

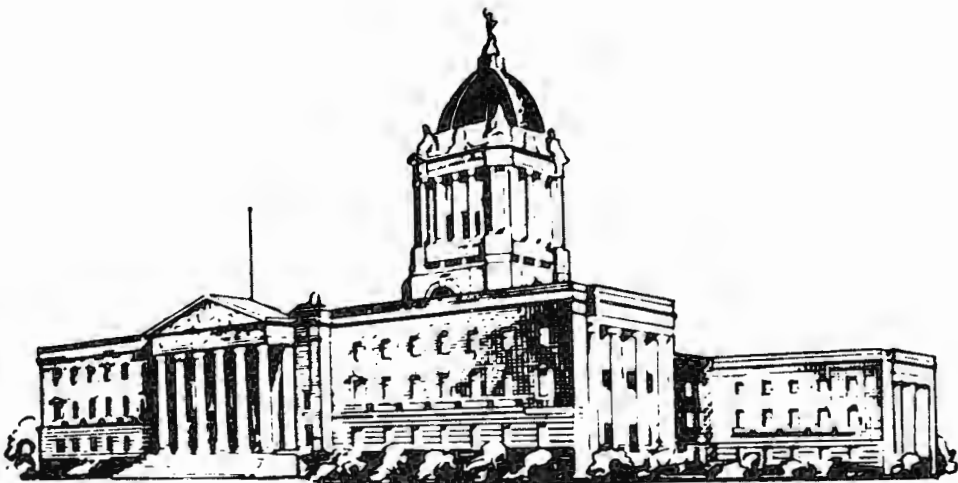


Third Session — Thirty-First Legislature
of the
Legislative Assembly of Manitoba

DEBATES
and
PROCEEDINGS

28 Elizabeth II

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2:30 P.M. Thursday, May 17, 1979

LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, May 17, 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 a full gallery today, where we have 60 students of Grade 11 standing from the Pierre-Radisson School under the direction of Mr. D. Senchuk. This school is in the constituency of the Honourable Member for Radisson.

We have 115 students of Grade 11 standing from the Portage la Prairie School. This school is in the constituency of the Honourable Member for Portage la Prairie.

We have 26 students of Grade 11 standing from the John Taylor Collegiate under the direction of Mr. Semotok. This school is in the constituency of the Honourable Minister of Tourism and Cultural Affairs.

We have 12 Cubs from Hadashville under the direction of Mrs. Puzianowski. These cubs come from the Constituency of La Verendrye.

We are also pleased to welcome 16 Grade 7 and 8 students from Fairdale Junior High School, from Fairdale, North Dakota, under the direction of Mr. Watson.

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

MR. SPEAKER: The Honourable Member for Pembina.

MR. DON ORCHARD: Mr. Speaker, I beg to present the third report of the Committee on Economic Development.

MR. CLERK: Your Committee met on Tuesday, May 15, 1979 and on Thursday, May 17, 1979 to consider the Annual Report of the Manitoba Development Corporation.

Your Committee examined the financial statements of the following corporations in which the Manitoba Development Corporation holds equity investments:

William Clare (Manitoba) Limited — for the fiscal year ended December 31, 1978.

Flyer Industries Limited — for the fiscal year ended December 31, 1978.

Tantalum Mining Corporation of Canada Limited — for the fiscal year ended December 31, 1978.

Mr. S. J. Parsons, Chairman of the Board and General Manager of the Manitoba Development Corporation presented general statements respecting the affairs of the Company. Having received all information requested by members of the Committee, the annual report was received as presented.

MR. SPEAKER: The Honourable Member for Pembina.

MR. ORCHARD: Mr. Speaker, I beg to move, seconded by the Honourable Member for Springfield, that the Report of Committee be received.

MOTION presented and carried.

MINISTERIAL STATEMENTS AND TABLING OF REPORTS

MR. SPEAKER: The Honourable Minister of Highways.

HON. HARRY J. ENNS (Lakeside): Mr. Speaker, I'd like to inform the residents of the community of St. Adolphe that I'm prepared to rescind the evacuation order for that area, that is within the dyke at St. Adolphe, effective 8:00 a.m. Saturday, May 19, 1979.

Mr. Speaker, my office is receiving, understandably, numerous requests from anxious citizens to return, but I would ask that they do co-operate with the municipal officials, who have set Saturday, 8:00 a.m., the earliest possible return to the community.

MR. SPEAKER: Notices of Motion . . . Introduction of Bills . . . Oral Questions . . .

ORDERS OF THE DAY

BUDGET DEBATE

MR. SPEAKER: On the adjourned debate on the proposed motion of the Honourable Minister of Finance. The Honourable Leader of the Opposition.

MR. HOWARD PAWLEY (Selkirk): Mr. Speaker, I first would like to commence my remarks by congratulating the Minister of Finance on this his introduction of his second budget. Having said that, Mr. Speaker, there is very else that I will say that will be of a complimentary nature to the Minister of Finance.

Mr. Speaker, as we listened to the Minister of Finance the other evening, and listened to his recounting the record of his government, our minds could not help but relate back to the promises and commitments that were spouted across this province, from north to south, from east to west during the 1977 campaign. We could not help but recall the steady bombardment in which Manitobans were subjected to during that campaign. We recall, and I have in fact, in my possession, an advertisement which was published, I believe, in many many newspapers through the length and breadth of Manitoba. This particular one is one that was published by our colleague from Rock Lake but I believe it was a standard Conservative ad, Mr. Speaker, one that appeared throughout the weeklies in the province. So I believe that all colleagues in government benches must assume responsibility for the commitments, the promises, the representations that were made during that federal campaign, and some of the commitments were and I believed them to be most relevant as we embark upon this budget debate.

First, "The New Democratic Party, of course, has fallen down on the job." That was, of course, the first statement. "The Progressive Conservative candidate in your constituency is committed to creating more jobs." The commitment within this ad is that in fact a Progressive Conservative government would generate more jobs, more economic activity within the province of Manitoba. And so, Mr. Speaker, we have throughout that provincial campaign, just as we have at the present time, a well financed and orchestrated campaign — then by the Progressive Conservative Party of Manitoba, now by the Progressive Conservative Party in Canada — a campaign, which called upon Manitobans to be free, to be free of the New Democratic Party government, which then had governed for eight years, which promised the generation of job growth and activity. And the suggestions which were made during that campaign that the New Democratic Party was in some way an alien philosophy, an alien philosophy that had found its way onto the prairie of Manitoba. The Conservatives during that campaign, Mr. Speaker, promised that they would do these accomplishments that they had proposed by reducing government spending, by reducing corporate and personal tax, and as result of that, Mr. Speaker, it was said that there would be a generation of economic activity in Manitoba. Such a generation of economic activity that there would be a blossoming of more jobs; and our young — the pitch was made and I recall that pitch so well, Mr. Speaker, to the youth of this province: "Trust us; there will be jobs in this province, there will be opportunity for you all so you won't have to leave this province to go to fields further west."

Yes, yes, Mr. Speaker, and I see that even today after eighteen months, the Conservative members across the way that said so much on their own propaganda eighteen months ago, still believe in their own propaganda. Mr. Speaker, where have we seen this economic activity? Do we witness the development of more and more industry and economic development in this province? Do we see entrepreneurs lining up to be given the opportunity to invest in this province, Mr. Speaker? In fact, we see the reverse. Hardly a week or two passes by that we do not read of some Manitoba corporation that is decided, despite this Conservative government, with all its commitments and promises and flourishing, that they are leaving the province. And as my colleague, the Member for Inkster states, "because of it, because of it" leaving the province.

So that, Mr. Speaker, during this past year we have a situation in which the Budget that was presented by the Minister of Finance only tells us half the story, only half the story, and leaves out the remaining half of the story which completes the total picture.

Mr. Speaker, we have in Manitoba in the past eighteen months, eighteen months in the erosion of the economic substructure of this province. Mr. Speaker, we find that there is a decrease in

total overall demands insofar as Manitoba is concerned. We find that insofar as projections are concerned for the upcoming year, 1979, that in fact Manitoba ranks at the bottom. And that even if we take private investment projections in Manitoba for the forthcoming year, Manitoba is the lowest except for Prince Edward Island and New Brunswick. And we see, Mr. Speaker, that insofar as even that private investment that they had promised us, that tremendous private investment and activity, that most of that private investment and activity took place in the area of housing and office building construction; not in construction that related to production in Manitoba.

What has been the net result, the net result of the fact that although private investment did increase last year over 1977, that was far short of the mark in 1976. Insofar as total investment, including public and private investment — and I know that our colleagues across the way don't believe in public investment — to them it's something alien, but if we combine total investment which involves both partners in the development of this province, in the creation of economic activity, there is in fact slippage, slippage of 1978 from 1977 and the result, Mr. Speaker, is out-migration. The Minister of Finance tried to excuse the out-migration figures the other night. He said, "Well, really the story here is that we're not able to bring more and more people into the province." It's not that jobs are leaving the province; we're simply not attracting new jobs into the province.

Mr. Speaker, the fact is and the truth is that insofar as out-migration from Manitoba is concerned, last year 10,000 and some, the highest number of out-migration since 1966 and, Mr. Speaker, only this morning I received information insofar as practical examples of the exodus of engineers and technicians from this province, our most skilled, our youngest people from this province.

Teshmont, which is a firm which was doing considerable business in Manitoba, employing in excess of 400 personnel, the bulk of its staff have left the province of Manitoba within the last few months. No economic activity, no opportunity, no hope, no hope, no confidence on the part of so many that are engaged in economic activity in the province for future development. And in unemployment, Mr. Speaker, you may remember the reference to more jobs for Manitoba; we heard the reference that Conservatives were going to create more jobs; 1977, October, 4.6 percent unemployed. Two, three days ago the announcement from StatCan 6.9 percent unemployed in Manitoba; 1.1 percent increase in unemployment, the highest rate of increase of unemployed in any province in Canada, including Newfoundland. I never thought, Mr. Speaker, never thought that we would end up competing with Newfoundland and New Brunswick for levels of unemployment, the highest rate of increase.

Mr. Speaker, the end result of that is that as we see increased out-migration; as we see that the unemployment situation in Manitoba is not improving particularly in the relationship to the rest of Canada; when we find that there is inadequate replacement of the skills in Manitoba, we find that our economy in Manitoba in fact is very much like an individual that suffers from sleeping sickness, listless, an economy which is losing steam, an economy that is unable to respond, an economy, Mr. Speaker, that requires an injection of health and stimulus to it. And yet Mr. Speaker, what we have is a government that is committed, not to ensuring that there is the involvement of both the public and the private sector in order to generate economic activity in this province, government which is committed to the doctrinaire commitment to sole reliance upon the private sector as the principle means of generating economic activity in the province.

