the House and indeed to many Manitobans who feel very much concerned about what is happening.

The Conference Board, Mr. Speaker, had something to say about that. They talked about unemployment rate forecasting for 1980 at 5.4 percent, which is about the same as it was in 1979. After a staggering 6.5 percent unemployment rate in 1978, Mr. Speaker, one has to — and it was staggering at that rate, Mr. Speaker — one has to recognize that if it was not for the exodus of many of our skilled people out of Manitoba, that we would have had an actual unemployment rate of about 7.5 percent, that's what it works out to. So the Minister cannot take comfort from the fact that yes, the unemployment rates are still manageable because he cannot ignore the fact that out-migration is the sole element that is helping him keep those statistics within, what he considers to be, reasonable levels.

In terms of labour force, the Conference Board says the following: After a growth rate of 3.2 percent in 1978 and 1.6 percent in 1979, the Conference Board expects Manitoba labour force to grow by only 1.2 percent in 1980, out-migration the main cause of this slow growth again. So we're dealing with out-migration again, Mr. Speaker.

The inflation factor is projected to run at about 8.3 percent. So we find that if we talk in terms of 9 or 10 percent adjustments in wages and an 8.3 percent factor in inflation, that we're really not talking about any major adjustments. Mr. Speaker, there are further inflation pushes, if you like, or an inflation thrust introduced by the Minister of Finance. I suppose that every increase in taxation can be described as such and I don't want to mean by that that I would not agree with taxation measures from time to time, but I would want to point out, Mr. Speaker, that this particular government's choice of how to raise new revenues leaves much to be desired.

First of all, Mr. Speaker, they have decided to raise the tax on cigarettes. —(Interjection)— Yes. Well, the Member for Minnedosa says, hear, hear,

we've got to hit the smokers. Well, that's here nor there. I'm not saying that we shouldn't, but what bothers me in this whole scenario, Mr. Speaker, is the fact that apparently cigars are exempt. So the people with the top hats, they can have their smokes at the old price, but for the common working guy in the factory or the secretary in the office, they have to pay a little more. That's another example of Tory philosophy at work, Mr. Speaker. —(Interjection)— Yes, the cigar smokers get a break, Mr. Speaker, the cigar smokers get a break but the cigarette smokers have to pay five cents more and that's going to raise several millions of dollars for the Minister of Finance in a fiscal year. It's a very interesting nuance, Mr. Speaker, but it's there, it is there.

Mr. Speaker, in this budget they have introduced a major increase in taxation and they haven't issued a press release stating that they are increasing taxes in a major way. Yes, this government has introduced a major increase in taxation on the people of this province without saying so. Mr. Speaker, you find that in the change of method of applying the tax on gasoline. That is the sleeper of this Minister's budget; that is the hidden element; that is the con game, Mr. Speaker, that he is perpetrating on the people of Manitoba. —(Interjection)— No, it's greater than that, Mr. Speaker — well I don't know if it's greater, I think it's the same thing. This Minister, Mr. Speaker, is going to move the tax on a gallon of gas this year from about 19 cents a gallon to 23 by the end of the year. That, Mr. Speaker, is a major tax increase and a major new revenue factor for this government, which is not reflected in his budget. He has no item, no figure that would indicate how much new revenue he expects from this measure. Now, Mr. Speaker, what are we really dealing with, with this new system of taxing gasoline? We are dealing with the Crosbie budget, Mr. Speaker.

The Crosbie budget was one that suggested that Canadians should pay 18 cents a gallon more excise tax on their gasoline, on their fuel, Mr. Speaker. It was the main reason why the Clark government was defeated, the main reason. Yes. This government is adopting that program, Mr. Speaker, but they are a little cute, they're a bit cute with their approach. They are saying, we're going to do it but we won't do it at 18 cents a shot. We're going to sneak it in by the fact that every time there's an oil price increase we won't have to announce that there is a tax increase, we will build it in by going to the percentage system of levying taxation, Mr. Speaker. Every time there's a price adjustment at the gasoline pumps, this Minister hopes that the people of Manitoba will say, those darned oil companies are pushing the price up again. But, Mr. Speaker, he is going to get his 20 percent. He's inflating the economy in terms of the impact that gasoline costs or fuel costs are going to have on it, by 20 percent, Mr. Speaker.

Mr. Speaker, Paul Hellyer used to be a Conservative — I guess he still is — indicates that the oil price push is a major inflation factor. This government says that we've got to deal with inflation as our No. 1 problem but they're adding 20 percent on top of escalating oil prices every time there's an oil price change. Mr. Speaker, by the fourth year — not this government because by that time it'll be a different government — but by the fourth year that

tax increase is going to result in somewhere in the order of between 50 million and 60 million of additional revenue to the province of Manitoba. That is a very significant new tax, Mr. Speaker, and this Minister has tried to duck the issue by simply saying we're going to change the method of taxation on gasoline. Mr. Speaker, that is what he is doing in an effort to try to raise new sums of money in a way that perhaps may not be noticeable by the general public.

But, Mr. Speaker, there is a greater problem at stake, yes, there is a greater problem at stake. The First Minister, at a Federal-Provincial Conference, at the Lethbridge Conference says, yes, we've got to push up oil prices for conservation needs, for the fact that we need to be self-sufficient. By 1990 we've got to put all this money into the oil companies because they have to provide us with new supplies, consistent supplies of oil into the future. Mr. Speaker, the reason he's pushing for higher oil prices for Canadians is because he knew he was going to put on a tax on every oil price increase and that would give him huge windfall benefits every time there's a major change in the wellhead price. That's what it's all about, Mr. Speaker. Yes. — (Interjection)— While the Member for Minnedosa says, it's nonsense, read the speech, it's in your budget book, Mr. Speaker. I don't think I have to quote from it but they were bold enough to include the Premier's comments in this particular document on the whole question of what to do with energy. That is really what's at stake here, Mr. Speaker.

Now, I don't expect friends opposite to adopt a different ideology but my own position, on that whole oil question, Mr. Speaker, is that any self-respecting society should no longer accept the cartel manoeuvres of the oil industry in Canada. We should not be subject to the wishes and whims and manipulations of the oil cartel any longer. That is my position, Mr. Speaker. I believe that the way to handle this issue is not by catering to their demands for more revenue but maybe, Mr. Speaker, we should be looking at whether oil shouldn't become something like a public utility for Canadians, something similar to Manitoba Hydro or Manitoba Telephones. Yes, that's the No. 1 position that we should be advocating, Mr. Speaker, that oil should be for the general good and well-being of all Canadians no matter where it is found because energy, Mr. Speaker, is a very important part of our economic system and it's going to play a crucial part in how different regions in this country develop. It seems to me that it's high time, especially the province of Manitoba should take the position that oil should be governed by the people of Canada for the people of Canada and should be taken out of the realm of the oil cartel of the world. That's my No. 1 position.

