

# LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, May 22, 1979

Time: 2:30 p.m.

**OPENING PRAYER** by Mr. Speaker.

**MR. SPEAKER, Hon. Harry E. Graham (Birtle-Russell):** Before we proceed, I should like to draw the Honourable Members' attention to the gallery where we have 16 students of Grade 7 standing from Moose Lake School under the direction of Mr. Beilman. This school is in the constituency of the Honourable Member for The Pas.

We have 37 students of Grades 5 and 6 standing from Gladstone School under the direction of Miss Penner and Mrs. Premplor. This school is in the constituency of the Honourable Member for Gladstone.

We have 25 students from St. John's High School under the direction of Mr. Bochinski. This school is in the constituency of the Honourable Member for Inkster.

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

Presenting Petitions . . . Reading and Receiving Petitions . . . Presenting Reports by Standing and Special Committees . . . Ministerial Statements and Tabling of Reports . . . Notices of Motion.

## INTRODUCTION OF BILLS

**HON. HARRY J. ENNS, Minister of Highways (Lakeside)** introduced Bill No. 54, The Manitoba Data Services Act. (Recommended by the Lieutenant-Governor)

**HON. BRIAN RANSOM, Minister of Mines, Resources and the Environment (Souris-Killarney)** introduced Bill No. 57, An Act to amend The Metallic Minerals Royalty Act (Recommended by the Lieutenant-Governor); and Bill No. 58, An Act to amend The Mining Royalty and Tax Act. (Recommended by the Lieutenant-Governor)

**HON. WARNER H. JORGENSON, Minister of Consumer and Corporate Affairs (Morris)** introduced Bill No. 49, The Securities Act, 1979. (Recommended by the Lieutenant-Governor)

**HON. GERALD W.J. MERCIER, Attorney-General (Osborne)** introduced Bill No. 56, An Act to amend The Family Maintenance Act.

**HON. DONALD W. CRAIK, Minister of Finance (Riel)** introduced Bill No. 59, An Act to amend The Manitoba Hydro Act and The Public Utilities Board Act (Recommended by the Lieutenant-Governor); and Bill No. 61, An Act to amend The Retail Sales Tax Act (Recommended by the Lieutenant-Governor).

**MR. JORGENSON** introduced Bill No. 55, An Act to amend The Insurance Act.

## ORAL QUESTIONS

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

**MR. SAUL CHERNIACK (St. Johns):** Thank you, Mr. Speaker. I'd like to address a question to the Honourable, the Minister of Finance, who in his Budget speech last week stated that the unused capital authority as at, I guess, March 31st, 1979, will be cancelled I think his words were, is to be cancelled by Order-in-Council. May I ask him when that Order-in-Council will be passed?

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

**MR. CRAIK:** Mr. Speaker, in due course.

**MR. CHERNIACK:** Mr. Speaker, I am reminded that the minister has said this before. So I would ask him whether since we are now almost two months after the end of the last fiscal year, by which time all unused authorized capital authority was supposed to have been wound up, can he explain to us the reason for the delay in carrying out the measure, which he had undertaken to do quite a long time ago?

**MR. CRAIK:** Mr. Speaker, we've already indicated also in the Budget Speech the amount of the unused capital authority, and that's documented, and in due course, as many other things that the Cabinet has to do from time to time, it will be cancelled, and the member can compare the amount in the Order with the amount that's stated in the Budget.

**MR. CHERNIACK:** Mr. Speaker, the honourable, the minister, is suggesting that it might be advisable to compare the two numbers. I don't know the reason for that. I don't know the reason, Mr. Speaker, for the delay. The minister asked, why do I ask the question? I want to know how far the breakdown of administrative competence exists in the Cabinet, to see why it takes so long to carry out intentions of government.

**MR. CRAIK:** Mr. Speaker, the figure given to the member and the figure given in the Budget, was based on the preliminary unaudited statements. As soon as that is done, which, as he well knows, takes some time, and normally, Mr. Speaker, I would point out that it sometimes took over a year to get it from the former government. But I guarantee to him that that will be available, that final figure to the nearest cent, will be available very much in advance of that, Mr. Speaker. I would think that it'll probably take two or three months for the books, in the normal course of events, to be closed and to get that figure down to the exact amount that it should be. The amount that was given is an estimate. And it is indicated in the Budget that there will be a preliminary quarterly statement, the final for the year 1978/79 will come out, and after that the final figures will come out, then the Order-in-Council will be processed.

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

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**MR. D. JAMES WALDING:** Thank you, Mr. Speaker. My question is to the Honourable Minister of Finance. It refers to the reference in the Throne Speech to the repayment of a Swiss issue of some 100 million Swiss francs. I'd like to ask the minister when this issue is due?

**MR. CRAIK:** Mr. Speaker, it's contained in the schedule. The final date on which it could be paid is June of 1980. There is a 12-month advance opportunity to change it over, which would be June of 1979.

**MR. WALDING:** A supplementary question, Mr. Speaker. I would like to ask the minister to explain his comment that he made about carrying it over or something like that — change it over.

**MR. CRAIK:** Mr. Speaker, I again suggest that the member or anyone else who is interested, has full opportunity to read the schedule in that particular bond issue, which was taken out in 1975 and due in 1980. There is an option, 12 months in advance of the maturity date, that the government has the option of rolling it over for the final 12 months if the interest rates are more favourable than they were at the issue date, and as it turns out, it appears that in June of 1979 that that interest rate will be more favourable and that option will likely be exercised by the government.

**MR. WALDING:** Mr. Speaker, I would like to ask the Minister if he is rolling this issue over in Swiss francs and at what rate?

**MR. CRAIK:** Mr. Speaker, as soon as I have that information available for the member, I'd be quite happy to provide it to him.

**MR. WALDING:** Mr. Speaker, is the Minister telling the House that he doesn't know whether he will be rolling it over in Swiss francs?

**MR. CRAIK:** Mr. Speaker, I think the key to the member's question was the rate, and that rate, Mr. Speaker, is not normally known until it's negotiated. At this point it hasn't been negotiated.

**MR. WALDING:** Mr. Speaker, I would like to ask the Minister whether this issue, 10(c), will be rolled over in Swiss francs?

**MR. CRAIK:** I expect it will, Mr. Speaker, but the final rate that will be involved with it will not be known until it's negotiated.

**MR. SPEAKER:** The Honourable Member for St. Vital with a fifth question.

**MR. WALDING:** Mr. Speaker, I would like to ask the Minister of Finance whether there is any penalty involved in paying off this issue one year before it matures.

**MR. CRAIK:** Mr. Speaker, there is a pretty severe penalty, assuming that the currency exchange rates have shifted at the date of the repayment at the maturity date of the Bond Issue, I would assume that there is a pretty heavy penalty. As a matter of fact, the penalty will be of the order of, I would think, the order of probably \$27 million.

**MR. SPEAKER:** The Honourable Member for St. Vital with a sixth question.

**MR. WALDING:** Thank you, Mr. Speaker. For clarification, I was not referring to the exchange rate penalty; I was referring to any penalty that might be within the contract for rolling over this Issue one year before it becomes due.

**MR. CRAIK:** No. Mr. Speaker, any other costs in significance to the losses on the currency exchange are very minor.

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

**MR. CHERNIACK:** Mr. Speaker, I just wanted to get clarification on the follow-up question of the Member for St. Vital. The Minister, I believe, said no to the question, "Is there a penalty involved in prepayment of that loan?" I believe he said no, and that was his answer. He then said something about incidental costs. Does he mean the costs involved in the new borrowing, or the refinancing? Is that the costs that he speaks of as being insignificant.

**MR. CRAIK:** Mr. Speaker, there's no conversion penalty involved. There would probably be some administration costs that may be involved. If there are, Mr. Speaker, I have to tell you at this point I'm not aware that they are anything of any significance, so I'm trying to qualify the answer to the question that there may be a matter of a very small amount involved in the change, but there is not a penalty as such that I'm aware of. The difference, Mr. Speaker, is that the rate of interest at the current time are quite considerably lower than they were in 1975 when the bond issue was taken out. So there is a saving for the remaining twelve months of the bond issue; and the other big factor that comes in is the gamble as to whether the currencies, of course, will be different twelve months from June of 1979 than they are in June of 1979. And that is, of course, the calculated risk that anyone takes when they take out one of these foreign issues, Mr. Speaker, and I can point out that as of today's date the paper amount, the amount on paper that we're in the hole on these foreign issues stands today at \$531 million.

**MR. CHERNIACK:** Mr. Speaker, I appreciate the clarification received from the Minister of Finance, and the estimate of what the cost would be on foreign exchange if we had to pay the debt today, which he knows very well we don't have to and don't for varying periods of time.

The question in relation to the expected roll-over is whether or not the province is completely, at its own option, able to pick the term of the refinanced loan, or whether the former loan, the one that's due to expire, carries with it the explicit term for the rolled over portion? In other words, can he now negotiate the length of time for the repayment of the new rolled over amount or is he bound by the existing terms?

**MR. CRAIK:** Well, Mr. Speaker, quite simply, the bond issue has a twelve month's option on it, twelve months before the expiry or the maturity date of the bond, and that occurs in June of 1980,

and the government is very likely going to take up that option because of the interest rate being lesser for the next twelve months, or the twelve months pursuant to the June date of 1979, and that's all there is to it, Mr. Speaker. I can't tell the members what the interest rate will be because the interest rate has not been negotiated. At the present time it would appear to be significantly less than the interest rate when it was taken out in 1975. When that information is made available it will be tabled in the usual manner by Order-in-Council.

**MR. CHERNIACK:** Mr. Speaker, I'm sorry but my specific question was, is there a limitation on the term of the renewed loan, or is that still a matter for negotiaion?