And, Mr. Speaker, not only did we find that this government is failing in that respect insofar as the economy and job creation is concerned and I might mention there is no proposal, there is no suggestion for any job stimulation, for any stimulation of the economy in the Budget that was tabled by the Minister of Finance.

And, Mr. Speaker, this government fails even on their own promises, their own record. They indicated that the deficit which they referred to repeatedly as one which was left by the New Democratic Party, was of such a size that would strap Manitoba. Mr. Speaker, the fact is — and the undeniable fact — that the deficit which they have accumulated over the past two years — last year and this year — exceeds any comparison of deficit in the history of this province.

Mr. Speaker, the fact is that they are failing and they are failing miserably by their own standards, by the standards that they established for themselves. Not only are they failing to generate the economy, but they are failing to stimulate the economy and at the same time are generating deficits which go unparalleled insofar as Manitoba history is concerned. By their own standards we shall judge them.

A MEMBER: Where's your balanced budget.

MR. PAWLEY: Mr. Speaker, only a short time ago the Bank of Montreal issued a very interesting report — and the Member for Pembina, I heard a comment from him just a moment ago — but the Bank of Montreal pointed out that Manitoba according to them is suffering in comparison to most other areas of the country. —(Interjection)— I thought it was very very interesting, the little

article which appeared in the Carman paper. I'm sure the Member for Pembina read it — I'm sure he read it with some possibly, remorse — but I hope that it had a message for him: "Lyon, king of the jungle, but not of the economy. Lyon, king of the jungle, but not of the economy."

Mr. Speaker, in case the local Member for Pembina failed to read his weekly newspaper, I would like to send it over to him.

And, Mr. Speaker, on March 8, 1979 we had an article . . .

MR. ORCHARD: Nobody reads this paper, Howard.

MR. PAWLEY: . . . we had an article in the Winnipeg Free Press, written by Mr. F. W. Tallman, president of Citadel Life Assurance Company of Winnipeg, and he indicated Manitoba appears to be falling behind other provinces in terms of economic and political strength — Manitoba appears to be falling behind other provinces in economic and political strength. —(Interjection)—

Mr. Speaker, what we are referring to this afternoon is not only the projections and the statistics from StatCan, Conference Board of Canada — all of which I know the First Minister regards with some suspicion as being in some way subversive or Marxist — and I'm sure his colleague, the Minister of Finance, shares with him that concern.

What we are witnessing, Mr. Speaker, is more and more Manitobans even in the business community, that this government pretends and claims to represent, expressing concern about the direction of this economy under this government.

Mr. Speaker, if that was not bad enough, what we observe, and I found it somewhat strange, Mr. Speaker, to see huge black headlines in the Winnipeg Free Press the day before yesterday, "Government Trims Taxes. Government Trims Taxes." Mr. Speaker, I think we have to, some way or other, find a new definition for trim because it was just a little snip, a little bit of hair, is all that we observed in this budget insofar as Manitobans are concerned. But insofar as Manitobans are concerned in general, what they are observing is a shift of taxes onto the local level, onto the individual taxpayer. So Mr. Speaker, we have found that Manitobans are paying more, more than ever before. Provincial park fees, and I direct this to the Minister responsible for parks, since 1977 daily entrance fees up by 20 percent. Seasonal entrance fees from \$6 to \$8, a 33 percent increase. Daily campground fees, unserviced sites up from \$3 to \$4, 33 percent increase. Campsites with electricity, up from \$3.50 to \$5.00, a 43 percent increase. Campsite with full service, up from \$4.50 to \$6.00, 33 percent increase.

Then Mr. Speaker, to the Attorney-General, a tax of \$35, a deterrent fee imposed insofar as Legal Aid is concerned. Personal care home per diems increased from \$6.25 to \$7.75, an increase of 20 percent. Mr. Speaker, the Minister of Health speaks from his chair . . . Mr. Speaker, at the very beginning I indicated the rates were from 1977. I point out to the Minister of Health that that rate exceeds the rate of inflation and, Mr. Speaker, that did not occur. That the rate of per diem increase in personal care homes increased the rate of inflation during New Democratic Party years as it has under his sponsorship, Mr. Speaker. Let him continue to speak from his chair. Let him speak to Manitobans. Personal care per diem is a higher increase than the rate of inflation.

Mr. Speaker, senior citizens, to the Minister of Health and Social . . .

MR. SPEAKER: Order please. There will be lots of time for individual members to take part in this debate. Let's have one member at a time. The Honourable Leader of the Opposition.

MR. PAWLEY: Mr. Speaker, an increase in personal care per diems again. I repeat, from \$6.25 up to \$7.75. I made it very clear right at the beginning of my remarks, since 1977. Per diem of \$7.75 imposed upon any senior citizen in a hospital who has been panelled for a nursing home. That's been imposed by the Minister of Health and Social Development and his colleagues. Mr. Speaker, charges for private hospital rooms increased from \$9 to \$11.00. That's happened under the Minister of Health and Social Development and his colleagues.

Mr. Speaker, outpatients now being charged for drugs, drugs which were free in 1977. Pharmacare deductible increased from \$50 to \$75; an increase of 50 percent and, Mr. Speaker, a drug-using family that has to depend upon drugs because of need within that family, average cost would be about \$20 a month. Legal fees under The Real Property Act — I say this to the Attorney-General — under The Real Property Act, under The Registry Act, under The Surrogate Courts Act, under The Law Society, Law of Fees Act; all increased, all increased significantly and substantially, all to be borne by the consumer of services in this province. And they talk about 6 percent increases, Mr. Speaker, they talk about 6 percent.

Community college tuition fees increased, \$200 annual increase to 400 percent of what they were at one time insofar as all new students entering community colleges, a 400 percent increase — 400 percent increase — I wish to repeat for the benefit of the ears of the Minister of Education,

400 percent. University tuition fees — again to the Minister of Education — up by 20 percent; 20 percent since 1977. Cigarette taxes up 5 cents a package; annual cost about \$20 now. I must say, Mr. Speaker, that doesn't bother me but there are some of my colleagues here that smoke a package or two a day. Gasoline tax up 2 cents per gallon; the annual average cost to the motorist about \$10 a year. City of Winnipeg taxes and user fees increased — and they have been increased, and let not the First Minister and the Minister of Urban Affairs and his colleagues hide behind the real reason for the increase in Municipal Taxes and user fees in the City of Winnipeg — they have been increased because this government has been so miserly and restrictive insofar as the provision of necessary financing and grants to the local government in Manitoba.

Property tax increases in Winnipeg School Divisions increased this year by over \$120 since 1977, over \$120 for the average ratepayer. Bus fares up from 25 cents to 40 cents and legislation just introduced that's going to affect transit fees again in the Province of Manitoba. More legislation, more tax being imposed upon Manitobans but they will hide behind the municipal people; they will hide behind the administrators of our hospitals; they will hide behind the members of our School Boards and in fact when things get hot, Mr. Speaker, the government across the way will blame them, will cast blame upon local government.

Municipal golf course green fees increased from \$4 to \$4.50 for adults; \$2 to \$2.25 for children and senior citizens.

Water rates, water rates, Mr. Speaker, increased from 72 cents per 100 cubic feet to 75 cents per 100 cubic feet, and you'd wonder why with all the water south of Winnipeg. Sewer rates, sewer rates up from 40.3 cents per cubic feet to 46.5 per cubic feet.

Street parking meter fees are up from 20 cents per hour to 50 cents per hour; 150 percent increase and the Minister of Transportation indicates from his desk, that's our fault too. Mr. Speaker, it is, it is his fault, it's the First Minister's fault, it's his colleagues' fault. It's a direct result of restrictive financing. The restriction insofar as the provision of grants to our junior levels of government in this province that's a cause of it. It is, it is the fault of the First Minister and the Minister of Transportation and his colleagues.

Public swimming fees up 60 percent. Mr. Speaker, if that was not bad enough, we witness the change insofar as services are concerned in our institutions. I know that this will not be pleasant to the ears of the Minister of Health and Social Development but I believe that it's necessary to keep repeating and repeating what has happened. And the Minister of Health and Social Development says it's not true and the people know different. Mr. Speaker, Jack Hare, the Member of Parliament knows more about what's happening in our hospitals in this province than the Minister of Health and Social Development is concerned to the extent, Mr. Speaker, that Jack Hare felt compelled to write to the Member for St. Boniface and plead with the Member for St. Boniface to help him — to help him — do something with the intransients of the Minister of Health and Social Development.

And then, Mr. Speaker, when there was a little bit of a reaction — when there was a little bit of reaction — when there was a little bit of backlash and as I mentioned earlier in this House that Mr. Hare, a member of Parliament, felt he'd better undo some of the harm he might have done to his colleagues in the provincial government and he hurriedly sent another letter to my colleague, the Member for St. Boniface, saying that his earlier letter was strictly hypothetical, inadvertently had been sent out and had been sent out in the confusion of signing hundreds and hundreds of letters and that there was confusion during the Federal Election campaign. Yes, he said the Federal Election campaign confusion had caused it. He said he had felt very very badly, felt very very badly and, Mr. Speaker, to cap it all off he pleaded with the Member for St. Boniface to forgive him in case it might have embarrassed the Member for St. Boniface: "Forgive me, Member for St. Boniface, in case my letter embarrassed you".

But what it does indicate, Mr. Speaker, is that Jack Hare and some of the Conservative candidates are running in this election and they're having to face Manitoba voters, know a little bit more about what's happening in our hospitals than the present government sitting across the way.

Mr. Speaker, there's a long list of what is happening in our health care field. Staff which has been cut in the mental hospitals in this province, positions that had been frozen in our community and personal care services, budgets for three community health clinics that had been frozen, they've been put on borrowed time as to speak, provision for home care services for the elderly have been reduced to 600 from 700 persons per month, or 1,770 persons taken off the program of health services assistance to the elderly, widespread bed closures and layoffs have occurred in our hospitals. And, Mr. Speaker, the President of the Manitoba Health organizations mentioned that to you. Mr. Speaker, the widespread hot lunch and nutrition program that's been cut, hot lunch, nutrition programs, daily rates in personal care homes as I mentioned earlier, increased. Pharmacare deductibles increased, and a 24 percent decrease in the amount of moneys provided to the Canadian Association for the Mentally Retarded, in this province.

Mr. Speaker, this is the record of this government. And in case the Minister of Education feels that he is able to get away with cuts in grants and assistance, more and more school boards are beginning to concern themselves, as are parents in this province, about what is happening in the schools. In fact, in the Member for Killarney-Souris' own constituency — and I know he doesn't like this newspaper very much — but I thought the Boissevain Recorder had a very good editorial the other day, indicating what was happening way down near the American border, right in the heart of the Minister of Mines and Resources' constituency — how programs were being affected in the Turtle Mountain School Division due to the cutbacks in grants from this government.