Mr. Speaker, I don't expect members opposite to do that. I don't expect members opposite to do that. But, Mr. Speaker, the least I would have expected them to do was to insist that the oil goes back into the equalization formula; yes, that oil revenues should be back in the equalization formula so that if, despite our wishes, the international oil cartel continues to increase its prices, continues to exploit the people of Canada, that at least equalization will bring us some revenue back to a redistribution

process and that's a minimum that I would have expected from members opposite.

Mr. Speaker, that brings me to a related point and that is that the Premier of this province, the government of this province has chosen, for whatever reason I don't know, has chosen to align itself with the Premier of Alberta on the question of provincialism versus federalism. Mr. Speaker, if you want to rip a country apart all you have to do is keep insisting that we have more provincialism. Yes, that we deflate the authority and the fiscal capacity of the government of Canada and install more authority and fiscal capacity in each province. That argument, Mr. Speaker, if it wins, will be to the detriment of this province. I don't know, I can't understand, Mr. Speaker, why this government is lining up with that position — being the poorer sister of the western provinces — I can't understand why they are lining up with that position because this government projects in this budget, Mr. Speaker, some 317 million of revenue through equalization payments. What are equalization payments? There are many ways you can look at equalization payments. Some people call them welfare, from the government of Canada to the province of Manitoba. Others call them transfer payments equalizing the wealth amongst Canadian provinces. — (Interjection)— Mr. Speaker, 317 million. Last year, Mr. Speaker, the Minister was fortunate in receiving about 77 million more in equalization payments than had been anticipated, and that helped reduce his deficit. But the Premier is saying, I'm going to throw my lot in with the Premier of Alberta, for whatever reason, because we're part of western Canada. Mr. Speaker, I don't buy that whatever. I think that what we have to do is take a strong position and search for more federalism, yes, more control of the economy through the central government in Ottawa.

Mr. Speaker, we have a problem with that, because we are working against the tide. We have, in the province of Quebec, a strong push for provincialism, for different reasons, but a reason sufficiently good enough for Mr. Lougheed to line up with for his reasons, and the poor provinces get caught in between, the Maritimes and Manitoba. But indeed, Ontario is going to get caught in between on this one, Mr. Speaker, and I just hope that we have a Prime Minister strong enough to stand up to that nonsense, because if they are successful in this connection we will not have a country, Mr. Speaker, we will have a country in very province, some rich ones, some poor ones, and the ability for the central government to transfer wealth is going to shrink further and further, and the poor provinces will become poorer and the rich ones will become richer. — (Interjection)— Yes. Mr. Speaker, that results in absolute and continued poverty for regions of Canada and absolute and continued wealth growth in other regions. You know, it's insanity to witness, in a nation that is called a nation, that we have a Heritage Fund in one province that is as big as half of our national deficit in the last year. — (Interjection)— Well, you know, Mr. Speaker, it's growing by leaps and bounds. It's an embarrassment, in fact, to the Lougheed government as to how fast that fund is building, and every time there is a huge oil price increase, — (Interjection)— Mr. Speaker, the member says would you give away

our hydro. Mr. Speaker, I have no problem whatever in looking at the resource question from a national perspective; no problem whatever, because you cannot have a nation unless you are able to make the necessary adjustments in order to prevent massive regional disparities. —(Interjection)— Yes, that's right. I know it's a principle that is hard for members opposite to accept, because they don't like to do it within the province. It's an ideological hangup, they don't believe in dealing with these questions provincially, so how can they subscribe to them nationally, Mr. Speaker? It's everyone for himself.

Well, Mr. Speaker, I fear the attitude of this government at the next constitutional conference, because if they've thrown their lot in with Premier Lougheed and Premier Lougheed is going to find common purpose with the Quebec government at the conference table — and we don't know where that's going to end up yet, either, Mr. Speaker — I fear for a number of things that benefit the people of Canada, because of our central government, Mr. Speaker.

There is no way, if we had followed this path from the beginning in this nation's history, there is no way, Mr. Speaker, that we would have ever evolved, ever evolved into a national health scheme. I think it's very obvious that could never be possible if we had absolute provincialism.

So Mr. Speaker, we cannot afford our Premier taking the position that we should throw our lot in with those that want provincialism, because Manitoba's interest lie in a strong central government.

Mr. Speaker, I want to take a moment to deal with money management, because this Minister of Finance has tried to propagandize the fact that the former government were bad money managers, that they didn't know how to handle finances, and made an awful lot of bad deals. You know, he made statements that we shouldn't be into the foreign market for our borrowings and so on, an awful lot of rhetoric, none of which is substantiated by their own actions or inactions, Mr. Speaker.

You know, they talked about having to not only not increase the debt, but they talked about reducing the debt. But we find, Mr. Speaker, that in their two years our debt position has moved up very substantially. Very substantially, from 3.9 billion to 4.4 billion, Mr. Speaker. But you know, if you look at new borrowings, the Minister of Finance talks about new borrowings, and that we should stay out of the European market. You know, in 1977-78, we had 2.073 billion Canadian borrowings; in 1979-80, we have 2.259 billion. In U.S. borrowings, Mr. Speaker, in 1977-78, we had 1.237 billion, and that has grown to 1.383 billion, an increase in U.S. borrowings. In Swiss francs, in 1977-78, that's the end of March 1978, we had 359 million of Swiss franc borrowings, and that moved up to 510 million by 1979-80. So Mr. Speaker, what's all that rhetoric coming from the other side about these wise men would stay out of the European market. Well, Mr. Speaker, at the time that decisions are made, no matter which government is in office, you have to look around at the whole picture with respect to interest rates and so on. And you have to try to make a decision based on the best information that you have. And on that

basis, Mr. Speaker, you have to make a judgement. Whatever your expertise is able to provide for you, whatever your, sort of, own intuition dictates to you, you have to conclude that at some stage you decide to borrow money, if you do in Canada, in the United States, in Europe, and so on.

The decisions that were made over a period of years with respect to European borrowings were based on what was considered to be the best and sound advice, Mr. Speaker. But Mr. Speaker, the Minister, in his Budget Address, talked about the fact that some of these borrowings which are coming due are costing us an awful lot of money to retire those loans.

Now, Mr. Speaker, the Minister made specific reference in his Budget Address to a loan, a Swiss loan, made in 1970, and you know, Mr. Speaker, I don't know who is doing his research for him, or his preparation of his speech, but to my knowledge, there was no Swiss loan in 1970, but he alleges there is, in fact, he issued a press release highlighting this Swiss loan that is a problem to him that is coming due this year, I believe it's this year, which was refinanced a year ago.