**MR. CRAIK:** Well, Mr. Speaker, there is an option in that bond issue to roll it for the twelve months — to change it twelve months before the maturity date of the bond. If on the other hand the government wanted to go and negotiate another issue there's nothing, I presume, stopping the government from doing so if they wanted to go into the foreign market. But they could go there or into another foreign market; they could forget about this bond issue entirely and take out another one, I'm sure, providing our credit rating was adequate which I'm sure it is, but I'm sure that it must be the only answer that can be given to the member.

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

**MR. PETER FOX:** Yes, Mr. Speaker, my question is directed to the Honourable House Leader. I wonder if he could determine and expedite the return of my Order from last year, Order No. 56, which has been in there for over a year now?

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

**MR. JORGENSON:** Yes, Mr. Speaker.

**MR. FOX:** Thank you. Also I'd like to ask the Honourable House Leader in view of the fact that since the last time I asked him how many more bills there were we've had some 16 to 18, and he said 10 at that time, can he tell us today how many more he expects to introduce?

**MR. JORGENSON:** Mr. Speaker, as I responded to my honourable friend the last time, he knows the hazards there are in attempting to project the number of bills that are yet to come.

I can tell my honourable friend that as soon as the consideration of Supply is over, there will be no more bills and so, to a large extent, I suppose, the decision is in his own hands. The sooner we get through with Supply the sooner the Introduction of Bills will discontinue.

**MR. FOX:** Yes, Mr. Speaker. I appreciate that the Honourable House Leader is trying to get off the hook since he did indicate how many bills; now he has to indicate that he cannot stick by his word.

I'd like to make my other question to the Minister of Labor. I wonder if the Minister of Labour can indicate what assistance the people at Canadian Bronze are receiving from his department, in view of the fact that many of them were laid off because of the closure of the plant?

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

**HON. KEN MacMASTER (Thompson):** Well, the major assistance they are receiving, Mr. Speaker, is the fact that we are now going to clean up the place in which they're working. That's the No. 1 and major assistance — something that quite possibly should have been done a year or two or three ago.

We've had an initial meeting with the union and with the company, and a variety of proposals have been put forward — none, I don't think, have been totally accepted to date. I understand that there is now an official registered complaint before the Labour Relations Division, which will be dealt with very expediently.

**MR. FOX:** I appreciate that the health of the workers has to be looked after, nevertheless, the intent of the Workplace Safety and Health Act was that people would not lose remuneration wherever possible. I'd like to know what the minister is doing in that regard.

**MR. MacMASTER:** I suppose, Mr. Speaker, that that could be considered an ideal situation. I repeat that my first and major concern is to clean up a workplace that, through documentation, the evidence

is very clear, it should have been cleaned up quite some some period of time ago. It's interesting to note, Mr. Speaker, that this particular action is creating the more than passing interest that it is, when the opposition has been telling the press and the public in this province that the program had no teeth, that we had implemented, there was no muscle to it; we needed legislation; we needed new regulations; we needed royal commissions; there was really a meaningless program. I think it bears out today that most of that was nonsense.

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

**MR. RUSSELL DOERN:** Mr. Speaker, I think that all members of the Assembly would want to join all Manitobans in congratulating the Winnipeg Jets on winning the Avco Cup. This marks the end of an era, namely the conclusion of the WHL, and the beginning of the team's entry into the NHL, and I hope that the Jets build themselves a trophy shelf that will have room for the Stanley Cup.

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

**HON. STERLING R. LYON, Premier (Charleswood):** Mr. Speaker, naturally all members of the House would wish to be associated with the words of commendation to the Winnipeg Jets on the third winning of the Avco Cup. The Minister of Sport, I believe, is attending the luncheon in their honour at the present time, so we join in wishing the Jets every success as they now move from the WHA into the NHL, and maybe next year, when the Stanley Cup's on, Mr. Speaker, there may be somebody else playing Montreal besides the New York Rangers.

**MR. SPEAKER:** Orders of the Day. The Honourable Member for St. Johns.

**MR. CHERNIACK:** Mr. Speaker, I'd like to address a question to the Minister of Tourism to ask her whether she has done any follow-up or research work in connection with a convention, notice of which I received, of the Manitoba Bar Association, which is urging me to quickly take the opportunity of a last chance to register for the convention of the Manitoba Bar which is taking place between June 13th and 17th in Breezy Point Resort, Minnesota.

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

**HON. NORMA L. PRICE (Assiniboia):** The Tourist and Convention Bureau will be . . . There will be some representatives out there to sell Manitoba to them for one of their future conventions.

**MR. CHERNIACK:** Just for clarification, Mr. Speaker, does the Honourable Minister say that she is sending Manitoba representatives to Minnesota to convince Manitobans at the Manitoba Bar Association about the value of Manitoba? Since the First Minister does not understand what has been said, would the Minister of Tourism please clarify it?

**MRS. PRICE:** Mr. Speaker, the members for the Tourist and Convention Bureau will be at the conference to talk to the Manitoba Bar Association people about having one of their future conventions.

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

**MR. DOERN:** Mr. Speaker, I'd like to direct a question to the Attorney-General concerning the new proposed arena expansion. Can he bring us up-to-date on discussions with the City and the federal government and, in particular, I wonder if he could explain whether, if the original \$3.5 million expansion goes forward, whether the two senior levels of government would be prepared to share in that minimal amount of expansion?

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

**MR. MERCIER:** Mr. Speaker, I was advised late last week that the federal government had approved or confirmed that the City of Winnipeg's guarantee of \$3.5 million would be considered as the City's share of the expansion of the Winnipeg Arena. This week we have a meeting with City representatives and Winnipeg Enterprise representatives to review their various alternative plans for expansion of the arena, after which, no doubt, a recommendation will be made to Cabinet and a decision will

be made as to whether or not the province will participate and, if so, to what extent.

**MR. DOERN:** Mr. Speaker, is it not clear that, first of all, the City is making a contribution, and, secondly, that the federal government has now made a commitment? Is it not a fact that the province is either obligated to make a commitment, or can the Attorney-General now confirm that there will be a provincial contribution?

**MR. MERCIER:** Mr. Speaker, it was not clear until late this week that the City's guarantee of \$3.5 million would be considered as the City's contribution towards the expansion of the arena. The province is not obligated to participate in the expansion of the arena, but we intend to meet with the City to review the various plans for expansion and the Ministers who meet with the City will then report to Cabinet and a decision will be made.

**MR. DOERN:** Mr. Speaker, I wonder if the Attorney-General had any ballpark figures on the higher realms of expansion. We know that the minimum figure is \$3.5 million; is the maximum expansion in the range of \$6 million to \$8 million?

**MR. MERCIER:** Mr. Speaker, I believe the top range is \$9 million, but the City has pointed out that the various alternatives for expansion of the arena do not have to all occur at once, they can be accommodated over a number of years.

**MR. SPEAKER:** Orders of the Day. The Honourable Member for St. Vital.

**MR. WALDING:** Mr. Speaker, my question is to the Honourable Minister of Mines and Natural Resources. I'd like to ask him when I could expect an answer to the question that I asked him privately, regarding any irregularity in the tendering process for a catering contract at Birds Hill Provincial Park.

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

**MR. RANSOM:** Well, Mr. Speaker, first of all I should advise the House that there was no irregularity in the tendering to which the honourable members refers. I have undertaken to provide him an answer as to the reasons for the tendering selection, and when I have those in detail I will make them available to him.

### ORDERS OF THE DAY — BUDGET DEBATE

**MR. SPEAKER:** Adjourned Debate (Fifth Sitting Day), on the proposal of the Honourable Minister of Finance. The Honourable Member for St. James.

**MR. GEORGE MINAKER (St. James):** Thank you very much, Mr. Speaker.

I am very proud to take part in this debate this year, Mr. Speaker, particularly with the government that I feel has now returned a proper business approach to the biggest business in Manitoba, and that is government operations. And I believe that, as we go through the Budget and through the debate this will be found out by the people of Manitoba, as well by the Opposition, who, at this present time, obviously have to be smarting and are confused and are trying to figure out ways that they can try and demean the actual excellent Budget that my Minister of Finance has brought forward to the people of Manitoba. And I think it bears witness to remind some of the Opposition members just what has actually happened in this year's Budget.

Firstly, Mr. Speaker, regardless of what the Honourable Member for Inkster has said, there has not been any tax increases this year, and I will discuss that particular argument later on in the debate; and, secondly, there has been some selective reduction in certain taxations to the people of Manitoba; and, more importantly, that I believe is an advance and progressive step for all of Manitoba and the future of Manitoba is the stabilization of the Hydro rates for the next five years. And I believe that that is one major step that the Opposition never expected in a million years would happen but now and portray the role that they knew it all along and were going to do the same thing if they were government.

Mr. Speaker, I listened with care to the Honourable Member for Inkster the other day and I, some years ago, indicated to the Honourable Member for Inkster that he is somewhat like a cobra, when you watch him from the other side debating, because he will sit there and try and mesmerize you with his presentation and then all of a sudden will dart out at you like a cobra will. Well, it's obvious, Mr. Speaker, like any cobra as you get them closer to the corner, they flare out and strike

with fury. And it was obvious, from the Honourable Member for Inkster's debate the other day, that he was slowly getting cornered and cornered to the point of degree which I didn't think was befitting to the Honourable Member for Inkster. He even resorted to insinuations and accusations with regard to our Minister of Mines, certain accusations which I don't think was befitting to the House or befitting to the Honourable Member for Inkster, but obviously he is smarting so bad that he has to resort to the type of attack that he took upon the Minister of Mines.