And the Brandon Sun had an excellent article the other day, Mr. Speaker, about what was happening in the Brandon School Division as a result of cutbacks in the school system in Brandon.

And then, Mr. Speaker, we find the municipal mill rate, and what is happening on that front. And I would like the Minister of Municipal Affairs to listen closely. Because I recall the First Minister, when he spoke to the first meeting of the union of Manitoba municipalities after his election as Premier of this province — the Minister of Municipal Affairs was there — how they were going to place more trust, and they were going to relate to what the municipalities wanted.

I don't believe that the little ratepayer, and Manitobans in general, want what has happened insofar as mill rate changes this year in our municipalities in this province, and within the City of Winnipeg. I would like to read a few to the Minister of Urban Affairs, because he's laughing; I'll deal again from 1977 to 1979.

MR. BARROW: I'm laughing on the outside.

MR. PAWLEY: Winnipeg No. 1, an increase in total mill rate from 130 some mills, to 147; St. James, an increase from 124 mills up to 136; an increase in Assiniboia School Division from 123 to 138; St. Boniface, from 117 mills plus to 132; Fort Garry, from 121-some to 139 mills; St. Vital from 123 mills to 134; 123 to 139 increase in Norwood; Seven Oaks, an increase from 117 to 136; Transcona-Springfield, 106-some mills to 131 mills; in the Interlake, from 121 to 133.

Yes, ask the municipal ratepayer whether his taxes have been trimmed by this government. Ask the school ratepayer whether his or her taxes have been trimmed by this government. Ask the consumer of personal care services whether or not his or her taxes have been trimmed by this government. Ask the students at Red River Community College whether his or her costs have been trimmed by this government. Ask the students at the university whether their costs have been trimmed by this government. And on and on we can go, to all the user fees, Mr. Speaker. I believe the answer in Manitoba will be an overwhelming "no" on the part of the vast majority of Manitobans — vast majority of Manitobans. —(Interjections)—

Well, Mr. Speaker, the Minister of Transportation says, "We'll find out on the 22nd." I wish, Mr. Speaker, this was a provincial campaign on the 22nd. —(Interjections)— Then we would really find out — we would really find out, Mr. Speaker.

Then, Mr. Speaker, we have the situation which the Minister of Finance, in his Budget, announces that he is going to place the Hydro loan on general debt; going to spread the load burden of Hydro onto the debt structure of Manitoba. And I believe there are a number of comments that should be made pertaining to this venture on the part of the Minister of Finance.

First, I think it's important to note that the Minister of Finance has not acknowledged, and nowhere did he acknowledge, that the very reason that he's able to do this, to accomplish this, is because of the facility that was built and was constructed between 1970 — 1977 by the government, led by Ed Schreyer and his colleagues during that period of time.

Mr. Speaker, is the Minister of Finance prepared to say that in fact he would be able to look forward to providing those connections that are so important to him south of here; that are so important to him west of here; in which he feels there will be additional revenue, if it wasn't for the imagination, the initiative and effort of the New Democratic Party Government from 1970 to 1977?

And, Mr. Speaker, if it was not for those moneys that were invested, if it was not for that leadership and initiative, the Minister of Finance would not have been in a position to have made the announcement which he made the other day in the Budget.

Mr. Speaker, the fact is that we call upon the Minister of Finance to immediately screw up his courage, call the Public Utilities Committee into Session, so that we can hear from Manitoba Hydro themselves about this move — at once, immediately, so that members of the Legislature, my colleagues, can question and can debate with the officers of Manitoba Hydro.

And, Mr. Speaker, after we've had opportunity to have reviewed this with the officers of Manitoba Hydro, we will then be in a position to be able to determine whether this is a move that is equitable and fair insofar as the distribution of the burden of Hydro, by spreading it over the ratepayers

as a whole in Manitoba.

It may very well be, Mr. Speaker, and as my colleague, the Member for Inkster, mentioned yesterday, that in fact it could very well be that this is the one great initiative on the part of this government to institute some doctrinaire socialism in this province, that it may be one of the first real progressive moves on their part to bring into effect a little bit of doctrinaire socialism in Manitoba. Well, we have to watch, we have to listen and we have to see what the Hydro has to tell us in the Public Utilities Committee. We have to know how that burden of distribution of the load of Hydro is going to be spread over Manitobans in general.

But, Mr. Speaker, again I repeat, if it wasn't for the fact that there was initiative and leadership and money invested over the years, the Minister of Finance would not have been able to have proceeded with his announcement the other night. I believe that there is no way that the Minister of Finance is able to deny or to challenge that statement, Mr. Speaker.

And I believe it is important to emphasize — emphasize because of the sniping, and the constant criticism, the barrage that the former First Minister of this province was subjected to year after year by the Minister of Finance and his colleagues across the way. —(Interjection)—

MR. GREEN: You have stable rates now.

MR. PAWLEY: Mr. Speaker, I believe that because of the provision of that facility, we would have been able to have had stable rates anyway except for the yen — the valuation of the yen — which is stabilizing anyway —(Interjection)— insofar as recent forecast is per your own graphs in your budget itself.

Mr. Speaker, then we see on the part of the Minister of Mines and Resources, that a change insofar as taxation is concerned in Manitoba, and this change of course came as no surprise to us. Mr. Speaker, for the past period of time, the mining industry has been picking up in Manitoba as well as in most other countries of the world because of a supply problem which exists. Many Third World countries are no longer able to produce copper and nickel, and I refer specifically to Zambia, and to Zaire and to the recent situation in Middle East torn countries. And the end result of that is that supply, which had tightened, is due to increase and certainly Manitoba is on the verge of increasing its opportunity insofar as mining as a result of the world situation.

Mr. Speaker, the mining industry has been working, yes, under capacity. Thompson, due to an oversupply of nickel, but also due to the Sudbury situation, and that is going to change.

I think it is important to mention a point here, Mr. Speaker, to the Minister of Mines and Natural Resources. If in fact our mining tax in this province was so prohibitive and so restrictive then, Mr. Speaker, it is rather interesting that INCO saw fit to settle very quickly in Thompson but in Sudbury — another province under a Conservative government — a strike has gone on for seven or eight months. But INCO saw fit, INCO saw fit, Mr. Speaker, to settle quickly in its negotiations in Thompson. Despite this tax rate, which was suggested on the part of the Minister of Mines was a type of tax rate which was chasing mining industry out of the province of Manitoba and I believe it is rather interesting and useful to note that, Mr. Speaker.

Mr. Speaker, the point is that the reduction in taxes will not affect the rate of mineral activity in this province, in the amount of mining activity. In fact the graphs which are provided for us on Page 20 by the Minister himself illustrates that very point. It illustrates that from 1977 — on Page 11 — that from 1975-1976 to 1976-1977 there was an increase in Manitoba insofar as millions of dollars, value of mineral production of some \$50 million; from 1977 to 1978 there was a decrease of some \$90 million in mineral production in the province of Manitoba. So that, Mr. Speaker, if this year mineral production is increased value-wise in Manitoba by some \$90 million, that \$90 million will only compare with the 1977 mineral value totals in Manitoba.

So Mr. Speaker, if there is to be a change insofar as mining activity is concerned, that change will be the direct and net result of world market situations; will be the result of supply, loosening up and greater demand for supply and will not be because of the tax giveaway by this government across the way.

The Conservatives would like to leave the impression that the only reason that there has been any problem in any mineral activity development during their period of time and try to explain the \$90 million decrease in mineral development, is because of the level of mineral taxation in the province. Mr. Speaker, that is hogwash, absolute hogwash. And I believe that the Minister of Mines, himself, is quite aware of that.

And Mr. Speaker, we say furthermore that when this government decided to withdraw itself from joint venture — joint venture insofar as mining activity is concerned — that this government then, as a consequence of that move, had no alternative but to proceed to find itself in a situation of sharply reducing mineral tax insofar as the mining companies are concerned. This government has become dependent upon the mining industry and what we are doing, Mr. Speaker, is returning to

the days of 1968-1969 and prior to that when the First Minister himself was the Minister of Mines, when in fact it cost more to provide services to the mining communities than was the sum total of mineral taxation that was collected from the mining industry in this province. Those are the good old days, those are the good old days that we are returning to in Manitoba under the leadership of the First Minister and his colleagues.

MR. GREEN: Very economically sound.

MR. PAWLEY: So Mr. Speaker, if we increase mining activity in this province by \$90 million this year, we will have returned to the value of mineral development in 1977 and yet, Mr. Speaker, we will be receiving less — Manitobans will be receiving less — as a result of this government's change in tax policy. More moneys, Mr. Speaker, will pour from this province to the coffers of the multi-nationals and less to Manitobans as a whole and I find it regrettable and regressive that we now have a situation by which Manitobans no longer will receive a fair share of their own natural resources. I think it's inexcusable, I think it's a sad day. And let me serve notice on the Minister of Mines that the Opposition will oppose, they will oppose vigorously the bill that he intends to introduce into this Chamber pertaining to that.

And Mr. Speaker, I also found it rather interesting when we deal with mining activity, that this government insofar as Tantalum Mining Corporation of Canada was concerned, saw fit to permit the Hudson Bay Mining Company to claim for \$6 point some million — an option in Tantalum, that realized according to the financial statements ending December 31, 1978 a profit of some \$2.3 million, and that after taxes. \$2.3 million.

And Mr. Speaker, they have the nerve to talk about giveaways; giveaways involving Saunders; and they have the nerve to talk about being great managers of the economy; they have the nerve to speak about efficient development of the economy of this province. And for \$6 point some million realizable return on 50 percent of the investment in Tantalum, Tantalum profits \$2.3 million. What such colossal stupidity on the part of the government across the way! And, Mr. Speaker, we have seen dilution of Cisco, another corporation, which was jointly owned by the Manitoba Government and the mining industry. We've seen the dilution of that corporation, Mr. Speaker. More and more dilution of the people's interests in their own natural resources, and I believe that that presents the most distinct and clear differential between my colleagues on this side of the House and the government of the day.

It is our view that the resources of this province should be shared in an equitable fashion among all Manitobans — all Manitobans — and those resources ought not to be exploited, not to be exploited for the sole benefit of a few, mainly outside Canada. And that is the situation that we face today, under the government across the way. Mr. Speaker, unfortunately no longer are our natural resources then being developed in the interests of all Manitobans.

You know, I would like to just at this point, and I was trying to find the quote, read a statement which I found to be quite interesting to members across the way, a message that was delivered by a well-known politician and statesman of the past to Canadians. It reads into my mind, "Reform means government intervention, it means government control and regulation, it means the end of laissez faire. Reform heralds certain recovery. There can be no permanent recovery without reform; I raise that issue squarely. I nail the flag of progress to the masthead. I summon the power of the state to its support." Mr. Speaker, was it J.S. Woodsworth, Tommy Douglas? Well, I was rather shocked, Mr. Speaker. The author of that statement was R.B. Bennett, 1935.