Mr. Speaker, the truth of the matter is, there was a Swiss loan in 1975, not in 1970, amounting to 100 million Swiss francs, at a rate of 8 1/8 percent, and the loan was 10C, for the benefit of the Minister of Finance, that was the number of that loan. Mr. Speaker, the Minister of Finance talked about mismanagement of funds, and I want to now show him an example of his mismanagement. If he is so brilliant in managing his department, I would hope that he has some response to why he mismanaged this particular transaction, because in this loan, Mr. Speaker, this is a loan that was to mature in June of 1980, the first option to recall this loan was June 1978. Mr. Speaker, the loan was recalled and refinanced in June 1979. —(Interjection)— Yes, the loan in 1978 was available at around 2 percent. And the Minister did not exercise his option which was in the agreement, Mr. Speaker, and as a result of his failure, he turned down a saving of 3.5 million to the people of Manitoba because he did not act on that loan in 1978.

There was a clear opportunity at that time to save the people of Manitoba 3.5 million, or in fact to reduce our debt by 3.5 million, but the Minister chose not to do so. He waited a year later to make that decision, and spent 3.5 million unnecessarily. But Mr. Speaker, he talks down to members on this side because he is the pro in finance and public borrowings, and where to go for capital. Mr. Speaker, if he was such a pro, if he knew that we were going to have such devaluation in currency, why didn't he get into the market two years ago? Even 2 billion to hedge our position against our liabilities that have some period of time to go.

He makes a big point in his Budget Speech about unrealized losses on foreign borrowings of 592 million, unrealized losses. Mr. Speaker, what is an unrealized loss? I would like to know what that is. Mr. Speaker, the loans are not to be repaid until, some of them beyond the year 2,000; a lot of these loans are not to be repaid for another 20 or 25 years; and the Minister calculates, for his presentation, unrealized losses on foreign borrowings of 592 million. Mr. Speaker, it's an expert con game.

Yes, these people know how to put it across. They have bombed out on a number of such exposes over the last few years, they have done so polling and they find that they are in trouble, so they've got to conjure up a new one. Unrealized losses, you know, I've never heard of an unrealized loss. If they said, projected losses to the year 2000, on the assumption that the exchange rates will be as they are today, I could understand it. Yes. If they said, projecting our present exchange rate for the next 25 years, these will be our losses by that time, that I could understand. But then he would be quite a maverick, Mr. Speaker, if he was able to do that. Heavens, I would want him to be Premier. Oh yes. I would want him to give me personal financial advice.

But Mr. Speaker, he says, if the present exchange rate prevails for the next 25 years, we will have these losses. So at the moment they are unrealized losses. They may be realized, he says — he doesn't say, they may — he's trying to convince the people of Manitoba that they are true losses.

Mr. Speaker, they could be gains, it depends on what happens on the exchange rate worldwide over the next period of time, and there is no doubt that if you want to single out one loan, two loans, where you have a negative result, that can be done at any time, Mr. Speaker. That can be done at any time.

So, Mr. Speaker, let's not hear any more nonsensical rhetoric on the question of money management, because this government has a long way to go. One of the questions of money management has to do with money spent for this kind of thing. More help to the people who need it most. Mr. Speaker, I don't know how to define this. I don't see this as an ad explaining to people how they can participate in new programs. You know, they had . . . look at the bold print. We have the Premier's name here, we have the Minister of Finance's name here. Huge print about how nice they are to the people of Manitoba. Now, if you take away the editorial aspects of it, Mr. Speaker, the rest of it is logical. We're into an election campaign with this kind of stuff, paid for by the public purse. This Minister wants to pride himself in money management. —(Interjection)— Yes, this particular document should be paid for by the Conservative Party of Manitoba; this particular bill should be paid for by the Conservative Party of Manitoba.

Now, Mr. Speaker, the tragedy of this is that it's part of the con game, because what they say in here is not true. It's not true. If it were true, I would have expected that the Minister of Finance would have had in his appendix to his budget address a document something like this one. This is dated 1977, Mr. Speaker, and it shows the summary of 1977 Manitoba tax credit benefit for selected taxpayers by gross income. It works down a whole series of income examples and how the Property Tax Credit would be an advantage. Yes, we have tables to show what happens. Mr. Speaker, why don't we have tables in the Minister's appendix to indicate to us the benefits or the lack of benefits or the transfer of benefits or so on? They're not there, only in very general terms, Mr. Speaker. He talks about benefits of 100 more per property owner. They're not there, Mr. Speaker, either.

Mr. Speaker, this Minister has two reasons to call an election before next year, because one of the

reasons is if the people find out after they file their income tax just what the real impact is of his budget, he knows he can't win on that basis, Mr. Speaker. He knows also, the second reason is that he knows that the major depression in the economy is yet to arrive, and he is either going to have a much larger deficit next year in his budget or a huge tax increase. It's one or the other; and there goes all his credibility about good government and good management. So, Mr. Speaker, you have to have an election this year and this is already part of the campaign.

Now let's examine that, Mr. Speaker — tax credits. You know, I think the only you can describe this whole scheme is that it is an illusion, that the proposals are regressive, not progressive. Mr. Speaker, I intend to show to this Minister that about 250,000 tax filers in Manitoba are going to be worse off when they file their income tax returns next January, February and March. About 250,000 Manitobans are going to be worse off with this proposition.

Mr. Speaker, I want to give the Minister some examples of what I'm talking about. I have worked out his particular new package of tax credits into an actual income tax return. I have done five of them, Mr. Speaker. I have here the first example is a person earning 3.75 per hour working a 40-hour work week and he earns 7,760.00. And by changing the calculation from taxable income to the net income line, line 41, which is the proposed new system, we find that pre-reform, before these changes, this taxpayer would have received 480.30 in tax credits, the cost of living and property. Mr. Speaker, we find that after the reform, this taxpayer will receive 478.90, almost as much as he had a year ago, almost as much but not any more and not quite as much. Where is that 100 that he's getting in his extra tax relief, Mr. Speaker, that this Minister is now advertising? 7,760 is his total income and he gets about 1 less out of this program than he was receiving from the old program, and the Minister is talking about 100 increase in benefits. Yes, Mr. Speaker, it's disgusting to say the least.

Let's take a look at another one. This person earns 5.85 per hour in a 40-hour work week. He earns 12,168, and after taking out the deductions that are allowable, we have his net income line at 11,388.00. Well, Mr. Speaker, pre-reform, he received 397.74 but after the reforms he will receive 396.34. Again, about 1 less than he had a year ago; but this Minister says he's going to get 100 more.