Mr. Speaker, like the Minister of Finance indicated the other night, if the honourable members on the opposite side want to take credit for the hydro rate stabilization, it's a double-edged sword, and they also have to take credit for the high increase of rates. Mr. Speaker, regardless of what the opposition says, they know that they have caused great cost and increase in hydro rates and they did so . . . Because I can ask a few basic questions, Mr. Speaker: What administration was in power that made the decision to delay the development of the Nelson River Project to an extent that they got themselves into a corner that created the situation that they had to build Jenpeg? Which administration was in power at that time? Was it not the NDP Government? What administration was in power that made the decision to build the Jenpeg Station? What administration was in power that made the decision to do the Lake Winnipeg regulation, which I might add, Mr. Speaker, that I was under the impression that when the honourable members on the opposite side were debating the defence of this action, were saying that the level of the lake would operate between 711 and 715? It's my understanding, Mr. Speaker, that the level of Lake Winnipeg this year will be some 716- $\frac{1}{2}$ , with the gates fully wide open, so that even this argument for the regulation of Lake Winnipeg doesn't hold water.

Mr. Speaker, I would just remind the honourable members opposite that they claim that they're not responsible, that there wasn't going to be any hydro increase rates. I would ask and remind the honourable members that if they recall, back on March 21 of 1974 during Public Utilities Committee Hearings, that the Honourable Member for Riel at that time raised the question to Mr. Bateman, and I will read it verbatim, with regard to: "What did the manager of Hydro expect the rate increases would be in hydro; when did he expect them to be double what they were in 1974?" Mr. Bateman's answer was this: "I would anticipate within 15 or 20 years we might have double the power rates." That's some five years ago.

And may I remind the honourable members opposite — and I will take the time to remind them and read to them what is in the Budget Debate in case they haven't read it — that since April 1, 1974, that same year, that the Hydro rates increased by 20.6 percent that year; in 1975 it increased by 19.2 percent; in 1976 it increased by 19.8 percent; on March 17, 1977 it increased by another 15 percent; in 1978, by that time we had increased the double which was predicted 15 or 20 years down the road. Now, we look at 1978, 14.9 percent increase; in 1979, another 14.5 percent increase. May I remind the opposition members that their former leader, back in April of last year, indicated that there would be an expected increased of 10 to 15 percent per year for many years to come. So that's hogwash when you said that you expected that there wouldn't be a stabilization in Hydro rates.

Mr. Speaker, I also would like to make a few comments about what the Honourable Member for Inkster was trying to play on words about increases in taxes, because, really, the whole argument of the two debates that are going on right now is that we, the Government of Manitoba, believe in less government involvement, less government control and less government participation in the overall control of the cash flow of the gross provincial product of Manitoba, and that's where the basic argument starts.

Mr. Speaker, when the Honourable Member for Inkster says that the taxes have increased, that's garbage; it's straightforward garbage. Because, sure, they may have increased in terms of total volumes of revenue, but when one looks at the overall picture of the gross provincial product, that's where the story lies. I might also remind the honourable members on the other side to read the Budget and they would find out these things, because if you look at the Appendix to the Budget and look at the gross provincial product for the past 10 years and see what has happened, the actual government participation of that, because that's taxes, Mr. Speaker. When you look at what the government is spending, or the participation in the provincial product, that's taxes; that's collection of taxes. And obviously, if the participation rate goes up, then the government is taking more taxes; if it goes down, the government is taking less taxes. That's simple mathematics, Mr. Speaker.

I would refer you to 1968-69, the last year of the administration of our government at that time. It represented the government spending of that day in terms of the provincial product, 12.2 percent. What did that former government do after they got into power? Well, I'll tell you, it went to an increase of 13.9 percent, then it went to 15.6 percent; in 1971-72, it went to 16.2 percent; 1972-73, still climbing, 16.3 percent; then they decided, well, maybe we should do something — I think that was about election time. They decided to drop it by a tenth of a percent to 16.2. But again it climbed

the following year, 16.9; then it jumped in 1975-76 to 18.2 percent, still climbing; 1976, 18.4 percent, still climbing; in 1977-78, 18.9, an all-time record of government involvement in Manitoba in terms of taxation dollars.

Mr. Speaker, what the opposition doesn't recognize or doesn't want to recognize, that there has been a decrease of 10 percent of government involvement in the spending of people's money this year in the total spending in Manitoba, a reduction of 1.7 percent, down to 17.2. I would suggest to you, Mr. Speaker, as a member of this government, that I am optimistic that we can return it down to the level that it was before, in the 12 percent bracket. It can be achieved if you run the biggest business in Manitoba properly and efficiently.

So, Mr. Speaker, when the opposition stands up and tries to indicate that taxes have gone up, they know that that is not correct, because we know that the total tax spending by the province in Manitoba this year has gone down 10 percent when you relate it to the overall picture of the provincial product of Manitoba.

Mr. Speaker, if the opposition wants to play games with deficits, then we can also use figures as well. The Honourable Member for Inkster used a figure of something like \$234 million in deficits, a two-year accumulation, and tries to compare it — firstly, it is a wrong figure, but secondly, he tries to compare it to one year of operation of the government. He's not satisfied with the one-year comparison, but he has to take two years and compare it to what? That's what he has exactly done, two years compared to one. Now, Mr. Speaker, the \$83 million deficit last year that is recorded in the Budget, if we want to play games, we could say, well, if we didn't give the \$83 million in tax cut back to the people of Manitoba, we could have had a balanced budget, if you want to play games with numbers.

So, Mr. Speaker, the real analysis of what is happening in Manitoba is that simple comparison of looking at the gross provincial product and how much of that cash flow is controlled and interfered with by the government, and we obviously know that the Honourable Member for Inkster likes to control the cash flow of the province. That's what the former government, the NDP Government, wanted to — was to control all the cash flow, if they could and that's where their downfall is and that's where the debate breaks down, that you can't argue it one way and not the other way, because there wasn't a tax increase this year; there was a decrease in taxes.

Mr. Speaker, if the members, most of the members on the other side, in fact, I think the majority of the members on the other side have been here in the House when the Honourable Member for Inkster was Minister of Mines, and recognizes the situation that the honourable member is in today, particularly after standing up in this House and making comments, very proudly making comments that we were — this was the NDP Government — were making great strides for Socialism in Manitoba, every legislation we put through was another step forward for Socialism, and that he recognized, and many on the other side didn't recognize at that time, that they were going to be defeated. The Honourable Member for Inkster stood up and quite often said, "We are making great strides forward for Socialism and you, when you get elected, will not dare correct that situation." Well, Mr. Speaker, what we saw in this Budget, and we have in other Budgets, is we are correcting that situation, and that's what really smarts. That's what really smarts the Honourable Member for Inkster, because he stood up very proudly in 1974 and presented his Bill on Incremental Royalty Taxation, very proud of it at that time, and what happened? The industry and the pressures on the then former First Minister of the Government of the day required that he withdraw that bill because he had gone too far. Mining had said, "If you go that route, we're going our route." And Mr. Speaker, the following year the bill was brought in again very proudly by the Honourable Minister at that time; and now he sees that going away. He sees the legislation occurring, the decision by the Government of the day changing that.

So what happens, Mr. Speaker? He resorts to name calling or insinuation. That's his only defence. He talks about licking ankles, crawling on your knees, which I don't think is befitting to the Honourable Member for Inkster and is definitely not befitting to the Mines Minister. But that's what happens when you don't have something to argue; you have to resort to hollering and ranting and raving because Mr. Speaker, we all know what the Honourable Member for Inkster wanted to be; he wanted to be the Mining King of Manitoba. There was no doubt about it. He made up his mind that the Mines could come along if they wanted; if they didn't, we don't need you. That's basically what he used to say in the House.

But Mr. Speaker, this is where the difference in philosophy comes in. If you're a government that doesn't want to get involved in the control of the cash flow of your province and you believe in private initiative and private enterprise, then you recognize that the industrial development in mining by somebody else can be just as beneficial, and more beneficial to the people of Manitoba and that's what we're here for, all of us. I don't think there's any debate at all that we're here to try and do the best for the people of Manitoba, and Mr. Speaker, that is what's hurting him. The progressive step in the Hydro stabilization and the changing in the Tax Acts for mining that

will mean mining growth in the province; that is what's hurting them.

They don't know how to debate this Budget, so they try and throw around figures and try and throw around propositions, but the fact of the matter, Mr. Speaker, is it's a good Budget. That there is all of a sudden starting to be growth in our province, that it's starting to fall in place and we have 11,000 more people employed now — 11,000 more taxpayers — (Interjection) — the Honourable Member for Ste. Rose, Mr. Speaker, in simple mathematics I'll try and explain to you, Mr. Speaker, that if you have more employed people in the province, you have more taxpayers. So that the revenue in taxes will probably go up without the tax being increased. So Mr. Speaker, that's how taxes increase by employed people working. And Mr. Speaker, the nice part about this Budget is those 11,000 jobs were created by private enterprise — private industry, not by the government, created by the private initiative of the province, which really smarts the other people on the other side, Mr. Speaker, that there are people in this province that have confidence in Manitoba and will do it and invest in the province. So Mr. Speaker, I think it's a pretty good record; we look at manufacturing employment has increased by 5,000 people this year, and that the private sector investment in Manitoba last year was up 22 percent. I mean that's not bad statistics in the first year. Mr. Speaker, I would suggest to the honourable members on the other side that they take another look at this Budget and recognize what is happening in Manitoba and realize that some of the arguments they are putting forward do not make economic sense.

Mr. Speaker, I know that there are other people that will want to participate in the debate today and there might be a few other areas that I'd like to maybe comment on, but Mr. Speaker, the other thing that I would like to compliment the Minister of Finance on is his leadership in the Western Grid System for Western Canada, the Power Grid, because I think that is an important step, not only for Manitoba, but for all of Western Canada. It's an important step in the conservation of energy. It's an important economic step for the region in that we have great anticipation that as this unfolds the overall feasibility study progresses, that there'll be a further growth in industry in Manitoba, further growth in the development of energy in Manitoba and that possibly we will now start to bank some of our energy, bank some of the non-renewable energy that we can call upon in future years.