So, Mr. Speaker, I want to apologize to the name of R.B. Bennett, because often I have referred to honourable members across the way of reflecting R.B. Bennett and Hoover and other famous individuals in Canadian and American history. No, their philosophy, their economic thinking must pre-date R.B. Bennett, and I suspect very much, Mr. Speaker, it dates back to 1890, 1895, 1905, in that general area. Mr. Speaker, the First Minister, when he concluded the Throne Speech Debate, had talked at great length about strife in our society and I know this is a favourite topic of his — confrontation, classes against class. He was suggesting in fact, that we as a party, our supporters, we encourage workers to blame the owners of their plants; workers in hospitals to confront the administrators in hospitals; teachers to confront school board members; to create and to generate strife in this province.

And I remember the moving feeling that was demonstrated by the First Minister in his address and response. But, Mr. Speaker, I found it rather interesting, and I wish the Minister of Labour was present, but he's confirmed these figures that what we're witnessing in Manitoba is not that great harmony that was mentioned, not that great tranquility that was mentioned from group to group. But in 1978, we witnessed a 1,000 percent increase in Manitoba in the number of days lost due to lockouts and strikes in this province — a 1,000 percent increase. And if they say the construction industry strike, Mr. Speaker, is 500 percent increase, without the construction strike,

and, Mr. Speaker, if they go on then to say, well, Manitoba some way or other — . . . the it's the same as other provinces, it's just coming out of AIB fact, Mr. Speaker, is that the number of days under this great tranquillity, under this great harmony, under this class-free sort of confrontation that the First Minister spoke about, that Manitoba's share of those days lost due to lockouts and strikes increased from just a little under 1 percent, 1977 to just a little under 4 percent in 1978.

And, Mr. Speaker, we also find other fears that have been generated in the past 18 months within this government. Its civil servants, the Manitoba Association of Social Workers pointed out that they had great difficulty insofar as obtaining information. The Minister of Health knows this from civil servants in this province due to the fear — the fear that civil servants felt, the intimidation that they felt. We have seen increased concern by the aged and the ill and by the youth in this province about what is happening; the lack of opportunity for the youth, the lack of security for the aged and uncertainty insofar as those in our personal care homes or hospitals with service as it is.

Mr. Speaker, I believe that all this is a result of a degree of inequity and unfairness that is being reintroduced back into the fabric of our society by this government across the way, a philosophy that is not geared toward ensuring more equity in the affairs of men and more brotherhood in the affairs of one to the other, but in fact is generating that very sort of confrontation that the First Minister discussed when he completed his remarks in the Throne Speech Debate. And on the 22nd of March we are faced with Conservatives and Liberals at the federal level . . .

A MEMBER: 22nd of May.

MR. PAWLEY: Of May — that are geared and are aiming towards further decentralization of the central authority in Canada, to distribute more and more powers to the provinces, and to weaken the authority of federal government. And we call upon the First Minister to indicate clearly and firmly what his position is at this point. Does he agree with Joe Clark's efforts to decentralize the power of the central government in Canada? Does he go along with Joe Clark and Pierre Elliott Trudeau in their efforts in the last number of years in this respect? I believe, Mr. Speaker, that is one of the most fundamental and important items that still confront us in Canada. Is it right, is it fair, that in Canada that one in every ten in the province of Alberta should enjoy incomes of \$35,000 and up, while in the province of Newfoundland one in four earn less than \$7,000 per annum? Is it fair, Mr. Speaker, that in the province of Alberta we should see the increased building up of the Heritage Fund? What is it now, 4, 4 to 5 . . .

A MEMBER: 4.5.

MR. PAWLEY: \$4.5 billion. Mr. Speaker, there's no doubt in my mind that the direction which the federal leaders of both the Conservative and Liberal Parties are moving is such to contribute more, contribute more to political separation in this province than anything that Rene Levesque can do in Quebec.

Mr. Speaker, another area that is, I believe, of concern to Manitobans. Because of their witnessing the giveaway, the giveaway on the part of this government of so many of our people's resources, whether it be the boat, the M. S. Lord Selkirk that honourable members across the way wish to poke fun about; whether it's Morden Fine Foods or Tantalum Mines, list after list of items. I believe that Manitobans are concerned about what the federal counterparts of this party are prepared to do pertaining to Petro-Can. I would ask the First Minister to indicate what he would do at Petro-Can.

A MEMBER: Sell it out.

MR. PAWLEY: Would he sell it out to the multinationals? Would he shed Petro-Can of its role within the Canadian economy?

MR. GREEN: If you don't sell you have no receivables.

MR. PAWLEY: And Mr. Speaker, I believe I was too kind to the First Minister. As has been mentioned on this side, I believe, he wouldn't sell it. I believe he would give it away.

It was in 1977 that we witnessed on the part of the opposition leader then, the First Minister today, strong words being espoused about his form of government and the type of government that he would introduce into Manitoba. I read about what gentle government they would introduce into Manitoba; what humane government they would introduce to Manitoba; what sound government

they would bring to Manitoba; and how it would be such a fair government. In Anola in that provincial election, September 27th, 1978 the First Minister said, "The only people who," referring to the then government, "the New Democratic Party represent when they get into office are the people with their own particular party cards." After eight years they got most of them on the public payroll. It's the rest of us who have to support them. There's going to be a change in that after October 11th. There's going to be a change on October 11th.

Well, Mr. Speaker, I'm repeating it because the First Minister was not here when I addressed myself to these remarks the other day. But if he refers to patronage, if he refers to living off the public payroll, what we have seen and what we have observed since October 11th is certainly a shift, a shift to a hog's banquet insofar as patronage is concerned in this province. Mr. Speaker, I was somewhat humoured and saddened by an editorial in the Winnipeg Tribune a couple of weeks ago, when the opposition, when the Member for Churchill revealed the channeling of funds, \$2,300 from the program which was being administered by the Minister of Education into the Conservative Party offices, some \$2,300.00. And the Winnipeg Tribune said in their editorial, "We're thankful. We're thankful it's been caught in time." Caught in time, Mr. Speaker, it would not have been caught except for the alertness of members of the opposition. And it would not have been returned if it was not for the fact that the opposition raised that matter in this Chamber.

And Mr. Speaker, there are so many other areas that are being revealed from day to day within this Chamber. Mr. Speaker, whether it is the fact that land is sold to friends of government, land that is being sold without proper appraisals through the Manitoba Agricultural Credit Corporation; whether it is, Mr. Speaker, that certain people, due to the access, due to their access and the fact of their long-time connections to Conservative members of Cabinet receive concessions insofar as the succession duty is concerned, and we haven't heard the final details on that from the Minister of Finance, and we probably never will receive the final details on that, Mr. Speaker. And we could go on and on, Mr. Speaker, as to what is happening in the space of some 18 months since October, 1977 insofar as handouts and favours and privileges being administered by the government of the day in Manitoba.

Mr. Speaker, what the opposition will strongly urge and work towards is the restoration to this province of a government that will be committed to the fullest and fairest distribution of the good things of this province; to the improvement of the quality of life of all Manitobans, and not just for the few and the privileged and the social elite in this province.

Oh yes, Mr. Speaker, during this time of restraint there is money for civil servants of senior rank to join the Manitoba Club. That's quite adequate, quite proper. But Mr. Speaker, there can be cutbacks in Health Services. There can be moneys, Mr. Speaker, the Minister of Health and Social Development doesn't like this, but there can be moneys that are redirected from Health in this province, redirected from Health into other areas of activity in this province. \$60 million less, Mr. Speaker, being spent on Health by the provincial government than is being provided to this province by the Federal Government during this past year — \$60 million less. And as the Member for St. Boniface pointed out, \$20 million less being spent now on hospitals and personal care homes in this province than during the New Democratic Party years of 1977. But oh yes, there's moneys for the Manitoba Club, Mr. Speaker.

Mr. Speaker, what we need in this province is a government that is committed, that is committed to the fair and more decent distribution of the goods of this province so there can be the fullest benefit. And I believe, Mr. Speaker, that that can be best illustrated — and I would like to conclude on this remark — the philosophy of our party, based upon co-operation rather than competition, based upon placing people before profit and lust for profit; I believe it was admirably stated by John Dunn in a poem which was written several centuries ago, but I believe has real meaning today: "No man is an island entire of itself. Every man is a piece of the continent, a piece of the main. Never to know for whom the bell tolls. It tolls for thee."

And I believe in Manitoba today the bell tolls for each individual, for each person working in close relationship to the total of brotherhood in this province to develop and to build and to construct a better provincial community for all to live in.

MR. SPEAKER: The Honourable Member for Virden.

ROYAL ASSENT

DEPUTY-SERGEANT-AT-ARMS (Mr. Myron Mason): His Honour, the Lieutenant-Governor. *His Honour, F. L. Jobin, Esquire, Lieutenant-Governor of the Province of Manitoba, having entered the House and being seated on the Throne, Mr. Speaker addressed His Honour the Lieutenant-Governor in the following words:*

MR. SPEAKER: May it please Your Honour, the Legislative Assembly, at its present session, passed a Bill which, in the name of the Assembly, I present to Your Honour and to which Bill I respectfully request Your Honour's Assent:

Bill No. 44, An Act to amend The Brandon Charter.

MR. CLERK: In Her Majesty's name His Honour the Lieutenant-Governor doth assent to this bill. *His Honour was then pleased to retire.*

BUDGET DEBATE (Cont'd)

MR. SPEAKER: The Honourable Member for Virden.

MR. MORRIS MCGREGOR: Mr. Speaker, it's always a privilege to enter a debate such as this, and when I rise, I rise with a lot of memory, and just going over some of the old pictures today — when I came here first to this Chamber, there are some 18 members that are now gone, members that I have the highest of respect for on all sides, men, good people and good members and just genuine good civil servants. Their philosophy might have been different, but it's rather a shame that we haven't got their good guidance here.

And also, as I look up to the press, and we're from time to time accused of being a bit of a ladies party, I on't really think that, and if you read Frances Russell fairly regularly, you'll realize why I don't think we're a ladies party. Alice Krueger and even Arlene Billinkoff sometimes take a strip off us. But I say that is good. It's good for this party because it keeps us all healthy and it keeps us all thinking. If all the press was with us all the time we would think we were really good and would before long become careless.

MR. ORCHARD: It wouldn't hurt once in a while though.

MR. MCGREGOR: Well, the Honourable Member for Pembina did say once in a while, and I just have a heading here under Frances Russell, "Hydro Freeze Sound Strategy", so they do give us a break once in a while. But first I would like to just comment on a few of the calls I've made since the last session here.