I have another example here, Mr. Speaker. This person earns 8.30 per hour, a 40-hour work week. His earnings are 17,282.00. Mr. Speaker, pre-reform this person was entitled to 372.38; post-reform, he drops to 355.88. This is a person who is a single income earner of the family; he has a wife and three children. Yes, he loses on this deal. The majority of suburbia will find themselves in this category, Mr. Speaker. The majority of suburbia will be in this category, and that's where the pockets are being picked by this Minister. He is transferring wealth from the middle-income group, yes, into the very low-income group. Rather than taking the wealth of the province as a whole through other measure to bring about tax relief, he is simply shifting wealth from one group and that is the middle-income group, Mr. Speaker. This is the tradesman, 8.30 an hour; it's



not the elite. This person is going to lose. Instead of getting 372, he's going to have 355 after getting 100 more from this Minister.

Mr. Speaker, I have another example here. We have here the example of a person earning 12,168, but this person has a wife who earns 6,000.00. We find that under pre-reform position, this person — combined income of 17,000, husband and wife working — we find that under the old system their combined rebate was 380.67, and now it will be 325.00. Yes.

Now, Mr. Speaker, let's take a look at anomalous situation. Well, I don't know if it's an anomaly or ideology, I'll let you decide that, but I have put together here a tax form involving a person that 40,500 — not the average, somewhat above the average. —(Interjection)— Yes, that's correct, that's correct. I have put together here a package involving a person that earns 40,500.00. And because of this Minister's proposition and because of the fact that before you get the net income, this person is allowed to write off any business loss, any tax shelter investment, RSPs, yes. But I haven't used RSPs, Mr. Speaker. What I have done in this example is I have taken 20,000 of this man's income and I bought some tax shelters. Yes, he has a 20,000 deduction on tax shelters. Mr. Speaker, the result of this one is that pre-reform this person was entitled to 333.02, and after reform he get 337.92, about 4 more. This guy earns 40,500.00.

Now, there is something wrong because this Minister was talking about equity; this Minister was talking about the need to take out some of the inequitous provisions of the existing tax credit program. If there is an inequity in tax credits, it has to be the fact that this Minister is prepared to take away from the average taxpayers all his personal exemptions, but he hasn't taken away the privilege to buy tax shelters which provide for artificial losses in order to reduce taxable incomes. By the way, this person who earns 40,000, because he invested in tax shelters, had an additional saving on his income tax of 8,570, Mr. Speaker, yes. So, Mr. Speaker, we witness a philosophy here of asking the middle-income group to bear the burden of a transfer of wealth in order to satisfy, not satisfy, in order to meet some of the needs of the people at the very bottom, the old age pensioners, all the other new programs that have been introduced. Am I going to vote against it, Mr. Speaker? There is no way in all conscience that I would support a proposition that is going to take wealth away from our most productive group in society —(Interjection)— yes, in order to provide funds for this Minister to deal with his welfare problems. —(Interjections)— Mr. Speaker

**MR. SPEAKER:** Order, order please. The Honourable Member for Lac du Bonnet.

**MR. USKIW:** Well, Mr. Speaker, the Minister prides himself for the fact that he has reduced taxes on mining companies. He prides himself in the fact that they have removed estate taxes and a whole series of tax benefits that accrued to the wealthy, and now he has a proposition before us that he wishes us to support that transfers wealth from the middle-income group in society to a lower group in society. That's

really what he is doing. —(Interjection)— Well, that's right, that is right. That is where the funds are coming from, Mr. Speaker. The fact of the matter is that when you are talking about wealth transfers there is an abundance of opportunity for this Minister to derive his needs from sources other than the kind of example that I have given here this morning, Mr. Speaker.

Mr. Speaker, the average individual in suburbia is indeed the average individual. It is not the elite that we're talking about here. The New Democratic Party believes in the principle of, as much as possible, a universal approach to meeting the needs of society. In this example, Mr. Speaker, not only is the Minister picking the pockets of people that should not have their pockets picked, Mr. Speaker, but he is also introducing a proposition that the people that he wants to help will have to come on their hands and knees and ask for the assistance. Yes, he is going back now to the old concept of the means test system, the system that requires the individual to apply. Mr. Speaker, that is something that we thought was not acceptable for some period of time. —(Interjection)— Well, Mr. Speaker, he says we did it all the time. I think what you're witnessing here, Mr. Speaker, is the fact that this government wants to introduce a program because they have their image program, but at the same time, they do it in a way and with the knowledge that many people will not participate in the program because of the way in which they have to participate. That was true with respect to the SAFER program initially, Mr. Speaker, they had estimated some 9,000 participants and we ended up with about 2,000. Mr. Speaker, people in this country don't believe in the old concept of benevolence and this is something this government should have learned a long time ago. They believe in the concept of human rights indignity but not in benevolence, Mr. Speaker.

Thank you.

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

**MR. PAWLEY:** Mr. Speaker, last night we requested what we felt was just an unlimited time for us to respond to the budget. Mr. Speaker, what we ask for ourselves we would ask also for the government and I want to indicate, Mr. Speaker, to the Minister of Finance, if the government requests leave to go beyond the 1:00 o'clock period, in order for their spokesperson to respond, they'll receive unanimous consent from our side to go beyond the 1:00 o'clock period so that they have, Mr. Speaker, the same unlimited opportunity to respond as we have had.

**MR. SPEAKER:** The Honourable Government House Leader.

**MR. MERCIER:** Mr. Speaker, on the point of order raised by the Honourable Leader of the Opposition. I didn't know that he had yet formally confirmed when he spoke on behalf of the Member for Inkster, that may very well be the case.

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

**MR. CRAIK:** Mr. Speaker, first of all, just let me say, by unanimous consent, we can throw out the Rule Book too, so let's just take the little blue book and throw it out the window. That's what the member is suggesting, that all of the rules and traditions of this House could be wrapped up in one final act and that is the point in the Rule Book that says that the question on the Throne Speech or on the Budget shall be put at such and such an hour, one-half hour before the closing time of the House. If he is suggesting that we should violate that rule, Mr. Speaker, I suggest that we take the blue book and we just throw it right out the window. That's essentially what he's saying. He's now advocating back to anarchy. What he's really saying, Mr. Speaker, is that he's trying to cover his tracks for one of the most childish acts that's been performed in this House in a long long time, and that is, attempting to play his childish games exemplified, of course, Mr. Speaker, by the actions in the question period in the last couple of days. Starting out the day before yesterday in the question period when it was incumbent upon the members on this side of the House to draw the attention of the House to the fact that we had a very serious forest fire picture in Manitoba, something that didn't come about, an awareness that didn't arrive, because of some inner governmental information, but simply because we happened to have an elected group on our side of the House that is not only aware of what is going on in their constituencies but also happen to be aware of what was going on in Snow Lake where 1,300 had already been evacuated, in Norway House where there was a problem which was well known to anybody that had their ear to the ground, and right across northern Manitoba, Mr. Speaker. The thing has just gone from bad to worse to the point last night were we had the Leader of the Opposition condoning an action that I was all too surprised to see him allow to happen. At that point in time it would have have denied the First Minister from doing what has been the traditional role of the First Minister, when there is a Minister of Finance other than himself being the Minister of Finance, and that is to do the sum up on the Budget Debate, Mr. Speaker, and that is . . .