So Mr. Speaker, with those few words, I'm very happy that I could take part in the debate today and I'm confident that our Budget will even be a better one next year and the opposition will have even a more difficult time to try and criticize it. Thank you.

**MR. DEPUTY SPEAKER, Mr. Abe Kovnats (Radisson):** The Honourable Member for Burrows.

**MR. BEN HANUSCHAK:** Thank you, Mr. Speaker. The Honourable Member for St. James made a comment, what he felt in his opinion really smarts on this side. Mr. Speaker, what really does smart as far as the people of Manitoba are concerned are the types of selective tax cuts that this government takes such great pride in and in particular, the First Minister. He made reference to selective tax cuts and the Honourable Member for St. James just did. Well, Mr. Speaker, all of the members who've participated in the Budget Debate so far, including the Budget in itself, is a reaffirmation by the government of the fact that we are in a state of poverty if you examine one of the types of tax cuts that this government takes such great pride in. And it's a further demonstration of the doctrinaire capitalist philosophy which prevails on that side of the House, because Mr. Speaker, take a look at one of the tax cuts that this government has given the people of Manitoba. The Minister gave the people of Manitoba Tory blue stamps — you remember the old green stamps in grocery stores — now he gave them Tory blue stamps worth up to \$4.25 in additional tax exemptions, redeemable at any secondhand store in Manitoba, redeemable only at secondhand store. Because to explain it, Mr. Speaker, at one time the exemption on secondhand purchases was \$25 for clothing and furniture. That was increased by 300 percent to \$100.00.

Now the Minister said, why didn't we remove it? Well, Mr. Speaker, we only imposed the tax on secondhand purchases over \$25 not to encourage people to buy at secondhand stores, but recognizing the fact that that type of business does exist and not to be bothered with the lesser purchases that occur in garage sales, small auction sales, and that sort of thing. So, we said from \$25, in view of the fact that it's a sale, it's a change of ownership of property, so everything is taxable over \$25. But now in this case what happened, Mr. Speaker, the people came to the government and said: "What are you going to do about the minimum wage?" Nothing happened for 18 months; for the people serving liquor still nothing happened, the minimum wage was kept at the same level; transportation costs went up; Community college fees went up by about 400 percent, and the people complained to the government. The government said look, I'll tell you what we'll do. We'll give you a fistful of Tory blue stamps, that we recognize that you're poor, that you're poverty-stricken. You can take those Tory blue stamps to a secondhand store, and if you need a jacket, a pair of trousers, you can buy clothing up to \$100; you need to replace a kitchen table,

you can buy one for up to \$100 tax free —(Interjection)— a big deal; and shoes, well, Mr. Speaker, there's that old Conservative philosophy, you know, that the poor really should walk barefoot and they just couldn't see themselves being quite as generous with the tax exemption on footwear so they only went up from \$5 to \$15, only a 200 percent increase.

So, what the government said to the poor, what the government said to the people on the minimum wage, you want additional tax relief okay, you go to a secondhand store and you get it there. You get up to \$4.25, the additional \$3.75 on clothing and furniture, the exemption being raised by \$75 from \$25 to \$100, and the additional tax exemption on the increase of \$10 on a pair of shoes, from \$5 to \$15.00.

Well, Mr. Speaker, this tax doesn't do a thing for the poor. No. 1, it's discriminatory, it is selective. Yes, it's selective in the sense that it further rubs salt into the wound of the poor because to begin with, really to begin with, if the poor do want to go to a secondhand store, and there aren't that many of them in Manitoba, not in rural Manitoba, and those that there are in rural Manitoba in Tory ridings, they're in Tory ridings, You know, the Bargain Hut is in Souris — but there are rural ridings in which there are no secondhand stores — but the few that there are, Borton's Secondhand Store in MacGregor, and the Community Self-Help Centre in Brandon and one in Morris, and Harder's in Austin, Teulon, Brandon, Portage la Prairie, Winnipeg Beach, and including Roblin Boulevard a way out in the west end of Charleswood in the First Minister's riding.

Well, Mr. Speaker, how are the poor going to get to these secondhand stores to redeem their Tory blue stamps? —(Interjection)— Not unless, Mr. Speaker, you know, the Tory MLAs are going to provide a chauffeuring service for the poor, to take them down to a near secondhand store. The Honourable Member for Minnedosa says they can walk. They can walk, yes —(Interjection)— let them eat cake. Let them eat cake, Mr. Speaker.

But you know, as I've said, Mr. Speaker, it's not the poor who buy in a secondhand store. They can't afford to buy in a secondhand store. No. 1, they haven't got the cash. The purchases in most secondhand stores have to be on a cash basis. They haven't got the vehicle to take that piece of furniture home — and very few secondhand stores provide a delivery service, so they'll have to pay extra for the delivery costs. Well, hire a truck, says the Member for Pembina. That's what they can't afford to pay for, Mr. Speaker. So for the \$3.75, Mr. Speaker, that they are going to save in tax on that battered up piece of furniture, that won't pay the transportation costs from the store to their home. Because as I've said there are only a few in southern Manitoba, and they'll have to go all the way there to buy their furniture — well I'm not even sure if there is one in Carman or not. Maybe there is but it's not listed.

Now things could improve, Mr. Speaker, and in view of the fact that Manitoba has now become a secondhand tax haven, maybe the Minister of Economic Welfare will now provide welfare grants, incentive grants, to attract — there goes the Minister again with his one word in his vocabulary — maybe he's going to provide incentive grants to attract secondhand dealers to locate in various parts of the province to bring this service, to bring this tax relief within easy reach of all the poor people in Manitoba, so that the person from the Interlake, from the north part of the Interlake, wouldn't have to drive all the way down to Teulon, or Flin Flon, or Winnipeg Beach; so that the person from the west side of Lake Manitoba wouldn't have to drive all the way down to Brandon to the nearest secondhand store. Even the Minister will assist the secondhand dealers in encouraging them, in offering them incentives, to sell their secondhand stuff in various parts of the Interlake, in various parts of northern Manitoba, some of the remote communities, and here are many poor people there. You know, how are they going to get to a secondhand store? Surely the Minister would want to extend welfare to them to locate in those communities and provide them with the benefit of being able — the luxury, the pleasure — of being able to buy secondhand clothing and secondhand furniture and so forth.

Now as I've said, the poor, No. 1, they haven't the ready cash; No. 2, they haven't the facilities, the equipment, the money to buy the equipment to repair the furniture, to put it into a proper state of repair; thirdly — there's no warranty on that secondhand stuff that's being sold, so they can't risk the chance of spending \$100 or \$95 on a used stove or fridge and take the risk that it may become inoperative within a week or two. So they would rather spend a few dollars more on time payments and perhaps buy a cheaper piece of furniture or clothing, but at least have the assurance that it will be covered by warranty for a certain period of time, which protection the secondhand dealer does not pass on with the sale of his merchandise.

Secondly, Mr. Speaker, this type of selective tax cut is further evidence of the dictatorial attitude of that side of the House, of the dictatorial attitude of that government. Because this is not a tax cut that the taxpayer in Manitoba can take advantage of at any place of his choice, at any merchandising place of his choice, but he's limited to the few secondhand stores.

He's told, "Yes, we'll give you tax relief; we'll give you Tory blue stamps up to \$4.25, redeemable only in a secondhand store." So if you want to buy a new chair, a new table for \$100 and you

see a new one that you'd like to buy, well if you buy a new one you pay the \$5.00 tax, but you have to find a secondhand store and a table to your liking or a garment to your liking and to your fit over there at the secondhand store, you will get the 5 percent tax relief, but not on new merchandise.

I suppose the government and their supporters from across the road, from across Osborne Street, don't like rubbing shoulders with the poor at The Bay, at Eatons, at other shops. So, what they're telling the poor is "Look, we don't like your presence on Portage Avenue, so we're going to give you an incentive; we're going to give you an incentive to stay off Portage Avenue. If you go and do your shopping at a secondhand store, you get tax relief; if you buy new merchandise, you do not get tax relief, for the same merchandise for the same purpose." And that's what the Minister of Finance said in his Budget debate, and that's what everybody is taking pride in — their great selective tax cuts; that if you go to a second-hand store, you get tax relief but if you buy new, you do not.

Now, Mr. Speaker, that was the government's reply to the plea of the people of Manitoba to upwardly adjust the minimum wage, to give more assistance to education, to give more assistance to health services rather than move in the direction of user fees; that was the government's reply.

The government said, "No, we can't do anything about that, but we'll tell you what we'll do. We'll give you an additional \$4.25 per hundred of clothing and furniture and footwear providing you buy the stuff from a secondhand store." And then, having said that to the poor, what did this government say to the capitalists, to their friends? They gave them welfare; they gave them welfare and they gave them welfare with pride. They gave them welfare with pride and they gave them grants and all the fanfare and publicity that went with it: front page photographs, ministers presenting cheques, shaking hands, publicized in all the media and so forth. That's a type of welfare they gave them.

But this government, Mr. Speaker, when it was elected on October 11th of 1977, it was committed; it was committed to their friends across Osborne, that they must demonstrate an ability to take from the poor and give to the rich, and to do it in broad daylight. —(Interjection)— Make the poor pay, make the poor pay.

And, as the Honourable Minister of Highways, in referring to another matter last week, spoke of something being the tip of the iceberg or not only the tip of the iceberg but only an ice cube really, but the tip is still beneath there and the iceberg is still beneath that, much much larger, well, Mr. Speaker, I suggest to you that what we've seen demonstrated in this Budget, what we've seen by way of the performance of this government over the past 18 months has been that type of ice cube. The few little ice cubes that have surfaced here and there in the form of welfare grants indicate to the people of Manitoba very clearly the direction in which this government is going to move.