Last fall I was over to Africa and Spain, and I look at that as my travel highlight of last year because I had the privilege of meeting not only the American Ambassador, Torrence Todman, a really fine diplomat I'm sure, and he gave me an insight of some of the programs that we as Canadians could reach for and I wouldn't be announcing that, but I'm sure if I am reaching for something for a Canadian, it's a constituent. Because I've always been Canadian first, Manitoba and Virdenite, but when I'm gaining something for somebody, it goes in reverse order. Virden first, then maybe Manitoba and then maybe Canada. But also on that occasion I had the privilege, after I met the American Ambassador, I thought, "Well, where is my Canadian Ambassador?" So I phoned the Consulate up and the Consulate was Brian Buckley and he had myself and a group of people that I was with up the next afternoon and advised anyone that's on foreign land the first contact should be either the American Ambassador or Canadian Ambassador, because certainly they gave me a quicker, in a couple of hours, insight of the problems of Spain.

And certainly, as the Honourable Member for Elmwood said, I was in Hawaii and I thoroughly enjoyed that. He may have said I bombed out in some way or shape or form, but all I can say, it was a privilege to be in Hawaii as a guest of the House of Representatives Speaker, and I could read the governor's state of the State message almost and it would have fit here. It was word for word into this House Governor Ariyoshi and the only difference was there, their top priority was organized crime. They have the same welfare problems, basically, as we have. They have the same educational costs, basically, as we have. And we could change the speech around and read it here, and it would have been perfectly in order.

And referring to the Budget, I think that what the Budget meant is for oncer for us to be thinking for doing for ourselves. And I realize that it's going to be a little tough for some time. But I have felt this for a long time, and I have had a young teen-age family that have been a benefit of some of these make-work programs. And I've listened to them in the summer months, when they came home distraught because, while the job was for one person there were four people there sharing up the job. And if anything I've encouraged my family people to work and work for whatever you're getting.

And I think the fact that this Budget is tightening up, and we all know now the government isn't here to hand out, to make a job, to help my son or daughter, or any one else's son or daughter. Because I'm a believer — there is work, if we're not too proud to pick up whatever job's available to make those summer months for that young person, especially to help him or her enter university,

or whatever else, jobs or whatever their profession is later going to be.

And as my good Finance Minister was reading the Budget, I couldn't help the other night thinking back to the mid-sixties, when we were listening, under Premier Roblin, and we were sitting holding our breath, because we weren't sure, as each of those Budgets came down, were we going to have a sales tax or weren't we? And we were always thrilled when it came out that there was no sales tax one more year.

And maybe we were wrong, looking back at that, but when that Budget came out and was suggesting some of the things that it did suggest — and certainly the Hydro freeze is one of the biggies, because it makes us all. I'm a family man, and I've tried struggling hard to keep my Hydro bill, the watts down with the price going up, and I've just come to the conclusion I could no longer run around and turn out lights to keep that price down. —(Interjection)—

And I might say, some of the companies that I went over to Hawaii with was a western company, Canadian Pioneer Management — a company that I'm awfully proud to be associated with, because it's western Canada, its money is invested here in real estate, the bonuses, the benefits of — what's the word — each year you get a dividend, comes back to western Manitobans.

And this company's story started very small, and now, if you go down Smith Street, you'll see the sign of Canadian Pioneer, how many millions of dollars it's worth. Not only that, it changed the trend. So many companies we see here in Canada, being absorbed by great American giants. Well this kind, Canadian Pioneer Management, did the reverse — went over to the southwest and bought out the life of the northwest. And now this program is expanding into the northwest, and it will be covering some nine states very shortly. And I'm proud to have a little part of that action.

And I saw a heading yesterday that could fit this problem: "Nation Sick from Spending." And isn't it a pretty appropriate heading for Manitoba, that we have reached, maybe our maximum of giveaway programs? And I must say that we here, we're a party of the rich; we're a party of the big corporates. Well, if that is so, how come, Mr. Speaker, I am here?

We have seen, we know the guaranteed old age pensioners. We're not a big labour party, as the NDP are, we are a people party. And I have had nothing but co-operation from my Ministers. It is true in Virden, where I've been elected quite a few times, and in recent campaigns they've campaigned against me in this style. "Elect McGregor, you'll get no public housing. Elect our candidate, and we'll have public housing."

Well, Mr. Speaker, I'll have to admit, they elected me and we still haven't got any public housing. But I am sure we're pretty close to it.

But I must compliment, not only the Minister of Economic Development and Housing, other Ministers that I've had delegations to, including the Minister of Health, have been most considerate to those delegates, since he has never committed himself; but I would hope the delegation presented a case on two occasions that he will be looking at kindly in the next 12 to 24 months.

And I might say, I had a delegation in the week before last regarding the surface rights in oil. And this was represented by a former PC legislator in Saskatchewan, Bob Kohaly. He met a representative of the Attorney-General, a representative of the Finance Minister, the Minister of Agriculture and the Minister of Mines. They went home very satisfied, and I could easily read into the records their answer of appreciation to all of those people. And I think, while we have the advantage in presenting their case, Judge Friesen's report did a study, and this is problems only related to oil fields and the spills and the salt spills, it did cost the Saskatchewan taxpayer \$.25 million. My Minister of Mines has that report, and I hope that he will bring in the same kind of legislation that both Alberta and Saskatchewan have because that will not cost the Treasury of this province any money. And I can almost hear my Minister grumble that it will cost a little bit in the administration and that may be true, but it'll be a real small factor. Because that is a problem, my Minister was out looking at that last summer, and you see the spillage, especially wells that have been closed down.

And speaking of wells and oil wells, just to bring the House up-to-date, — and I'm sure my Minister has probably mentioned this — the crude oil production in December, 1978 was 319,266 barrels. The wells capable of production — and I say Virden, because it's considered the centre, while a few of these do spring into the Honourable Minister of Agriculture, and also my Minister of Mines' territory — wells capable of producing, 804; wells on production, 688.

And while on that same subject, Mr. Speaker, it would be a complete expression of the people of my constituency to the Honourable Minister of Finance alone, but I must above all convey to the First Minister who in the past was Minister of Mines, and the present Honourable Minister of Mines and Natural Resources and the Environment, the portfolio of the Minister of Finance and the Ministry of Mines in the petroleum industry is interlocking, just like siamese twins.

When we look back to April 19th of this year, the number of petroleum companies administered through confidence in the present administration, through the results of competitive bidding for the

rights to explore, and the developed Crown-owned oil and natural gas rights, in a round figure, is 559,000, paid by the above-mentioned to the province when offers were accepted. This speaks for itself, Mr. Speaker, when you look back to 1971, when the NDP administration discontinued such sales, when they spent \$900,000 on exploration, and the total money coming back was \$60,000.00. So that plus the sales of private property and royalties that's going on now, it has been going on since late last fall.

Through you, Mr. Speaker, I must say to all concerned elected members and Civil Servants who unselfishly contributed so much to improve the energy picture, even in a limited way in Manitoba, my people and I thank you.

Furthermore, Mr. Speaker, the previous record sale was in November, 1955, which did not reach \$200,000.00.

You might ask, Mr. Speaker, why am I talking about the Mines Branch rather than the Department of Finance since I mentioned in the beginning these departments are interlocking? I have no doubt that in the general, I have also reason to believe that the resource companies welcome the Honourable Minister of Finance's statement as follows, from the 1979 Manitoba Budget address: The above-mentioned subject matter, there is practically no meeting of my constituents that they would not complain about 1974 implementation of the incremental tax, which was no deductible from the federal government.

And this, while it struck me clearly the other night, and just to show you how that works, I have a bill here from a particular constituent which shows that his T-3 slips are in the sum of some \$8,700 — I know the figure, but I don't just have it. Yes, here we are. His T-4 slip shows \$8,716.91, and what he really took in in cash was \$6,326.18, a difference of some \$2,500.00.

Now, he pays an income tax on this \$8,700, and I ask you, Mr. Speaker, how would you feel if you got \$6,000, and at income time you had to pay on \$8,700.00?

Tourism was something that was mentioned, and I think it's something that's of great concern for all of us. I see my Minister of Tourism isn't present, but it's certainly something that I get, especially in the United States, when people come up here they are concerned with the expenditure. While there was a better deal on their money against ours, our hotels and other things were much more expensive, and somewhere a means has got to be found to encourage tourism. We're doing a pretty good job at the race track, but that alone will not do.

And that brings up another point, of the amount of money that comes into the province through the race track and the people visiting there. And I hope my Minister has time in the very near future to sit down with the Standard Bred people, because I must say that they're a little bit confused in not knowing just what share of this extra purse money that she announced a week or two ago.

And I would hope all of us aren't as ignorant, or as un . . . — that would be a bad word, I withdraw that — are not as familiar with the track as the Honourable Member for Elmwood some time ago, and I quote, "I think most people, they'd bet on an old nag as long as it comes in, that's all they care about."

Well, I think more of the racing fan than that. They go out there, and as a matter of fact, if anybody would care to be my guest on July 15th — I don't go there that often — I'm aiming for one thing, to make that bet total that day in excess of \$.5 million. It is the day they sort of honour the Member for Virden, and I'm always happy to take part in it. And two years ago, I came within \$4,000 of that figure. And when you look, and some of the comments, it's as though the government is giving \$1 million to the race track. Well isn't that terrific? It's only one-third of the \$3 million that the race track is bringing this province. They're only giving you a little bit of their money back. So the attitude of some members opposite as though they're digging in their coat pocket and giving it for some other venture and I've always said, "Put a dollar into the race track; you get two back" and I'm enough of a businessman, I would like to put a devil of a lot more in there and get a devil of a lot more back. —(Interjection)—

Well, it's true; anything can be an addiction. I'm sure of that and it's a problem but we've got to face those things as individuals and do what we think most. I love to go to the track, I'll never be addicted with gambling of any sort. There was a time some members thought I could be addicted to drink and I maybe to a lesser degree proved that that was false. But I would just like to repeat another few words that I think this was what went on the radio yesterday and it covers a couple of subjects.

"Over the last couple of years, considerable concern has arisen over the federal government's policy on rail line abandonment. This concern is valid and completely justified. Premature rail line abandonment poses a frightening threat to the very livelihood and future of those rural communities directly affected. Our government has made it crystal clear that we are very much opposed to the removal of some of the rail lines that have already been slated for abandonment. We have sent a strong message to Ottawa. We have ongoing constructive consultations with the Canadian

Commission and we have presented numerous briefs to the Prairie Rail Action Committee including establishing a Canadian Transport Commission office here in the west. Now I've done this up some weeks ago; I was going to speak on the honourable member's resolution to do with the rail line abandonment from Ste. Rose, and only in last night's paper I see that that Transport Commission office is going to be established in Saskatchewan.

"Our government has stood behind and will continue to offer strong support to all communities that establish retention committees. We will continue to do our utmost to help these committees in their efforts to save their communities.

"The federal government is being rash and far too hasty in its decisions to remove many of the rail lines in Manitoba. There is no excuse for this and our government will not tolerate it.