**MR. SPEAKER:** Order, order please. The Honourable Member for Fort Rouge on the point of order.

**MRS. JUNE WESTLBURY:** Are we still on the point of of order, Mr. Speaker? I was trying to speak on the point of order that had been raised.

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

**MRS. WESTLBURY:** Mr. Speaker, I just wanted to say that nobody speaks for the Liberal MLA in this House except the Liberal MLA. However, if the Minister wishes unanimous consent to go past 1:00 o'clock I would not deny him that.

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

**MR. CRAIK:** Mr. Speaker, I thank the Member for Fort Rouge for that offer, although I may wish it I wouldn't ask for it. I respect the Rules of this House.

Mr. Speaker, the First Minister is not here, he's where a First Minister should be, attempting to bring a degree of confidence to a citizenry which is under siege at the moment in some spots and he is in northern Manitoba, located in one of a number of communities attempting to do what he feels may be of some assistance. Mr. Speaker, he did however prepare some notes that I want to read and I think I probably have adequate time to do it. Mr. Speaker, the notes that the First Minister had prepared were along the following lines. He would have said that the few very specific and identifiable points raised against our budget proposals by members opposite have been dealt with adequately and more than adequately by other members during the course of this debate. I do not propose, therefore, to dwell at any great length on specific points that have been raised during our discussions here. Instead I'd like to speak to three main questions, two of which have some importance with respect to the tone, content of our debate here, and the third, which I believe is of interest and concern to all members of the Chamber.

The first matter I would like to speak of briefly is the suggestion that has been made by those who oppose our government within this Chamber, as well as by some of those who share their views outside the Legislature, that the White Paper package of reforms that we have brought forth in this budget represent an abandonment of positions, beliefs, or commitments that have motivated this government in the past. Mr. Speaker, during the campaign that lead to our election in 1977, we stressed consistently our determination to improve the services and support that government provides to those who need it most.

In the Speech from the Throne, as His Honour read to us as we began our deliberations here on February 21st, it was stated clearly this government's belief that because the basic measures we have taken to restore competitiveness to Manitoba's taxation system and to reform the systems of control and management of government's financial operations, because they have been largely successful, we are now in a position to move to make significant improvements in services to people. If I can quote from that February 21 address, Mr. Speaker, it would say and I quote: At the time of the First Session of the Thirty-First Legislature, the ability of my government to undertake significant reforms or improvements of the services provided to people in Manitoba was severely limited by the harsh financial realities my Ministers had to face. Because of the measures my government has taken over the past two years while carrying out the first parts of its overall process of recovery for Manitoba, my Ministers inform me that we are now in a much stronger position to continue additions and improvements and services to people of the province.

Mr. Speaker, we've been working to restore the ability of government to provide better support and help to those who need it, consistently, Mr. Speaker, consistently since we've been elected. We have said

clearly and consistently that until the financial affairs of government in Manitoba had been put into reasonable order, until our tax system had been restored to competitiveness, it was just not possible for government to move effectively in this area and we've shown the discipline and the will to carry out our commitment in an orderly manner, making the tax reductions we pledged to make, making the kinds of improvements in our overall operations that we pledged to make and now moving to make significant and needed improvements in the services and support and help that government, on behalf of the community, provides to those who need it.

Some of those who disagree with this, who oppose this government both inside and outside the Chamber, have pretended that this is not so. Some have pretended, and said and written, that we are unconcerned with services to people, unconcerned with providing effective health to those who need it most. Mr. Speaker, I don't want to emphasize that because there has been very little of that type of comment outside the House. It's been nearly entirely confined to inside this House. Now I seem to detect some indignation that, by our actions, we have shown that, rather than being what the critics opposite have pretended we are, we are simply and clearly what we have consistently said we were from the beginning, and that is a government committed to the prudent and realistic operations of the public affairs of this province and to the effective conduct of all the legitimate functions of government including especially the provision of sensible and significant help to those who need it most in our society. To suggest that by carrying through with the commitments we made in the 1977 election campaign and since, by undertaking the White Paper package of reforms we are abandoning any principle, position, or belief, is, at best, wrongheaded and, at worse, plainly lacking in intellectual honesty.

Mr. Speaker, we had even a comment from members across the way during the course of this debate that this was done in haste. Mr. Speaker, this started out over two years ago. It has been an ongoing process. It's had a gestation period in excess of 48 months, Mr. Speaker, and this is what has evolved. We would not have undertaken the process if we didn't expect to come out with something positive at the end of it.

The second question I'd like to discuss today is a simple question, one that I had thought might have been answered during the speeches of members opposite throughout this debate but remains unanswered. It is this: What precisely is the criticism being made of this budget? What precisely is the criticism, Mr. Speaker? Some members opposite look at the White Paper package of reforms and have said, if only they had understood this basic fact while they were in office, that someone has to pay for these things, the money has to come from somewhere, Mr. Speaker.

While on that point, we had a rather feeble attempt by the Leader of the Opposition to show that support programs from 1977 and his formula for discounting and all the rest of it, had really only gone up 10 percent. Mr. Speaker, in 1977, the total package that is contained in the White Paper here and spent by the government of that day, was 140.7 million. That same package, under the White Paper now, comes

to 196.5 million. That's an increase of 56 million from 1977. The Leader of the Opposition went out of his way to try and mislead the public into some sort of belief based on his statistics, statistics, Mr. Speaker, which reminds you of that old saying, you know, there are lies, there are damn lies, and there are statistics. The new saying, Mr. Speaker, there are lies, there are damn lies, and there are NDP statistics. He tried to prove by a discounting method, Mr. Speaker, if you every heard anything so contradictory, to get up and say that there really was nothing here, it was a simple increase of about 10 percent over a period I guess of three years. He went on though, to the public debt, and he forgot to discount, Mr. Speaker; he went on to the public debt and said the public debt is still going up, just look at it, it's 4 billion now and it's getting worse and this sort of thing. He didn't discount when he went to that. If he had followed through with the discounting, he would have found out the debt's lower. But we don't even claim that, Mr. Speaker. But he wants to discount on one but he doesn't want to discount on the other. Well, that's the kind of thing we get, the lies, the damn lies in the NDP statistics, and they come forth in barrages, Mr. Speaker. We got another dose of them today, and they're just as bad as the ones that the Leader of the Opposition gave us.