Let's take a look at some of these ice cubes, Mr. Speaker, that where these funds that this minister, the Minister of Finance, is going to raise. The and how he's going to spend the manner in which he spent them last year is an indication of the direction in which he's going to move this year.

During the debates of the Estimates of the Minister of Industry and Commerce I asked him about the grant to Southam Business Publications Limited and he later replied in the House that it was paid to Southam for some unexplained reason, which is still not clear to us, to be in turn paid over to a number of small participants in a trade show somewhere in Edmonton. Then the Minister said, "and that generated X-thousands of dollars of sales." But Mr. Speaker, that was no grant, that was no grant. That grant was to Southam Business Publications, because Southam Business Publications are also in the business known as Trans-Canada Expositions, . . . Productions Limited and Panex Show Services. So it was Southam Business Publications that was organizing this exposition, and the grant that the government paid was really the fee that these participating organizations would have had to pay Southam to get in.

So, even if there was a cheque for bookkeeping purposes that went to the five or six small businesses that participated in this fair, the following day there was a cheque back to Southam for the same amount, or whatever the amount was, to pay Southam for this service.

Now, Mr. Speaker, this government, when it came into office or the following summer announced its Private Sector Youth Employment Program. The Member for Pembina says that it's a good program. Well, Mr. Speaker, I would suggest to you that a program of that kind should really serve two purposes — No. 1, it should provide employment for the unemployed; No. 2, it should assist' and I'm sure that the Member for Pembina will be the first one to agree with me, he's one who is a great proponent, a great supporter of the small private enterpriser, and that the government should do everything that it can to assist him to, particularly if there's somebody who has the ability, who has the capacity to make some contribution to the private sector, and if he happens to need

just a few dollars to get him started, to get him going, maybe hiring that kid, that \$960 assistance will be just what he needs at that time to get his business in order and perhaps to get himself moving in a direction towards expansion, towards greater production, towards whatever. And the Member for Pembina was nodding his head in approval. He agrees with me, Mr. Speaker. And I think that all of the members on that side pay lip service towards the support of that concept.

But, Mr. Speaker, let's take a look at where many of these grants went. Now, I know that they're not very large, they're not very large, that's true, but that is the ice cube that indicates to us what is beneath it as far as the iceberg is concerned. Let's take a look at who received these grants — was it just these small Manitoba-based businesses starting up, needing this type of assistance to get themselves going, as it were? No, Mr. Speaker, because amongst them there are glaring examples of corporations which are large enough to buy out the whole Province of Manitoba, never mind provide employment for one student or one young person between the ages of 18 and 24 like, you might want to know who.

I'll tell you, Mr. Speaker, who some of the recipients were. Catelli Limited — they received a grant, they received welfare. Catelli is owned by John Labatt Limited, a fine firm. One of the Directors of John Labatt, Mr. Belanger, is also on the Board of Great-West Life. Makes it very convenient doesn't it, Mr. Speaker? To give a grant to a brewer, well there might be some public negative reaction to that, but to a food company, a manufacturer of spaghetti and macaroni, nobody can, you know, be all that critical of a grant to a firm of that kind. But it was this government's way to establish a better rapport and a closer relationship with the brewing industry because after all they'll have to touch base with the brewing industry from time to time, you know, to check on what to do about the minimum wage as they did a short while ago. They checked with the brewers, they checked with the distillers and the brewers and the distillers said, no, don't raise the minimum wage so the government didn't. And then, of course, it makes it even more convenient if you have a pipeline to the entire corporate sector through one office, within a stone's throw, Great-West Life, which Great-West Life provides them with, and I'll come to that in a moment.

So, Mr. Speaker, there was a grant to the media — you have to have friends there. There was a grant to the brewing industry — you have to have friends there. Then, these great supporters of the small businessman, of the small storekeeper in the small town, the small hardware store dealer. Who got a grant? The very firm that's out there to put the little guy out of business, Macleod's-Gamble. Macleod's-Gamble got a grant to hire a kid — Macleod's-Gamble with sales in the hundreds of millions of dollars, and they need those \$960.00, Mr. Speaker, to hire an extra kid, \$960.00 or \$1,800 — what difference does it make? But the total amount, Mr. Speaker, of the grants under this program was far far less, was only a fraction of 1 percent of the net profits of all the corporations that received grants from the government in any one year.

The building industry, well, Bird Building Supplies — not a Manitoba-based company because they've moved their head office out of here a long time ago in the days of the Conservative government. They moved out apparently, they didn't like Duff Roblin so they moved out — and I gather that the present Premier isn't all that much more attractive to them because they're not moving back. But they gave them grants, and it's nice to give a grant to Bird Building Supplies because one of the Board Members on Bird Construction, which is the owner of Bird Building Supplies, also sits on the Board of Massey-Ferguson, so you have to have a contact with the farm implement manufacturing industry. And who else?

Now, Mr. Speaker, you have to have a close contact with the Canadian Manufacturers Association and it just so happened that the first Vice-President of the Canadian Manufacturers Association is a Winnipegger. So Bulman Brothers received a grant, the President of which is one John Bulman, who is the first Vice-President of the Canadian Manufacturers Association. And he receives welfare.

Then the capitalists, they said to this government — that's not really good enough, you still haven't really demonstrated that you are one of us because even some of those people who bear the Conservative label, some have leanings a bit to the left and even the Manitoba Chamber of Commerce members, you know, a lot of them vote NDP. So, to really demonstrate to us that you are one of us, that you are supporters of us, we want you to take from the poor and find one of the wealthiest corporations in the wealthiest province of Alberta, and given them a grant, Mr. Speaker.

So, the Minister of Industry and Commerce or somebody checked around through all the directories and yes, they found a very very wealthy company in Alberta and they took the money from the poor in Manitoba and took it down to this wealthy province of Alberta, and gave it to whom, to ATCO Construction — to ATCO Construction, Mr. Speaker, a company which over the past few years had skyrocketed and expanded its operations to all parts of the world. And it's one of the . . . I think it ranks about No. 15 or No. 20 among the top 100 corporations in Canada.

—(Interjection)— ATCO, A-T-C-O, Mr. Speaker.

Then, the capitalists said to the government, that's still not good enough. We want you to go to the food industry and give a grant to one of the wealthiest in the food processing, wholesaling, retailing business. So, they looked around and they found Mr. Weston, and they gave Mr. Weston a grant. They gave Mr. Weston a grant via Western Grocers, and he got a grant too.

Then, they said, the capitalists said, now we want you to seek out a corporation that has the highest paid president on the North American continent, and take from the poor and give them a grant. So, they searched around and they — I'm not sure whether he is the highest paid one but he's one of the five or six highest paid. His salary — and this is from a good capitalist publication, not a Socialist publication — his salary was shown to be in excess of \$500,000 a year. —(Interjection)— That's right. Without all the other perks, but over \$500,000 a year. So the company, the Xerox Corporation — so Xerox gets a grant.

Then the capitalists said, that still isn't quite good enough. Now we want you to seek out one of the wealthiest multinationals and give it a grant. So they checked around, and that's where the money that this Budget is raising, where it's being spent, that's where it's being siphoned off, Mr. Speaker. So they found the Moore Corporation, and they have a small operation in Winnipeg known as Moore's Business Forms. And, you know, it's not one that anyone would regard as being one of the largest or even larger business enterprises in Manitoba, but it's one of the only outlets that they have in Manitoba. But the Moore Corporation is a Canadian owned multinational corporation. Moore Business Forms, founded in Toronto in 1882, manufactures business forms, form handling equipment and paper boxes in nine plants in Canada. Through Reid Dominion Limited, it operates two more box plants. And through Moore Corporation Limited, it controls other subsidiaries — in Mexico, Iran, the Caribbean, Central and South America, Europe, Australia, Africa, United Kingdom and Japan. And the Moore Corporation gets a grant.

Those grants, Mr. Speaker, the money that the Minister of Finance is attempting to raise, and that's where that money is being spent — to assist multinationals of that kind? So, this government has to go to an outfit like the Moore Corporation and say, look, with all the hundreds of millions of dollars that you're making, would you do your bit in assisting us in relieving unemployment if we give you \$1,000.00? Would you hire another person? And the Moore Corporation laughingly says, "Well, that's really silly, you know, giving us money."

And you know, it's really silly, but we'll take your money; we'll take your money, of course we will. You know, you want to tax the poor and give to us rich. Well, that's how we rich become richer. So, you know, we accept every cent that comes our way.

So then, Mr. Speaker, in that fashion the government had pretty well complied with its admission requirements to the millionaire's club on Wall Street in New York and Bay Street in Toronto.

And, Mr. Speaker, you know when you take a look at the corporations that were selected to receive welfare, there is a very good rationale. Because if you take a look at the make-up of the Boards and when you take a look at the subsidiary companies that they control or take a look at the companies controlling those receiving grants, Mr. Speaker, you will find that it completes that circle, going back to the place across the street, Great-West Life, which means that the Premier, all he need —(Interjection)— That takes it back to the basics. All he need do is make one telephone call across the street and that puts the Chairman of the Great-West Life Board, Peter Curry, in touch with INCO; with Northern TeleCom; with Reed Paper; with Canada Life; with Gulf Oil; with the Canadian Imperial Bank of Commerce, and the list goes on, Chrysler Canada; Beatrice Foods; Colgate Palmolive; Crush International; Hawker-Siddley; Royal Bank; Shell Canada; various companies in Switzerland, in Germany; BRINKO, CAE Industries.

You know, it's interesting, Mr. Speaker. The Minister of Labour, it took him some time to make a decision with respect to Canadian Brass. The reason for that was because he had to get clearance from Great-West Life because CAE is tied in with the power corporation. So, you know, the signals had to be called from across the street.

And the list goes on: the Molson Company; Rolls-Royce; Montreal Trust; Consolidated Bathurst; Canada Steamship Lines. Even the cement industry is represented here.