"Farmers and rural citizens are entitled to be given adequate time to prepare for abandonment if such action is deemed and proven necessary. Provincial governments must be given more time and possibly federal funds to upgrade provincial roads and alternate transportation routes."

And on a different subject, "Considerable debate has been generated in recent weeks in both the federal levels and the provincial NDP on the subject of health care spending by various provincial governments including the Government of Manitoba. The Federal Minister of Health and Welfare says that Manitoba, for example, is not living up to its obligations to match the federal contribution. That charge is ridiculous. The people of Manitoba, indeed Canada, should not be misled by this contrived argument. It is a manufactured issue that was constructed quite transparently to fit the present federal election campaign. In short, it was devised to divert attention from the real problems plaguing Canada at this crucial point in our history.

"It is interesting to note that the Honourable Monique Begin and her colleagues have all but given up their argument in recent days. It is obvious that they have found their manufactured issues to be faulty and unconvincing.

"The important reality surely is that our 1979-80 provincial health budget represents approximately one-third of our total provincial budget. What proportion of our total provincial budget would the federal government have us spend on health care? One-third, two-thirds? If so, what then of education, social services, welfare, corrections, agriculture, northern programs, highways, municipal programs, flood controls and the rest? Are we to ignore these equally essential programs?"

And I might note, the Minister of Highways has certainly taken his stand on this issue and he went much further than that. He's got one, John McDonald, working under him and contacting and sitting down with rural municipalities and that in no way, shape or form should it be read that the Minister or this government is accepting rail line abandonment, but he is having Mr. McDonald go out, who is a good public relations type of person, sitting down with them and comparing roads and giving up some free hours in order to talk over some, so those municipalities know if the north subdivision goes, there are certain things that are ready to go into action, knowing full well that that can't be done in one or two years.

The dollar value is certainly important to us. I get a little cringy when I go somewhere and find out my dollar is only worth 80 cents or 82, but hopefully that trend — I know it has advantages — but hopefully our dollar does come back up closer to the American dollar. But the statement on the freeze of the Hydro, I think is just tremendous especially at a time when we are negotiating to export power, at a time when all the bad publicity regarding nuclear power, that this has got to speak well for Manitoba.

I read in the Minister's remarks the fact that \$20 millions — because of foreign borrowings — and I don't think we can really attack our opposition for that. If we had been here we may have picked up that same kind of a deal. They I am sure and the advisors, tried to get the best dollar at that particular time. It's appreciative that the opposition has always contributed something and I know regarding the lead poisoning that the opposition had an awful lot — on Bronze Steel I believe it was — and I give them credit and when I was over there I gave the people here credit if I really felt something they were doing was worth giving them credit for.

And I think the Flood Program from our rural province certainly has been handled well. Certainly that some areas have felt jilted on it and that's I think a normal thing to expect, a program as big as that flooding area.

To find the tax on meals going up slightly will help all people, again the little person as well as the rich and it's time the exemptions on granaries, Now that's got to be the greatest factor in rural Manitoba when all of us that are in the grain business know our bins are full, what in the heaven's name are we going to do for the incoming crop that I intend to start planting hopefully next week? And at least that is a help.

The exemption on childrens clothing I am sure is going cost about \$1 million. That certainly to the young family is going to be appreciated.

I am sure the road builders, the contractors and I might say, Mr. Speaker, through you to my

Minister of Highways, my own local contractors will be appreciative and they are deeply concerned because they do have to much of the time go outside of the province, so hopefully the Minister's Budget can be upped in the near future to build more roads to accommodate again my constituent contractors first and foremost.

MR. ENNS: I'll do what I can but you'll have to talk to the fellows on the other side as well, Morris.

MR. MCGREGOR: But it's a fact you know, as we go through life and we all had our brochures — I guess every political party sent them out and I'm never one for sending them out however a bundle went out — and for the most part to come back, we're on the right track, fire the civil servants, cut down the cost, but don't interfere with my personal care home. Don't interfere with my hospitals. Don't interfere with my road building program. So basically we know, and I'm honest enough to admit, it's not all credit to us today but I think we went to the people understanding that there would be cuts; it will hurt. I think we'll live and we'll all benefit from it when the full implication of this Budget — and I know this bill like my honourable colleague to my left has to be sent in order for the incremental tax to straighten that out — so I have run out of notes and I don't know whether there were notes I was supposed to refer to anyway, I do thank you, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Inkster.

MR. GREEN: Mr. Speaker, I would like to move, seconded by the Member for Brandon East that debate be adjourned.

MR. SPEAKER: . . . there's another member wishing to speak.

MR. GREEN: Well, Mr. Speaker, if another member wishes to speak then he has the right to speak. I wouldn't stand in his way.

MR. SPEAKER: The Honourable Attorney-General.

HON. GERALD W.J. MERCIER (Osborne): Mr. Speaker, it's my pleasure to rise to speak to the Honourable Minister of Finance's Budget Address and to extend my personal congratulations to him on a very thoughtful progressive document.

Mr. Speaker, in listening to the comments from the Honourable Leader of the Opposition, it seemed to me that at one point in his speech he was criticizing the government for not injecting further — he called — stimuli into the economy despite the Schedule A which is part of the Budget Address document outlining the self-sustaining capital programs in the sum of, I believe it's \$205 million, Mr. Speaker; and at the same time criticizing the government and the Minister for the amount of the deficit which he had incurred despite the fact and omitting to make any reference to the fact, Mr. Speaker, that the deficit as the Minister of Finance indicated has been reduced from last year's \$191 million I believe to \$89 million last year from the deficit the previous year; \$83 million or \$84 million. Mr. Speaker, I would suggest to the Honourable Leader of the Opposition that he can't have it both ways, that he'll have to choose one or other of the two positions and let us know at some stage exactly what position he wishes to take.

Mr. Speaker, he also criticized or made reference to a shift of taxes to the local level. Mr. Speaker, I've had occasion to look at statistical information reflecting the tax imposition on rural municipalities, LGDs, villages, towns and cities, and when one examines that data that is available between the years 1974 to 1978, I suggest there is some very revealing evidence.

Mr. Speaker, between the years 1974 and 1975, the percentage increase in taxes was 24.42 percent. The following year in 1975 to 1976, again showed an increase in tax imposition of 21.6 percent. Mr. Speaker, in the year 1977-78 I am able to say that the overall increase in taxation levy was reduced to 9.99 percent. I suggest that is significant progress, Mr. Speaker.

I point out again to the Honourable Leader of the Opposition that even this year with the block funding program introduced with the City of Winnipeg, their increase in mill rate was about 2.2 percentage points, Mr. Speaker, so that I would challenge the remarks made by the Leader of the Opposition with respect to the alleged shift of taxes. I think, Mr. Speaker, unlike members opposite, representatives of elected government at all levels across North America have recognized the need for control of public expenditures, everyone except the Leader of the Opposition and members opposite.

He made reference, Mr. Speaker, to the user-fee in Legal Aid, a \$35 user-fee. Mr. Speaker,

I don't think he was present at the time of the Estimates of my Attorney-General's department, but I did want to reiterate that I pointed out to the committee at that time that the advice I've received, the information I received from Legal Aid, was that in 85 percent of the cases, that user's fee has been waived for reasons of being on social assistance, unemployment, etc. But in 85 percent of the cases, Mr. Speaker, that user fee has been waived; there has not been reported to the Chairman of the Legal Aid any cases of financial hardship whatsoever. In addition, Mr. Speaker, the financial eligibility guidelines have been increased this year; agreements to pay again have been re-introduced for those people who are just above the financial eligibility guidelines.

The increases in fees he refers to within my department are nothing unusual, Mr. Speaker. I would venture to say every administration of every government of this province from time to time has increased fees as a result of increased costs of operating the various departments, and to keep some semblance of proportion between the two.

In addition, Mr. Speaker, he referred to water rates. I suppose he's unfamiliar with this but the water rates in the City of Winnipeg are operated as a utility. The rates must cover the existing costs. It is unusual, in fact, forbidden virtually, Mr. Speaker, to interfere with the setting of those rates in a public utility and that's why from year to year, Mr. Speaker, they are increased. I have to recall, even as a member of council, while members opposite were in government, Mr. Speaker, reluctantly because of increasing costs, at that time I can recall that we had to increase those particular rates. So the analogy is simply without any foundation, Mr. Speaker.

He refers to bus fares, Mr. Speaker, which are still the lowest in Canada, in the city of Winnipeg. He omitted, Mr. Speaker, to point out this year that municipalities received an 11 percent increase in unconditional grants, those grants which come from a fund which accrues as a result of a couple of points of income tax and one of corporation tax. I suggest, Mr. Speaker, that 11 percentage point increase in unconditional grant really reflects an increase and improvement in the economy of Manitoba, Mr. Speaker, and that's why they were able to be increased this year, whereas in the previous year, those percentage points of income tax and corporate tax produced a lower amount of funds available for municipalities. In effect the payments to municipalities had to be decreased, reflecting a stagnant economy under the direction of the members opposite during that period of time, Mr. Speaker.

I think there were two fundamental notions that were re-affirmed by the Minister of Finance in his Budget Address: continued government prudence for the taxpayers' money — sound and sensible administration, Mr. Speaker, and policies designed to improve the economic development of this province and to produce long-term jobs in Manitoba.

The Minister of Finance indicated that for far too long, Manitobans and in general, Canadians have been living beyond their means at the hands of their governments. He said for 10 years and longer, senior governments — both federal and provincial — 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, Mr. Speaker. I think this was emphasized in an article which appeared in the daily newspapers, both daily newspapers yesterday, and I will quote from that article. It indicated, "The tax burden imposed on the average Canadian family by three levels of government has increased by 302 percent since 1961. The Vancouver-based Fraser Institute discovered in a year-long research project that the average tax bill went up far more rapidly between 1961 and 1978 than food prices, shelter costs or average family income. During the 18-year period surveyed shelter prices increased by 255 percent; food prices went up by 172 percent, and before tax income increased by 231 percent. Instead of raising its tax rate in recent years, the federal government has chosen to finance more of its operations by borrowing." The article pointed out that last year's federal spending deficit was a record 11.4 billion. "The institute, Vancouver-based Fraser Institute, said that deficit financing was only a way of deferring taxes. While it sells more and more bonds, the government only puts off the day when its debts will have to be repaid with interest. The need to reckon with these deferred taxes is becoming increasingly important as the size of the federal deficit reaches unprecedented proportions."