Mr. Speaker, I want to revert back. We state clearly in the White Paper that by adopting a more realistic income test for the operations of the cost of living tax credit, we free up funds that can then be redirected towards providing additional help to those who need it most, low income pensioners and low income families with children. Mr. Speaker, on that income definition that they're complaining about across the way, allowing for MURBs and RHOPs and RHOSPs and RRSPs and well-drilling tax deductions and shelters and all the rest of it, that was there before. We would gladly get rid of that, but we can't. It's in the income tax form, it's the closest thing that the federal government will consider to allowing us to use, and it's the one that is used in the Child Tax Credit Program in the federal government, it's the one they use, it's the one we're going to have to use by the looks of it. We don't like it at all, but we have no choice. If we're going to use the income tax system, it's there.

If, on the other hand, we have to redesign a new system, you can bet that we will not, for purposes of making these claims, allow any forms of deductions such as the ones I've mentioned here. So let's get it clear. Let's not again use discounting in one breath, but no discounting in the other. They used it in the full period that they had this program under way in the cost of living . . . all the time. They paid as much tribute to tax shelters as anybody else did. — (Interjection)— They honoured it right across, in a universal application.

The Member for Lac du Bonnet today got fired up about the guy that was 40,000.00. One of the problems, Mr. Speaker, is that probably if he had filed that person's spouse's income tax form, he would have found that the spouse is also getting a rebate, because most people that are making 40,000 have other investment incomes that they put in their wife's name or their husband's name as the case may be. He didn't mention that. That's why, when you go to a combined family income, you get a little

closer to a more basic definition of income, Mr. Speaker, and that is where a lot of the problems arise, and that's where a lot of the dishonesty in terms of the objective of the former program came in. And I don't criticize the members opposite for having brought in that program, I just say that by their definition of income and other things that entered into the picture, qualifications that were applied to qualify for, it wasn't working. It was leaking like a sieve, as the budget had said, and it doesn't work well. This gets around a lot of the problems. It also allows us to bring back in close to 20 million that we can redirect into things like the Child Credit Program.

Mr. Speaker, while I'm on that, I couldn't help but think, when I listened to the Member for Inkster talk about his objection to it, because it brought people into servitude, I don't know if he used that word or not, but effectively, by applying for something that they shouldn't, and he would build a society where this sort of thing wasn't necessary. Well, nobody's objective, Mr. Speaker, is to put people into servitude. He didn't say it, Mr. Speaker, so let me withdraw that. He never said it. I am saying that effectively, I interpreted that was what he was saying.

Mr. Speaker, the Member for Inkster reminds me a little bit of the days gone by when I used to be at the university at one time, on staff, and every once in a while you hear somebody make the comment, and they'd say, this place would be a great place to be employed and to work, if it just wasn't for the students. That was all too true a statement for too many people. And every time I see the Member for Inkster get up with his theoretical arguments, and his great problem when he tries to apply them to the practical, real world, I think of that old saying. In his case, politics would be a great business if it just wasn't for those damn people getting in the way. Follow him through the problem of the aid to separate schools debate; follow him through the problem at Griffin Steel; follow him through the northern flood agreement; what caused his party more problem than his difficulty in dealing, taking the point of theory and dealing with it on a practical basis. That's where half their problems were, and they've still got that problem because they've got him sitting over there, really calling the shots on what they move, including the move last night across the House over here, Mr. Speaker.

Mr. Speaker, to get back, last year, some 465,000 Manitobans received cost of living tax credit payments. Under our new income tax test . . .

**MR. SPEAKER:** Order please. The Honourable Member for Inkster on a point of privilege.

**MR. GREEN:** Mr. Speaker, I rise on a point of privilege. The honourable member has said that I called the shots with respect to what occurred last night. I want to indicate, Mr. Speaker, and I tell it to the honourable member, that I had absolutely nothing to do with what occurred last night, or what occurred this morning, in terms of the length of time that was used by the Member for Lac du Bonnet under the rules, except to, on a point of order, rise and give my interpretation of the rule. As to the strategy of debate, I had absolutely nothing to do with that, and I tell my honourable friend that.

**MR. CRAIK:** Yes, Mr. Speaker. He was only a consultant.

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

**MR. GREEN:** Mr. Speaker, I have told my honourable friend that I had absolutely nothing to do with it, I had absolutely no consultation with any member of the official opposition on that question. I tell him that; if he wishes to persist, that's his business.

**MR. CRAIK:** Mr. Speaker, I withdraw any comment about the Member for Inkster being involved in the strategy.

Mr. Speaker, last year, about 465,000 Manitobans received cost of living tax credit payments. Under our new income test, that number will be about 300,000. The majority of the payments that will not now be made were relatively small payments being made to individuals whose family incomes are average or above. That's the ones who obviously they're worried about, Mr. Speaker, we heard that this morning.

Mr. Speaker, I am certainly happy that that's on the record, too, and because we have taken these steps, we can afford to provide significant amounts to help people who really need it, the single-parent families, the other low-income families and pensioners, and Mr. Speaker, again, for a slight diversion, I heard the Member for Fort Rouge say last night that there was nothing in this budget for women. —(Interjection)— Perhaps I didn't hear the member quite correctly. She was restricting her remarks then, to employment for women, but I want to say that the moves that are contained in this White Paper, and the moves that are contained in the budget, are more oriented towards assistance for women, namely because it's working mothers, in the most cases, who are going to benefit from the major shifts that have been taken in these four programs.

Mr. Speaker, we have been able to do so without increasing general levels of sales tax or income taxes without, for example, having to restore succession duties or to restore mineral acreage tax or those others that we took out of service, Mr. Speaker, in the last 2 1/2 years. I make no apologies for bringing in a package of reforms which, instead of making insignificant payments to thousands of those who do not need it, concentrates the resources of government on providing real and meaningful help to those who do need it.

We say in the White Paper, and I say again to you today, that these reforms reflect the wishes and the values of Manitobans. Mr. Speaker, the person that the Member for Lac du Bonnet is worried about this morning that's making 9 an hour filing is not, in the final analysis, going to take exception to a program that happens to assist a person who is on low income, who is a single-parent family, not by design but by victim of circumstance. Mr. Speaker, I'll wager that that person is not going to take exception to supporting; the 9 an hour income person is not going to take exception to supporting someone who is making 6,000 a year and supporting a child.

We say in the White Paper, and I say again to you today, that these reforms reflect the wishes and the

values of Manitobans generally, and I believe that although this game of politics sometimes causes us to look first for disagreements rather than areas of consensus, I believe that most members opposite will admit finally that these reforms reflect their wishes and their values as well.

There may well be other things that they would like us to have done as well. There are certainly things they would like us to do differently, but I think we can agree that the White Paper reforms at least reflect the kind of concerns we all believe governments should reflect. I frankly anticipate that, finally, members opposite will be moved to vote for this budget.