So it's very essential for this government, being the kind that it is, being committed to the support of the capitalist philosophy espoused across the street, therefore it's very important for them to have a pipeline to the business community which would enable this government to obtain a reading whenever it wants, on virtually any matter.

As I mentioned earlier, the government wants to know what it should do about the minimum wage, it asks Great-West Life. Great-West Life in turn asks the brewers and the distillers who are connected with it, and the answer came back, "No, don't raise the minimum wage for the liquor servers." In the matter of post-secondary education assistance, ask Great-West Life. The Chancellors of two universities in Manitoba; one is on the Board of Great-West Life and the other Chancellor is the wife of a Board member of Great-West Life. So Great-West Life will tell the government whether

the increase for post-secondary education should be increased.

The government wants advice on agricultural policy, again ask Great-West Life. Fuel pricing? Ask Great-West Life. Mining policy? Well, either ask Great-West Life or the Moore Corporation. Paper industry? Same thing. Concrete, real estate development; it makes it very very convenient, Mr. Speaker, to have a neighbour such as Great-West Life so close by, where, as I've said, one telephone call from any of the Ministers to Great-West Life, I would suspect within a matter of hours, you know, with the sophisticated telex system, will enable the Minister to get a reply back and an expression of the thinking of the collective opinion from all corners of the world. Because companies like the Royal Bank, like INCO and the Moore Corporation it operates not only in Canada and the United States but in practically every country of the world. —(Interjection)— And now the member says that this is bunk. Well, these companies themselves say that they take pride in publishing reports saying that we operate in all the continents of the world, that we operate in the following countries; that we have the following hundreds of billions of dollars of assets. They don't hide that information. This isn't secret information.

So, in this Budget, Mr. Speaker, the government has displayed its true colours and has demonstrated whom it really supports and that it is not the average working man, the average businessman in the Province of Manitoba, because the Minister of Industry and Commerce said that take-overs by multinationals don't concern little businessmen in Manitoba because they don't occur here; they occur somewhere in Toronto. That's what he said during the Estimates Debate.

But, Mr. Speaker, the Federation of Independent Businessmen, themselves, which is not a Socialist organization, expresses fear and concern by the recent takeovers by Thompson, by Weston, by the other multinationals.

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

**MR. HANUSCHAK:** Thank you, Mr. Speaker.

So they are concerned, but these birds, like the ostriches, they hide their heads in the sand and they're not aware of the fears and the concerns of the little businessman in Manitoba, whom they pretend to be representing, but they're not. Because in actual fact they are representing the Great-West Lifes, the Moore Corporations, the INCOs, the CPRs, the Royal Banks, and the other major multinational corporations which really do control our economy.

So, Mr. Speaker, in this Budget they have demonstrated that they are in bed with the elite of the corporate sector, and that they are not the government but that the government really is in the hands of Great-West Life at the present time and, through it, in the hands of the host of other corporations that are affiliated and associated with it in a variety of ways; that that's where the power is of this government, that it emanates from Great-West Life but not from the collective thinking of that Cabinet. And, in admitting that in this Budget, the government is saying to the rich, "Don't worry; we will do all we can to help you along. We will give you all the welfare that we can," and to the poor what the government is saying, "You are poor; you are finding it difficult to make ends meet, go to a second-hand store and we will give you \$4.25 worth of Tory blue stamps."

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

**MR. DON ORCHARD:** Mr. Speaker, it has been some time since I have had opportunity to enter into a debate, especially a debate of this importance, and it's a pity at this time that with such a good Budget Speech, such an excellent Budget, that we're all faced with a limited time to express our views on the Budget. There are so many thrusts and new directions in the Budget and the speech that each and every one of us on this side of the House would like to take considerable time to deal with them on an individual and collective basis.

So, on that note, I'd like to certainly congratulate the Minister of Finance on presenting a tremendous Budget at this time.

We have now heard five speakers from the Opposition, and the fifth was as good as the first. And I won't say any more about that. The Leader of the Opposition, Mr. Speaker, probably should change his speech-writers. I think that Dick Martin has probably served his purpose in prompting and providing speech material for the Member for Selkirk. If I was the Member for Selkirk, I'd certainly be very careful as to the kind of advice I took from some of my colleagues, particularly from some of his colleagues to the left. And I mean that politically and physically.

The Member for St. Johns offered quite a few pertinent factors to the interim leader over there and in coming up with his speech, Mr. Speaker, the Member for Selkirk reminded me of a scarecrow in the wind; he was throwing his arms around and flailing at the air. The only problem was the

people of Manitoba already had the corn crop. It didn't need protecting. The Budget provided that.

But what the Member for Selkirk, the Leader of the Opposition, did give us in his reply to the Budget Speech was the same old rhetoric that we've heard throughout all the Estimates this year. We heard that same rhetoric last year in the Budget Speech. He didn't present anything new. As I said, he used the Manitoba Federation of Labour tactic about no job creation. He didn't put any original thought into the Budget Speech. He didn't come up with any new ideas. He didn't come up with any new principles, any new directions that if he were Premier he would take and embark the province upon. Everything they said is the same tired old worn-out things that we've heard for the past 18 months. Everything that we, as government, have done of course are wrong. We haven't made any good moves. We don't get the slightest amount of credit for any of the things, the positive things, that have come out of the Budget. Nothing but criticism and condemnation.

So, Mr. Speaker, after listening to the interim Leader's reply to the Budget Speech, one overriding theme did come through, Mr. Speaker. That overriding theme was that we weren't spending enough money. We should increase the deficit. We should hire more people into the Civil Service to create any number of jobs that were needed to help solve the unemployment problem and, above and beyond all, I guess the overriding theme in the Leader of the Opposition's Budget Speech was let Big Brother, let government get on with the job of providing cradle to grave security for each and every Manitoban.

That was the only direction that one could take from the Member for Selkirk's speech and with that kind of direction, Mr. Speaker, I think it's really important that I read once again into the record some quotations from the Budget Speech itself. And the first one I'd like to read in, bearing in mind the new thrust that we saw from the Member for Selkirk to spend more money; to hire more people, to increase the deficit, to increase the taxes theme that he presented the other day, this first quotation, "For 10 years and longer senior governments, both provincial and federal, have been mortgaging the future of this country, without due regard for the validity and integrity of the present economic base and the heritage our children have a right to expect."

Now I realize that quotation doesn't mean anything to members opposite because their politics are a politics of today. They want to buy the votes today to get into power, so they will promise anybody anything, any time, to try to grasp onto power, and they are quite willing, Mr. Speaker, to mortgage the heritage our children have a right to expect.

Now, the second quotation that I'd like to read into the record, bearing in mind the thrust that the ND Party has given us in the Budget Speech, and it goes as such: "Based on the problems of the past several years, some forecasters have been less than optimistic in their predictions for the near future in Manitoba and assertions have been made by some Socialists and other nay sayers that the private sector of our economy is unable or unwilling to provide sufficient impetus for sustained growth, and that the state must move in with massive expenditures of taxpayers's dollars on projects of doubtful validity, regardless of the obvious implication of deficits and overexpenditures. "Now, these kinds of predictions", it goes on to say, "and that kind of attitude are indicative of precisely the type of negativism we have to overcome in this province, and overcome quickly, while in some cases it may be well intentioned."

And I have to agree with that. In some cases it is because some people don't understand the operation of the economic system and they do truly want to improve the lot of the poor and they think that they can do it by throwing money at it — government money at it.

"But," to go on, "too many times it is a self-serving design to support a misguided ideology that an ever-growing public sector, more and more government intervention, takeover and controls are essential and inevitable." That's the philosophy of ND Party opposite.

"It is also destructive because it causes uncertainty and undermines the confidence that is so vital to assuring the productive investment and the permanent job creation which only the private sector can provide."

Now, I think that sums up in a nutshell what the Member for Burrows was trying to get at, accusing us of sticking to our capitalistic dogma. Well, I've got to admit, I believe in that kind of capitalistic dogma, that the only permanent job creation can come from the private sector. Those are the meaningful jobs; those are the jobs that generate tax revenues for the government to spend on programs for the needy, on health care, etc., etc., etc. But that escapes members of the ND Party.

Now, the last quotation that I would like to dig out, Mr. Speaker, is a prize, because whilst it was being read out, we had members opposite, such notables as the Member for Winnipeg Centre, the Member for St. Johns, saying that it must have been Herbert Hoover, it must have been Adam Smith, it must have been whoever, but here is the quotation from one James Callaghan, Prime Minister of a Labour Party in Great Britain, and what did he say? James Callaghan —(Interjection)— Ex-Prime Minister — thank you, Member for Gladstone. The ex-Prime Minister James Callaghan,

said: "When we reject unemployment, as we all do, then we must ask ourselves unflinchingly what is the cause of high unemployment? (Underlined) Quite simply and equivocably it is caused by paying ourselves more than the (sic) value of what we produce. It is an absolute fact of life which no government, be it left or right, can alter. We used to think that you could just spend your way out of a recession and increase employment by cutting taxes and boosting government spending. I tell you in all candor that that option no longer exists and that insofar as it did exist, it worked by injecting inflation into the economy and each time that happened, the average level of unemployment has risen and each time we did this, the twin evils of unemployment and inflation have hit hardest those least able to stand them, our own people, the poor, the old and the sick."

Now there was a Socialist who knew where it was at, but unfortunately, he couldn't do anything about it because of his unholy alliance in Great Britain with the labour movement, and that is the very unholy alliance that the federal ND Party has now taken on in this election, with the Canadian Labour Congress.