Mr. Speaker, and in the appendix to the Minister of Finance's Budget Address, there's a page which outlines the provincial per capita debt comparison. It points out the position of the Province of Manitoba, second only to the Province of Newfoundland and contains a quote which appeared in a source which obviously the Honourable Leader of the Opposition has some respect for. He quoted from it today: The Bank of Montreal apparently stated in July, '78 for the fifth consecutive year, Newfoundland and Manitoba have led other provinces in total debt per capita. Quebec has increased its debt per capita by 96 percent in the 1973-77 period, second only to Manitoba at 101 percent, Mr. Speaker. So that was the position, Mr. Speaker, our government found itself in when we took office in October of 1977, and some drastic steps were warranted in order to change the economic position of this province. This government's change in attitude, I think change in philosophical belief has definitely resulted in a renewal of a sense of confidence in the provincial

economy, Mr. Speaker. In general, I think it's fair to say that this government is committed to less government intervention, less government takeovers, less government control and regulation, unlike the negativism of the previous government particularly in their approach to the private sector.

Mr. Speaker, I think that previous administration's lack of regard for the private sector was very well characterized in a recent decision by the Court of Queen's Bench. In a decision by Mr. Justice Solomon in April of this year, he overturned a Manitoba Labour Board award to the International Brotherhood of Electrical Workers, Local 2085 for damages against MacGregor Thompson Lang Construction Ltd. of Glenboro, and in his decision, Mr. Justice Solomon indicated that the Labour Board asked the union to present arguments but failed to issue a similar invitation to the private sector firm. In fact, a comment by one of the board members was quoted in the judgment and I quote from that judgment, "One of the Board's members indicated extreme bias by stating that he would not even want to hear the company's evidence because he was satisfied that such evidence, although given under oath, could not be believed as it would merely represent the company's position and would not reveal to the Board what actually happened." It's that sort of arrogant disregard and lack of respect for members of the private sector that characterize the attitude of the previous administration, Mr. Speaker.

In October of 1977, Mr. Speaker, I suggest that the attitude of the provincial government changed — an attitude now committed to supporting the private sector in terms of creating an atmosphere of co-operation towards a common goal of sustaining a healthy provincial economy. And like it or not, Mr. Speaker, this is an attitude that is not new only to Manitoba. Alberta again, very recently returned the largest Progressive Conservative voice this country has ever known. A voice committed, I believe, to the same sort of sound practical management of governmental affairs as our government. British Columbia very lately returned a government committed to those principles. The province of Prince Edward Island elected a Progressive Conservative government committed to those same principles. In fact, probably 8 out of 10 provincial jurisdictions now have governments in place which share similar philosophical beliefs, Mr. Speaker. After May 22nd, Mr. Speaker, I believe that this nation's most senior government will also be philosophically committed to those same principles of sound administration and responsible economic development. For the record, Mr. Speaker, I may as well say before asked, that I am proud to be in support of all Progressive Conservative candidates, not only in other provinces of Canada, but in this particular province including the riding of Winnipeg-St. James.

Mr. Speaker, this present federal government appears to be clearly unaware or unappreciative of the inherent dangers that they have developed in their management of government affairs. I must, Mr. Speaker, refer to the Lambert Report. In 1976, the Auditor-General of Canada said that the Trudeau government had lost or is close to losing effective control of the public purse. Last week, the Royal Commission on Financial Management and Accountability, headed by Mr. Lambert of the Toronto-Dominion Bank, a commission which itself was established by the Liberal government to study the Auditor-General's concerns, found that there was virtually no accountability by the spenders of public money, not at the departmental level, not at the Cabinet level. And I quote from that report, Mr. Speaker, "After two years of careful study, we have reached a deeply held conviction that the serious malaise pervading the management of government stems fundamentally from a grave weakening and in some cases an almost total breakdown in the chain of accountability, first within government and second, in the accountability of government to parliament and ultimately, to the Canadian people.

Mr. Speaker, someone might ask what is the relevance of that to the province of Manitoba's economic position. I would refer anyone who is interested in that, Mr. Speaker, to again the appendix to the Minister of Finance's Budget, which refers to the high level of interest rates, and points out that the Bank of Canada raised its prime lending rate seven times between January, 1978 and 1979, bring the rate from 7.5 percent to unprecedented 11.25 percent. This record high interest rate has already been costly in terms of employment and output growth and has also had an adverse effect on inflation, at least in the short-run. So it is important, Mr. Speaker, that a government that has a different approach to the management of economic affairs in this country be elected. I can only imagine, Mr. Speaker, the greater degree of progress and success in investment and jobs and manufacturing and all other economic activity in Manitoba that could have been achieved during the past year if only reasonable interest rates had been in effect.

Mr. Speaker, the members opposite again seem to be a voice in the wilderness. I point out, in addition to those changes in government elected by people in Canada who want obviously a change in direction of government and management of economic affairs, obviously outside of Canada even the tides of change are taking place in Great Britain, where the members opposite, friends in the Labour government, who have the same philosophical orientation, just lately being replaced with a Conservative government. In the United States of America, Proposition 13 in the State of California, in spite of its shortcomings and failures, Mr. Speaker, was an expression of the electorate

of that State indicating their disillusionment and worryment of government demanding more and more of their earnings to supply and support a bureaucracy and administration practicing more intervention, more control and more regulations.

They are also discussing in the United States of America and have proved by a significant number of States at the present time, a constitutional amendment, Mr. Speaker, that would incorporate in the constitution of that country a condition that governments will work on the basis of a balanced budget, another indication, Mr. Speaker, I think of the desires of the taxpayers and residents of that country. And when you look at the deficit of the United States, Mr. Speaker, which creates the atmosphere for the kind of constitutional discussions that are taking place there, their deficit in the United States is approximately \$29 billion; in Canada, the present deficit is approximately \$14 billion. When you compare the populations of the two countries, in Canada and the United States, and the concern that they have in the United States, it may very well be that the taxpayers of Canada could be accused of being a little lax over the kind of deficits that the federal government has in this country.

I think all of these things, Mr. Speaker, emphasize the importance and the truth of the statement that was contained in the Speech of the Throne wherein it was indicated that it is now becoming universally recognized that governments cannot allow expenditures to increase at a rate greater than the rate at which taxation revenues and the general wealth of the country are increasing.

Mr. Speaker, the members opposite enquire about the present deficit, notwithstanding the fact that it was decreased by over 50 percent last year. —(Interjection)— Again I say to them, they can't have it both ways, Mr. Speaker. They can't stand up on the one hand and criticize cutbacks in spending in various areas, and at the same time criticize the government for the deficit which it is carrying.

Mr. Speaker, while the Minister of Finance importantly indicated that among the budgetary policies essential to sustained economic development is a cost of government that is within the means of taxpayers, he also pointed out, I think, other economic objectives which are completely consistent with the government's general policy of restraint, and are as important. Some of those, Mr. Speaker, with which I concur and which bear repeating, are strong steady growth in employment and income, centred in a productive private sector. Members opposite don't like to hear this, Mr. Speaker, that's why I repeat it. And greater stability —(Interjection)— and fair returns in agriculture as he pointed out, Mr. Speaker, are still the backbone of this province's economy; renewed development of our natural resources; expansion of our industrial structure and references being made to the industrial agreement entered into recently by the Minister of Economic Development in order to provide permanent jobs in this province, Mr. Speaker.

Despite, Mr. Speaker, the Minister of Finance having indicated earlier in March that spending would be limited to a 5.56 increase, it's important to point out the recognition by the government for a need for increases in expenditures in certain other areas, and it should be noted the largest dollar increase was in the spending Estimates for the Department of Health and Community Services, up 7.2 percent, or \$47.3 million. As well, Education was up 6.4 percent, despite smaller enrollment, for a total of \$22.2 million.

Mr. Speaker, I believe that it is important to make it clear that the government recognizes the importance of both the needs in the economic as well as the social requirements of the citizens of this province.

Mr. Speaker, I think importantly the Minister of Finance pointed out the zero growth in the expenditures of this government between 1977-1978 and 1978-1979, a remarkable achievement, Mr. Speaker, I think for any jurisdiction in this country. He's been able to level off a trend of an increasing percentage of the government of Manitoba's total expenditures and its share of the gross provincial product, a part of the platform, I note, that was of the Conservative Party in England in their recent election victory there, Mr. Speaker.

Mr. Speaker, I think it's also important to note the position of Manitoba with respect to some of the criticism of the government of the province of Manitoba from members opposite with respect to the Restraint Program and the holding down of overall expenditures. The Minister of Finance pointed out, very correctly, that the intent of the holding down of growth and in expenditures is not to restrict the essential services for the people of Manitoba but to assist in the maintenance and restoration of an economic base, which will make these services possible on a lasting basis.

And I think it again bears repeating to note in the appendix, the statistics with respect to investment which have occurred despite the high interest rates brought about by the federal government's activity, and in that appendix he points out that private sector investment plans increased steadily through 1978. Private sector new capital formation grew by 21.9 percent in 1978, faster than in any other province, and more than quadrupled the 1977 rate of increase in Manitoba, when members opposite were last in government, Mr. Speaker. That's a statistic which bears repeating over and over, and I hope every member on this side will repeat it as he speaks on this

budget, Mr. Speaker. Total new capital spending, Mr. Speaker, the sum of private and public expenditures increased by 8.5 percent compared to with 7.8 percent nationally, most in the housing and primary and construction sectors. The outlook for 1979 is for substantial increases in manufacturing investment, expected to rise 17.4 percent, and trade finance and commercial investment up 35.3 percent. The expected growth rates in these sectors are each doubled the national rates. These are statistics that have to be repeated by members on this side of the House, Mr. Speaker, because obviously they are very embarrassing to members opposite.

The preliminary outlook for all private sector new capital spending is for 3.9 percent increase; however, based on last year's experience, the percentage change could be revised upward in coming months. For 1978, private sector investment intentions reported in March last year stood at 6.5 percent, and subsequently the percentage was raised to 10.2 percent in late summer to 21.9 in March, 1979, Mr. Speaker, and I think those are important figures to be repeated continually, Mr. Speaker, by members of our government.

When the Honourable Leader of the Opposition refers to stimuli to the economy, Mr. Speaker, I refer to those kinds of statistics which show an evident new confidence in the government of the province of Manitoba, which obviously is going to create long-term opportunities for Manitobans.

Mr. Speaker, it's also worthwhile pointing out what also no doubt contributed to this kind of improvement in investment and confidence in the province of Manitoba, are the tax reductions, which the Minister of Finance brought in last year. The reduction in personal income taxes, and personal surtax, corporation income tax, and corporate capital tax exemption, succession duties and gift taxes, and the elimination of nuisance taxes.

I must point out, Mr. Speaker, one final item is, particularly as Minister of Municipal Affairs, the removal of sales tax on firefighting equipment — the Union of Manitoba Municipalities has for a number of years, I believe, passed a resolution with respect to that particular item — and I'm happy to see the Minister of Finance responding to that concern expressed by municipal councils throughout the province of Manitoba for that particular relief.