Mr. Speaker, this is the First Minister's speech. For this package of reforms, for this clear commitment to get more help to the people who need it most in Manitoba. I have heard no real arguments against this budget from across the floor. There is no real argument yet, Mr. Speaker, against the budget, and I think that that fact reflects the reality in this one instance at least. We are all in general agreement that the main parts of these reforms are sound and appropriate and right.

There is a third matter of which I would like to speak briefly, Mr. Speaker. I mentioned that the First Minister wanted to speak on the three items. That is the Constitution of Canada, and the attitude of the government of Manitoba towards the reform of that constitution, a matter which, in the aftermath of the tremendous federalist victory in the Quebec referendum, is more clearly urgent than at any time in the past.

I confess that I have been surprised that this matter was so little raised by members opposite during the course of this debate, with the exception, Mr. Speaker, of the Member for Transcona principally. As you will recall, the Leader of the Opposition recently called for a special debate on this subject. The opposition is now calling for a legislative committee on the subject, and for direct involvement in the review process by opposition members of the legislature. And yet when most members opposite, including the Leader of the Opposition, rose in this debate, their interest in the subject of constitutional reform apparently waned to the point where in most cases, it went entirely unmentioned. And because this matter has been so little discussed here, I would suggest that the most useful contribution I can make at this time is simply to sketch, in very broad terms, the general attitude our government will bring to the process of constitutional reform over the next number of months. As most members are aware, this government is skeptical of some of the specific mechanisms that have been suggested for inclusion in a redrawn Canadian Constitution.

Like many others whose training is in the law, the First Minister, Mr. Speaker, finds himself unimpressed by suggestions that a charter of rights will make any real contribution to the interests of Canadians. In addition, like Premiers of Manitoba in the past, Mr. Speaker, and that includes the immediately former Premier of this province, I'm of the view that in many respects, our present constitutional arrangements have served us well, and that changes must be undertaken only where it can

be demonstrated that they are in the best long-term interests of this province and of our confederation.

But having said that, Mr. Speaker, let me also say that we agree with those who argue the importance of moving quickly and effectively now in response to the Quebec Referendum results, to deal with the whole range of constitutional questions that exist today in Canada. While we are skeptical about the value of such steps as entrenching French language rights in a Bill of Rights attached to the Constitution, we do believe that we must establish adequate constitutional guarantees for the French language to permit the people of Quebec and French-speaking people elsewhere to enjoy a sense of complete security about the place of their language and their culture within Confederation. We enter this round of constitutional discussions, Mr. Speaker, determined to show a flexible and a conciliatory attitude, an attitude that we believe reflects the beliefs of Manitobans towards Quebec and the rest of Canada.

We enter, as well, determined that the very real and increasingly urgent strains on confederation that arise from the conflict between provincial ownership of resources and federal control of interprovincial commerce be sensibly and realistically addressed and resolved. We enter, determined to preserve an adequate and effective federal government, while resisting the kind of unnecessary centralization that can erode the ability of the people of any region of Canada to control their own destinies of build on their own traditions. It will be a matter of balance, a matter of reason and of good sense on the part of all of the parties to the discussion. It will be a process that will depend on persuasion and that will fail if it descends to confrontation. For our part, we enter willing to be persuaded to respond to the confidence the majority of Quebecers have shown in confederation and to deal with the other issues within the Constitution that affect the west in particular. I would hope that members opposite will provide us with their advice and suggestions.

Mr. Speaker, as I mentioned, we were surprised, in fact, disappointed that there was not more of it raised across the House or the floor of the House. It was raised, Mr. Speaker, initially raised on this side, on the government's side of the Legislature. The only person who seriously addressed it was the Member for Transcona in his address here yesterday, Mr. Speaker, and many of the points which he made are shared by this side of the House. But, Mr. Speaker, this is the debate on the budget, as the central part of our program, as a major step in carrying out the commitment to be made to Manitobans; this budget is important to us and is a source of pride and it's a source of satisfaction to the government.

Mr. Speaker, I haven't seen a Budget Debate in this House, whether in government or in opposition, where the government side participated with the degree of conviction that was demonstrated in this budget this year. When we were elected income taxes were higher than they are today; Manitoba had a system of succession duties that taxed estates between spouses; there were hundreds more items subject to sales taxes than there are today; small businesses paid higher income taxes and many more small businesses paid capital taxes; the mining and oil industries were subject to kinds and levels of taxation that had effectively stopped investment in

these critical industries; there were no rent subsidies available to pensioners; no income-support programs; no rent subsidies available to low income families; no programs of specific assistance for pensioners between the ages of 55 and 65. Through prudent and disciplined management of government we've been able to make these tax reductions, we've gone a long way to restoring Manitoba's tax system to a level where it's competitive with other jurisdictions, as well as providing these important measures to help those in Manitoba who need it most. Mr. Speaker, I believe that this budget deserves the support of all the members of this House. Mr. Speaker, those, for the most part, were the words that the First Minister wanted to address himself to and, as members of the House can appreciate, had he done so it would have taken a great deal longer time to deliver those remarks than I've done here by reading them directly. Mr. Speaker, inadequate as they may have come out in the verbal citation of them, they are important in all of the three areas that the First Minister wanted to address in his reply here today.

There are a number of other things I would like to have spoken on, having listened to most of the debate, and I will start on one or two of them. The Leader of the Opposition got into, at one point in his debate, apart from his lies, damn lies and NDP statistics, he got into another one where he said that really this CRISP Program was kind of an inferior sort of thing because it wasn't nearly as good as what was happening in Saskatchewan. Well, Mr. Speaker, I have to first of all acknowledge that Saskatchewan does have a program that is quite similar to this and they have an experience with it which we would be somewhat foolish if we didn't draw upon for purposes of putting it into practical use. He suggested, however, that it was an inferior program. I want to just go over that one main point if I have time here. I would like to point out to him that, first of all, that program only applies to renters, it doesn't apply to others. It only makes family income payments to those who are renters and I think there is quite a few other facts that should be straightened out in this. A comparison of the assistance provided to low income families in Manitoba may be of interest. This comparison indicates that Manitoba's support for low income families with children is more generous and this is across all of the low income categories. First of all, let me use an example. For example, at an income level, and I'll take a number of them, first of all at 4,000, Manitoba provides 2,075 in support to a family with two children while the Saskatchewan is 1,315.00. The difference is 760 annually. At 6,000 in family net income, the difference in provincial support is 740 in favour of Manitoba, with two children, again. At 8,000, Manitoba provides families with two children with some 1,368 in assistance and it's over double the 661 provided under the Saskatchewan program. At 10,000 in family net income, the Manitoba family receives 547 under the White Paper proposal compared to 115 under the Saskatchewan program. The difference is 432 in favour of Manitoba. These examples should be sufficient I would think to demonstrate to the Leader of the Opposition that he should either improve his research staff or he should stop using those NDP

statistics. He also characterized the enhanced support for senior citizens as a pittance. He claimed it was only a 4.8 percent increase. I don't know how they reached that conclusion. It's always suspect and, of course, in this case there really isn't any exception. Surely it's incumbent on the Leader of the Opposition to explain how the introduction of the Manitoba Supplement for Pensioners, in place of the Manitoba Supplement for the Elderly with double the benefits, that's 100 percent increase, can possibly be construed as a 4 percent increase.