Now, what does James Callaghan say? "Quite simply and unequivocably, it is caused by paying ourselves more than the value of what we produce." Does that mean anything for gentlemen opposite who are the friends of the labour union movement, when statistics have proven that wage settlements in Canada have far exceeded the productivity resulting from those wage increases for the last eight to ten years? Does that mean anything? Even Professor Bellan at your weekend think tank conference on the economy told you people that, but that doesn't mean anything to you. You will continue to support and derive your funding from the union movement through a collection of dues, compulsory collection of dues from them, and you will continue to support them no matter what their exorbitant demands on the economy are in terms of wage settlements, because you believe that is the sector that will support you. That unholy alliance went down to defeat in Great Britain and I predict that by ten o'clock tonight, you will see the similar defeat of the unholy alliance in Canada, because the voters of Canada can look in retrospect at what happened in Great Britain and they are not going to allow it to happen in Canada. Not going to allow it to happen in Canada.

Mr. Speaker, I would like to take and examine the record of the government over the past 18 months, and I think it is an excellent record to examine. Last Session, we introduced spending estimates which would increase the overall spending from the previous year by 3 percent, and when the Estimates of Expenditures were tabled, members opposite wailed and cried that it was impossible, that it couldn't be done, there was going to be wholesale starving in the streets; there were going to be people thrown out of personal care homes, etc., etc. We heard all kinds of rhetoric and you know, Mr. Speaker, none of that happened. The economy of Manitoba is perking along very nicely. Hospital care is the same as it was in the NDP regime, and I can attest to that, my uncle just got out of the hospital last week from a broken leg and he said that the care was every bit as good as it was two years ago in 1976 in December, he broke his leg. Care was no different. He was in St. Boniface in 1976; he was in Morden-Winkler in 1979.

Now, I realize my honourable friends opposite don't want to hear those kinds of examples, but that's what he told me. So the system hasn't broken down and collapsed on itself; in fact, the economy has grown. So what really happened; what was the complaining about that our gentlemen opposite were telling us about? Well, they said, no department could operate on just a 3 percent increase in funding. Well, what in fact happened was that rather than spending the total funds budgeted for, Mr. Speaker, all departments collectively spent \$17 million less — \$17 million less than budgeted. They didn't fall in; they didn't collapse upon themselves. Things are running very smoothly, very nicely in the province. And all that amidst the doom and gloom prophecies of the members opposite. Now I will admit you didn't have much to go on because you were spending money like madmen and any attempt by any government to reduce that had to be condemned by you because you had no other alternative, no other alternative but to criticize it. But now that it has worked, we have . . . the one year where in fact departments have spent less; they have operated efficiently. And instead of a deficit, Mr. Speaker, of \$120 million, what's the deficit going to be? It's going to be \$83 million.

What does that mean in terms of economic performance in the province, comparing the last fiscal year that we had compared to the last fiscal year that the ND Party had some administration? Well, we're down \$47 million from our own projections of a deficit, and we're down \$108 million from the \$191 million deficit we inherited from the ND Party and their government, and that deficit was only as low as \$181 million because there were five months of Tory management in the government that helped to reduce that amount of deficit. Otherwise, we probably would have faced a \$220 million deficit had you had the full year of reign.

Now, Mr. Speaker, often when we mention in this House the prospects for a balanced budget as being good for the country, if every provincial government and the federal government could

balance their budget, we would have less inflation. It would be a better fiscal situation for each and every individual in Canada. Members opposite and their economist friends of that particular line of thinking, laugh; they say it can't be accomplished. Well, as I understand the accounting procedures as laid out by the Minister of Finance, we are at that magical point of a balanced budget, if we account it in the same manner that the former government accounted it, the budget is balanced. And you said it was an impossible dream; you said it couldn't be attained, but it is done. It has been done in 18 years (sic) of proper fiscal management, and that's what we were saying when we were on the election hustings in October of 1977 — give us the province to manage properly and we will come to a situation of a balanced budget; we can reduce expenditures without cutting services. We have done all that and what irks the members opposite is that the majority of Manitobans are right behind us 100 percent in our efforts — 100 percent in our efforts.

Now, Mr. Speaker, one very important statistic surfaced in the Budget Speech and my colleague the Member for St. James, dwelt on it slightly in his speech. And it was the percentage of gross provincial product that has been taken by the provincial governments over the past number of years. It went from 1968-69 at 12 percent, up to a high of 18.9 percent under the last year of the NDP administration. Well, you know, we can all chase figures and they don't really mean anything to anybody. But let's put this decrease in 1977, 18.9 percent of the gross provincial product was expended by the NDP Government, by all levels of government in Manitoba. In 1978, that is down to 17.2 percent. Under our administration, we have lopped off 1.7 percent. Now, what does that mean to the average man on the street? Well, I'll tell you what it means. All government revenues come from the taxpayers of this province. They come from the working men, they come from the wage earner, the salaried person, the farmer, the businessmen and the corporation. And the taxes that are paid by corporations are paid by the individual taxpayers because they reflect directly in the prices he pays for the goods and services he buys from those corporations. So there's only one taxpayer, and that's each and every individual who consumes in the Province of Manitoba, so that there is no one who is escaping taxation in Manitoba, whether it be direct taxation or indirect taxation through payment of Corporation Income Tax in the purchase price of goods, through hidden sales taxes, you name it. Every individual in Manitoba is a taxpayer. That's a fact that we understand on this side of the House; I hope members opposite understand that.

So let's consider the man then, bearing in mind that we've taken 1.7 percent less of the gross provincial product in the last fiscal year, what does it mean to the average worker who's working 49 weeks of the year, 40 hours a week. Well, what does it mean to him? In the last year of the NDP Government, that man worked 370.44 hours for the government. That's what he worked. 18.9 percent of his productivity went directly or indirectly to finance government expenditures in this province — 370.44 hours per week. Now —(Interjection)— that's just provincially, that's right.

Now, under the Progressive Conservative Government that we have today, we are now taking 17.2 percent and he has to work 337.12 hours to make up the expenditure of funds that our Provincial Government is taking from him. That means that the average worker, across the board in this province works 33.32 hours less to work for government expenditures under our administration than under your administration. That's one full week, almost.

Now, who's the friend? Who's the friend of the working man? Who's the friend of the poor? Who's the friend of the low-income earner? Is it you people who took 33 hours more of his hard labour to cover your irresponsible spending patterns? Or is it us who took 33 hours less? I suggest, Mr. Speaker, it's us who are taking less from the pay cheques each and every week of the workers of this province, that are the friends of the working people.

Now, why did this happen? Why is the average worker, the average wage-earner, the average self-employed businessman, taking 33.32 hours less of his wage time to pay for government expenditures? Why? Because the Progressive Conservative Government has exercised fiscal prudence first off. Stop the waste in the Civil Service. Stop the overlapping programs, and has promoted a climate in Manitoba which has fostered the free enterprise system toward a greater creation of wealth. And that simply in a nutshell is what has happened.

Now, our friends opposite are going to rant and rave like the scarecrow in the wind, and holler and yell and scream about all the bad things we're doing, but that's the bottom line that Joe Average Taxpayer is seeing in the Province of Manitoba. He's seeing it, you aren't. As long as you remain blind, you're going to remain in opposition.

Now, let's talk about some employment statistics, Mr. Speaker. There are more jobs in Manitoba today than there ever has been under any year of NDP Administration. There are some 440,000 employees working in the Province of Manitoba today. Now, what's truly significant about that 440,000, and I trust my ND friends will bear this in mind, in 1977 there was a total of 429,000 people working in Manitoba. Of those 429,000, 104,000 were working as public employees for the various levels of governments and, I assume, for the utilities controlled by governments. That amounted to 24.2 percent of the employed people in Manitoba working for government. In 1978,

under the Progressive Conservatives, under our administration, there are 440,000 people working, 11,000 more, and the significant statistic, Mr. Speaker, is that now there are only 100,000 people working in the public service, some 4,000 less than in the last year of the ND Government. 22.7 percent of the employed people in Manitoba work in the public sector today, compared to 24.2 under your program — the same services, the same delivery, less people, more employment overall.

Now, that is an admirable statistic, that in fact the private sector can and will provide the real jobs, the real tax-earning jobs for the province and they're going to continue to do it. Mr. Speaker, whilst they have increased — the private sector has increased jobs by 14,000 — bear in mind two or three very significant things in this province. First of all, those private sector jobs are real jobs; they're not jobs within the Civil Service where you have to take tax dollars from someone who is earning a living to pay them — in other words, a reshuffling of tax dollars. Those are brand new jobs with brand new dollars, with a brand new taxation source, not recycled tax dollars through the Civil Service. That's significant. These jobs are jobs which are creating new wealth.

It gets back to the bigger pie, Mr. Speaker, the bigger economic pie in the Province of Manitoba. That is why government revenues are up this year, on a lower taxation base, because there is more economic activity in the province so that a lower tax rate will in fact generate more dollars of revenue because the economic pie is bigger. We're baking two pies to divide up instead of taking a bigger slice out of one pie, as our NDP friends were doing.

Now, how did this happen? How did this record of 14,000 additional jobs in the private sector come about? Well, Mr. Speaker, it wasn't through any government job creation thrust because Civil Service, Public Service employment is down by 4,000; it wasn't, Mr. Speaker, with any major Hydro development going on, as our ND friends had in the last several years of their administration. If we had a major Hydro Station on the go on the Nelson River, the employment would be up probably a minimum of 10,000 more people, 25,000 probably, new jobs in the private sector. But no, we're doing it without a Hydro project. There's no particular boom on in Mining. In fact, the Metals Market has been soft except for the last few months of 1978, but yet those jobs were created. They were created in the private sector. There was no big boom in Tourism, Mr. Speaker, despite the fact that our dollar is down. There's no big boom in Tourism, so the employment in that industry was not particularly buoyant. And it wasn't, Mr. Speaker, aided and abetted through a growth in the private sector spurred on by low interest rates. Good heavens, everybody knows that we're paying 12 to 15 percent interest rates in this country now because of the fiscal policies of an irresponsible government in Ottawa. So it wasn't a big spur of spending, investment spending, caused by low interest rates. All of those factors: no Hydro development, soft Mining Market, soft Tourism market, high interest rates, all ordinarily contribute to less private sector employment in the province, but what in fact happened was there was more and that's the part that hurts, irks, and baffles the NDP. They can't understand how that could happen.

Well, we understand how it could happen because you have to provide a climate in the province which encourages free enterprise, which encourages job creation in the private sector. You don't sit as Big Brother dictating to everybody in the province, as you would have them do. So Mr. Speaker, I think on the basis of what we had to work with the job creation in the last 18 months has been tremendous. Give us a firm contract with Nebraska so we can build another power dam. Give us the Metals prices which appear to be firming and are going to go higher in the next two to three years. We'll show you employment in this province that would make any person envious. And it's coming. And it's coming, Mr. Speaker, and it's going to come.

Now, Mr. Speaker, I'd like to deal with some specifics on tax reductions. Our friends opposite, not one of them — not one of them has had the constitutional fortitude to mention some of the tax cuts in the Retail Sales Tax which our Minister of Finance has just given us.

The first one that I have a lot to do with is the sales tax on granaries. Now I admit that's a very small item but that was an item, a sales tax item, which has irked farmers for years and years and years because of the very nature of our grain-handling system, where we're so reliant on the Canadian Wheat Board, which is another arm of bureaucracy of the Federal Government because we depend, as farmers, on them to move the grain, to sell the grain, to co-ordinate our whole grain-handling movement. It is considered an insult, Mr. Speaker, by most farmers when the job of grain moving is not done and they are forced to buy additional storage space and granaries, that they have to turn around and pay Provincial Sales Tax to do it. That has irked farmers for years and years and years and that is something that we're removing. We're removing it. I'm quite sure that members opposite had given to them for eight years that they would like that tax removed. Just like the purple Diesel Fuel Tax on trucks. They probably were lobbied every year but they didn't have the heart of the farmer and the agricultural community at hand so they didn't do anything about it, but we have.

Now, Mr. Speaker, to help the working person on their lunch hour meals we've raised the sales

tax on meals to \$4.00. That is an excellent move. It's not aimed at the capitalist, the corporate bosses' lunches which cost five, ten, twenty dollars. No. It's aimed at the lunches that the working class buy, the people who you claim to be friends of and didn't happen to do anything for in regards to the sales tax on meals. But we did it, we did it.

Now, the Member for Burrows just went through quite a tirade on used clothing. You know, he's got his opinions which are slightly aberrated on that one, but I think that that's a good move — raise the sales tax limited on used items to \$100, I think that will be welcomed. I often buy some used stuff — it irks me to pay sales tax on something that's worth \$50.00. I don't mind; I'm glad that it's up to \$100 now, that is an excellent move.

They took the sales tax off sandbags and in this year, imagine the frustration and hard feelings in the municipal councils and the town councils where they were forced to pay provincial sales tax to protect the town and the property and the residents of that town and have to turn around in that protection effort and pay sales tax on sandbags. If they said, "To hell with it" and didn't sandbag the town and caused a lot of damage, the provincial government would be tossing in many, many dollars. So, in trying to save the provincial government tax dollars through flood compensation, they're charged sales tax on sandbags? Ridiculous, Mr. Speaker. That's a move that we're taking that off, and that is something that was given us by the Member for St. Johns.

Now, firefighting and safety equipment — the sales tax removal on that is just self-explanatory.

Mr. Speaker, the real beautiful sales tax reduction is in removing the sales tax from children's clothing. Now, once again, Mr. Speaker, who does that benefit? Does that really benefit the wealthy people of the province, the people that our ND opposition would so often associate with it, or does that benefit each and every individual in the province? I say, Mr. Speaker, it gives everyone an extra tax advantage that the poor people can afford, the middle class people can afford, and the wealthy people can afford. It's an advantage given to all of them. It's something that was lobbied for by the Minister of Finance in his role of Opposition for a number of years and, once again the ND Party, the friend to the poor, would do nothing about it.

So now, Mr. Speaker, the most important thrust on that Budget Speech, of course, was the Hydro rate freeze. Now, we've heard all kinds of crying and whining by members opposite over the Hydro rate freeze. The Member for St. Johns, from his seat' made quite a few comments about that when various members have got up. The Member for Burrows is a little smarter than the Leader of the Opposition, because he never mentioned the Hydro rate freeze because he knows that it is costing us money as a provincial government, that the rates weren't automatically going to be frozen anyway — he knows that they were going to go up, he's smart enough to realize that.

The Leader of the Opposition and the Member for Inkster however didn't. They went on a tirade, a big tirade about how the rates would be frozen anyway — balderdash. That's just not right; we've devoted \$31.3 million this year alone to subsidize that Hydro rate freeze. And who, Mr. Speaker, does that benefit? Does that just benefit the person living in the \$150,000 mansion? No, Mr. Speaker. Each and every taxpayer, each and every citizen of Manitoba is a consumer of Manitoba Hydro and a beneficiary of that particular move.

Now, do the members opposite give any credit to that? No, they're afraid to, they're afraid to, because not only will the man in the \$150,000 mansion with electric heat benefit from that, but the single person, retired, on a fixed income, living by themselves in their houses will benefit from that; people in personal care homes; people in rented suites; every single person in Manitoba will benefit from that tax freeze.

Now, we could have done as we did last year — we could have given that \$31.3 million away on a personal income tax cut. But, how would that have been distributed? Last year, when we did it there was howls and cries that there was only a package of radishes a week for the poor people, and a sirloin steak for the rich people every week in that tax cut. It was evil, it was wrong, giving to the rich and taking from the poor — we heard it all.

But this year, when we reduce, when we freeze the Hydro rates to each and every individual in Manitoba, that is the fairest tax reduction that we could have come up with in this province. That applies to everybody; that applies to the poor, to the middle class, and to the wealthy; universally, it applies to everyone.

And it really irks and hurts the NDP party to have the evil Conservatives, the friends of the rich, actually do something to help the poor; to help the low income people; to help the fixed income people — that really hurts.

Now, how are we going to do it? Now, there are a lot of additional benefits, not only does it help each and every individual in the Province of Manitoba to have his hydro rates frozen for the next five years, but consider, and I don't want you to step out of line when you consider this, but consider what it does to the business climate of Manitoba, and bearing in mind, members opposite, that the business is where the jobs are created, where 14,000 new jobs are created. Businessmen

faced with a fixed Hydro rate for the next five years can budget for expansion, can plan for expansion, can increase the number of jobs in this province. Do you know who they're going to be employing? They're probably going to be employing some additional union workers; they're probably going to be employing minimum wage people and raising their wages — just the very kind of people that you say you are the only friends of.

Our proposal to freeze the Hydro rates is going to stimulate business activity in this province to provide the meaningful and real jobs that Manitobans deserve and expect from a properly managed government. And that's what they're going to get; that's what they're going to get, Mr. Speaker.

Now, this particular freeze on Hydro rates, Mr. Speaker, how was it brought about? Well, it's going to involve a couple of steps, and one of them was introduced in the House today. We're going to take the currency fluctuations of foreign borrowings away from Manitoba Hydro and put it to the account of the government of the province. Now, the Member for St. Johns, in his infinite wisdom said, "All we're doing is transferring it to the taxpayer of the province." Well, the Member for St. Johns is somewhat misguided if he thinks that Hydro users in Manitoba are not taxpayers in this province. Once again the same argument applies — that is the most universal tax cut that any government could conceive of for the Province of Manitoba. But, the Member for St. Johns in fact I think described it as "laughable", laughable that we should be worried about this currency fluctuation — the difference in the value of the loan when we made it compared to today.

And here's what the Member for St. Johns is laughing about, Mr. Speaker. According to the Minister of Finance in the Question Period today, the fluctuation in the foreign currency exchange rates has put the Manitoba government behind the 8-ball to the tune of \$531 million. That's how much difference, that's how much foreign currencies have increased the value of our debt which is to be repaid. That's what the Member for St. Johns calls "laughable".

Well, Mr. Speaker, I only have to point out that today in the Province of Manitoba we have sinking funds, the purpose of which are to retire debts, and these sinking funds have been accumulated over the past twenty-five years. They only totalled a little over \$382 million in total — that's twenty-five years of accumulation which has been more than wiped out by \$531 million in currency fluctuation over the past five years. That's the situation that the Member for St. Johns calls "laughable"; that's the situation that a former Minister of Finance of the Province of Manitoba called "laughable". A situation where in five short years you could almost double, almost double what it took twenty-five years to put away in sinking funds to retire debt. That's not laughable, Mr. Speaker, that's a crying shame, and that is a crying shame that the taxpayers of Manitoba are going to have to bear ad infinitum.

And, Mr. Speaker, that is the reason which prompted the Minister of Finance to freeze Hydro rates and to transfer the currency fluctuations to the province instead of to the utility, Manitoba Hydro.

So, Mr. Speaker, in concluding, I have to give my wholehearted support to the Minister of Finance for two years in a row, coming up with a Budget which suits the needs of the province. The Budget that we are debating right now is one which is going to, through the major initiative of freezing the Hydro rates, going to stimulate business activity in this province. We are going to see job creation in this province as a result of that Budget; it's a continued aim of this government to interfere less in the process of the private sector, so that they can get on with the job of providing permanent, meaningful, fruitful jobs for Manitobans. Thank you, Mr. Speaker.

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

**MR. A.R. (Pete) ADAM:** Mr. Speaker' I move, seconded by the Member for St. Vital that debate be adjourned.

**MOTION presented and carried.**

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

**MR. JORGENSEN:** Mr. Speaker, I move, seconded by the Member for Elmwood that the House do now adjourn.

**MOTION presented and carried** and the House adjourned and stands adjourned until 2:30 tomorrow afternoon. (Wednesday)