Mr. Speaker, we keep running across this here throughout, and I can give you another two pages of it. Maybe you would, rather than try and do that, Mr. Speaker, because I'm going to run out of time, let me give the members some figures, they've asked for some numbers. Under the 1977, the property tax credits were 105.4 million; under the White Paper proposals, the property tax credits are 133.2 million. Under the pensioner school tax assistance, there was none in '77, that's property tax as well, an additional 6 million under the White Paper. Under the SAFER Program there was none in 1977, this year we estimate 4.8 million. The total Property Tax Rental Assistance Program in '77, 104.4; now, 144.0 million. The Cost of Living Tax Credits, and here comes the difference, under the '77 one it would be 29.9; this is now 19.7 under the redefined income. The CRISP Program, the Child Related Income Support Program however brings in, it was 0 in '77; this brings in 19.4 million. The MSEMSP supplement to the elderly was 2.5 million in '77; it's now 4.2 million. That's more than a 4.8 percent increase, Mr. Speaker. Day care in '77 was 2.9 million; it's now 9.2 million, the reverse. The total comes, in that category, cost of living, tax credit, CRISP, MSE, Day Care, 35.3 million in '77; now, 52.5 million. Now you add up those two areas, the tax credits, property tax credits and the direct support programs, it brings you the total package in '77 of 140.7 million and this year under the White Paper, 196.5 million.

Mr. Speaker, if the members opposite think that somehow there's a backfire in this program, that there's going to be real problems with this program and that, therefore, the government has to call a quick election to capitalize on this sort of thing, I want to disabuse them of any lack of confidence on the part of the government that these programs will stand the test of time and that next year, when they are in full operation, they're going to have a lot of explaining to do as to why they are not supporting this budget.

**MR. SPEAKER:** Order, order please. According to our Rules 23 (5), I am now required to put the question. The first question is on the sub-amendment as proposed by the Honourable Member for Inkster that the motion be further amended by adding thereto, the following: That this House declares its want of confidence in the present government for the following reasons: The government has refused to accept responsibility for its self-identified financial mismanagement and has attempted to blame its problems on non-existent difficulties which it claims to have inherited.

2. The government in projecting further poverty and need as a consequence of its policies has decided to deal with this condition by traditional free

enterprise methods, namely, the expansion of means-based welfare programs rather than by the formulation of sound economic and social programs which would towards the reduction of poverty as an institution in our society.

**QUESTION put, MOTION defeated.**

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

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

**MR. SPEAKER:** Order please. The question before the House is the sub-amendment as proposed by the Honourable Member for Inkster.

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

**YEAS**

ADAM COWAN HANUSCHAK PAWLEY  
BOSTROM DESJARDINS JENKINS  
SCHROEDER  
BOYCE EVANS McBRYDE URUSKI  
CHERNIACK FOX MILLER USKIW  
CORRIN GREEN PARASIUK WALDING

**NAYS**

ANDERSON DRIEDGER JOHNSTON  
MINAKER  
BANMAN EINARSON JORGENSON  
ORCHARD  
BLAKE ENNS KOVNATS PRICE  
BROWN FERGUSON MacMASTER  
SHERMAN  
COSENS FILMON McGREGOR STEEN  
CRAIK GALBRAITH McKENZIE WESTBURY  
DOMINO HYDE MERCIER WILSON  
DOWNEY

**MR. CLERK:** Yeas 20, Nays 29.

**MR. SPEAKER:** I declare the sub-amendment lost.

On the proposed motion of the Honourable Leader of the Opposition, in amendment thereto:

That all the words following the word House be deleted and the following be added: Expresses regret that in presenting its budgetary policy, the government has:

(1) failed to introduce programs which would revitalize the depressed Manitoba economy;

(2) failed to contain any significant measure of hope or relief for the middle and lower income earning Manitobans;

(3) increased hidden and regressive taxes;

(4) ignored northern Manitoba and the city of Winnipeg;

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

**QUESTION put, MOTION defeated.**

**MR. FOX:** Yeas and Nays, Mr. Speaker. — (Interjection)— No. How do I know how the independents are going to vote?

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

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

**YEAS**

ADAM DESJARDINS HANUSCHAK PAWLEY  
BOSTROM DOERN JENKINS SCHROEDER  
BOYCE EVANS McBRYDE URUSKI  
CHERNIACK FOX MILLER USKIW  
CORRIN GREEN PARASIUK WALDING  
COWAN

**NAYS**

ANDERSON DOWNEY HYDE MERCIER  
BANMAN DRIEDGER JOHNSTON MINAKER  
BLAKE EINARSON JORGENSON ORCHARD  
BROWN ENNS KOVNATS PRICE  
COSENS FERGUSON MacMASTER  
SHERMAN  
CRAIK FILMON McGREGOR STEEN  
DOMINO GALBRAITH McKENZIE WILSON

**MR. CLERK:** Yeas 21, Nays 28.

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

On the proposed motion of the Honourable Minister of Finance, that this House approves in general the budgetary policy of the government.

**QUESTION put, MOTION carried.**

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

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

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

**YEAS**

ANDERSON DOWNEY HYDE MERCIER  
BANMAN DRIEDGER JOHNSTON MINAKER  
BLAKE EINARSON JORGENSON ORCHARD  
BROWN ENNS KOVNATS PRICE  
COSENS FERGUSON MacMASTER  
SHERMAN  
CRAIK FILMON McGREGOR STEEN  
DOMINO GALBRAITH McKENZIE WILSON

**NAYS**

ADAM DESJARDINS JENKINS SCHROEDER  
BOSTROM DOERN McBRYDE URUSKI  
BOYCE EVANS MILLER USKIW  
CHERNIACK FOX PARASIUK WALDING  
CORRIN GREEN PAWLEY WESTBURY  
COWAN HANUSCHAK

**MR. CLERK:** Yeas 28, Nays 22.

**MR. SPEAKER:** I declare motion carried.  
The Honourable Government House Leader.

**MR. MERCIER:** Mr. Speaker, I move, seconded by the Minister of Government Services, that this House do now adjourn.

**Friday, 23 May, 1980**

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**MOTION presented and carried** and the House adjourned and stands adjourned until 2:00 p.m. Monday.