Mr. Speaker, in addition what also bears repeating are some of the highlights of economic performance in 1978, that the Minister of Finance referred to: A gross output over \$9.5 billion, an increase of about 10 percent over 1977, the last year when members opposite were in government; real growth close to 3 percent, compared to almost no growth at all in the previous year, the last year of the government of the members opposite; the private sector capital investment of 22 percent, 3 times the increase of the year before; 21 percent in the value of agriculture production, double the growth rate of a year earlier when members opposite were in government; a 26 percent increase in farm cash receipts compared to no growth in 1977, when members opposite were in government; a 17 percent increase in manufacturing shipments, 4 times the percentage in the last year of the NDP government; 29 percent increase in housing starts, compared to under 1 percent in 1977, when the members opposite were in government; 9.3 percent increase in retail trade, double the increase in the previous year when members opposite were in government.

I believe, Mr. Speaker, the most important recommendation as the Minister of Finance indicated in the Budget Speech was the guarantee of a 5-year fixed power rate for all Manitoba consumers other than bulk purchasers and those on other separate contracts. There were a number of important election issues, Mr. Speaker, that I recall while campaigning in September and October of 1971, and I want to assure members opposite that the people of Manitoba well remember the 150 percent increase in Hydro rates that they suffered while members opposite were in government, Mr. Speaker. And they will . . .

MR. GREEN: The legacy is what you're getting now.

MR. SPEAKER: Could we have one speaker at a time, please. The Honourable Attorney-General.

MR. MERCIER: The Member for Inkster is partially correct, Mr. Speaker. The latter increases did occur while we have been in government, but as we all know they were the result of the construction programs initiated by the previous government. That was an important election issue, Mr. Speaker, and I can assure the Minister of Finance that the commitment that he gave to Manitobans in the Budget Address to guarantee Hydro rates throughout this province is a very important one for homeowners, particularly, Mr. Speaker, who have suffered through numerous kinds of price increases and will welcome this kind of relief, and no doubt, Mr. Speaker, will contribute greatly towards investment in Manitoba and the creation of more long-term jobs in Manitoba, Mr. Speaker, as investors from outside look at the only jurisdiction in North America where they can be guaranteed a fixed Hydro rate for five years.

I found, Mr. Speaker, during Question Period yesterday, when the Member for Elmwood attempted to ask me a couple of questions about the effect on the city of Winnipeg and you very rightly, Mr. Speaker, ruled him out of order. Much to my regret because I wanted to answer his inquiry. His concern seemed to be, Mr. Speaker, with respect to the imposition of a fixed Hydro rate, that its most important effect was on the revenue of the city of Winnipeg. There's no question, M. Speaker, that it will stabilize the current revenue that the city of Winnipeg is making from its Winnipeg Hydro operation. But I want to say to him, Mr. Speaker, as the representative of a constituency the main of which is located in the inner city of Winnipeg and having experienced for six years on Council the legislative requirement to raise the city of Winnipeg Hydro rates to the level of Manitoba Hydro and inflict those rates upon the residents of the inner city of Winnipeg without any justification in terms of cost of the city of Winnipeg Hydro operation that, well there is no question, the revenues are important to the city of Winnipeg. It was the inner city taxpayer and Hydro user who had to bear the burden of paying that increased cost, and I'm sure, Mr. Speaker, that this is particularly a welcome relief to the residents of the inner city of Winnipeg who've had to pay higher interest rates than were required by their city of Winnipeg Hydro operation. —(Interjection)— No, I would not, Mr. Speaker.

Mr. Speaker, there is one last area I'd like to deal with, Mr. Speaker, and that's in the area of employment, Mr. Speaker. I think it's important to point out that on the average between private and public employment 11,000 more jobs were created in 1978 over 1979, four times the rate of that of 1977 when members opposite were in power. And if we look at the private sector employment exclusively, the increase was even more dramatic. Total employment was 14,000. 14,000 was an increase of 4.3 percent after no growth whatsoever in the years 1975 through 1977.

Mr. Speaker, a more dramatic statistic was found if we compare January, '79 to January of '78. There are 18,000 more jobs as of January, '79 as compared to the same month in 1978. Mr. Speaker, I think these kinds of statistics point out the fact — and there are others that point out there are more young people that have jobs in the province — a higher percentage of young people have jobs than under the previous administration, that the summer Youth Employment Program was a successful program despite all the criticisms, Mr. Speaker, of members opposite over details. The fact is that the purpose of that program was and is to create jobs for young people in this province, Mr. Speaker, and I'm sure it will be successful and it has been successful in doing that last year and will continue to be so.

Mr. Speaker, my particular time is running out and I had hoped to have an opportunity to speak about the increase of jobs in the manufacturing sector and in so many other areas of the economy, Mr. Speaker, but I think the Budget Address of last year has proven to be an impetus towards much improved development in the private sector and increased jobs for Manitobans, Mr. Speaker, and the kind of recommendations that have been made in this year's Budget Address will create, particularly with the fixed Hydro rates, will prove to cause much greater investment in the province of Manitoba and even greater improvement in long-term job prospects for Manitoba, Mr. Speaker.

So it's with pleasure, Mr. Speaker, that I speak to this issue in support of the Budget of the Honourable Minister of Finance and I look forward to more and more budgets, Mr. Speaker, like this that will further reduce taxes in Manitoba, that will provide more and more prospects for long-term jobs in Manitoba, Mr. Speaker, for encouragement of the private sector investment in Manitoba, not for make-work jobs that were the kind created by members opposite in the past, Mr. Speaker.

Mr. Speaker, these are the kinds of things that will maintain the citizens of this province well in the future and will provide great opportunities, I think, for our province with the kinds of resource development taking place to the west of us and, Mr. Speaker, with these kinds of Budgets being brought in by the Honourable Minister of Finance, I think the prospects of all Manitobans is very bright indeed.

MR. SPEAKER: The Honourable Member for Inkster.

MR. SIDNEY GREEN: Mr. Speaker, I would like to move, seconded by the Member for Brandon East that Debate be adjourned.

MOTION presented and carried.

PRIVATE MEMBERS' HOUR

MR. SPEAKER: First item of business on Thursday on Private Members' Hour, Bill No. 29, An Act to Amend The Clean Environment Act, standing in the name of the Honourable Member for

Rhineland.

MR. ARNOLD BROWN: Stand, Mr. Speaker.

MR. SPEAKER: Bill No. 34, standing in the name of the Honourable Member for Rhineland.

MR. BROWN: Stand, Mr. Speaker.

MR. SPEAKER: Bill No. 37, An Act to Amend The Museum of Man and Nature Act, standing in the name of the Honourable Member for Kildonan.

MR. PETER FOX: Stand.

MR. SPEAKER: Bill No. 43, An Act to Amend The Legal Aid Services Society of Manitoba Act.

MR. JORGENSON: Stand.

MR. SPEAKER: Private bills. Adjourned debate on second reading of private bills. Bill No. 33, Act to Amend Act to Incorporate Bel Acres Golf and Country Club. The Honourable Member for Kildonan.

MR. FOX: Stand.

MR. SPEAKER: Bill No. 41, An Act to Amend An Act to Incorporate United Health Services Corporation, standing in the name of the Honourable Member for Wellington.

MR. D. JAMES WALDING: Stand.

MR. SPEAKER: Second reading of private bills. Bill No. 40, An Act to Grant Additional Powers to Rossmere Golf and Country Club. The Honourable Member for Crescentwood.

MR. WARREN STEEN: Stand it, Mr. Speaker, please.

RESOLUTION NO. 14 — ALLEGED CHILEAN ATROCITIES

MR. SPEAKER: The Honourable Member for Brandon East.

MR. EVANS: Mr. Speaker, I would move, seconded by the Honourable Member for Kildonan that

WHEREAS hereas since the bloody coup in Chile in 1973 the military junta has used both the army and secret police to terrorize the population, including illegal seizure, imprisonment, torture and summary execution, and

WHEREAS it is estimated that as many as 2,500 Chileans who were associated with the previous democratically-elected government are missing, and

WHEREAS it appears that many of these people were imprisoned or murdered by the present Pinochet dictatorship of Chile, and

WHEREAS specific evidence of such atrocities is now available with the discovery of 27 corpses of some of the persons who disappeared from Santiago in late 1974 and early 1975, and

WHEREAS such actions are abhorrent and a travesty of justice and human rights; THEREFORE BE IT RESOLVED that the Legislature of Manitoba requests the Government of Canada to condemn the inhuman and criminal actions of the Pinochet government, and

BE IT FURTHER RESOLVED that this Legislature requests the Government of Canada to seek an independent investigation of these atrocities by the International Red Cross, by Amnesty International or by some other appropriate international organization.

MR. SPEAKER: I have checked the resolution of the Honourable Member for Brandon East, and while I cannot attest to the accuracy of the statements, the responsibility for those belong to the Honourable Member for Brandon East and in that regard I am prepared to let the resolution stand.

MOTION presented.

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

MR. EVANS: Thank you, Mr. Speaker. I appreciate your judgment in this matter and I trust that it is a matter that will be of interest to all members of this Legislature and that it will be a matter that will receive unanimous and enthusiastic support by the members of the Legislature because it is a matter that involves universal human rights. It is a matter that involves common, ordinary fundamental justice and it's a matter that involves the preservation of democracy. All of these objectives, I'm sure, Mr. Speaker, are objectives that every member of this House would subscribe to.

By way of background, I should explain to members of the Legislature that we have, within the province of Manitoba and indeed throughout Canada, many members of Chilean families who, unfortunately, are political refugees of the military dictatorship of General Pinochet but nevertheless who are now becoming Canadian citizens or are in the process of becoming Canadian citizens, but are also very concerned about what is happening to their loved ones, their relatives and friends who have remained in Chile, some of whom we know have been reported as being persecuted and indeed, in some cases, we understand and have been advised that there have been cases of imprisonment and indeed murder.

In 1973 there was a bloody coup in Chile, administered and successfully carried out by General Pinochet, who at that time proceeded to stave out all political parties and in a very methodical and relentless way pursued his objectives of eliminating all opposition, eliminating and fighting political parties, undermining democratic trade unions and indeed even attacking the established Roman Catholic Church in that country.

Moreover, there is ample evidence that both the military and an organization called DINA, the Chilean Secret Police of the Pinochet regime were used to terrorize the population through illegal seizure of people, through imprisonment, through torture and through summary execution. As I said, many of these people who were persecuted by the Pinochet dictatorship were able to come to Canada as refugees and indeed some of them are now living in Winnipeg and some are indeed living in my constituency of Brandon East and elsewhere in the city of Brandon.

But unfortunately they have many relatives and many friends who have remained in Chile, who have not been able to get out of Chile and in some cases have been subject to continual harassment. And there is plenty of evidence to show that there are thousands of people — in fact the number is so great, it's difficult to count — but thousands of people who are missing, their fate unknown.

The Chilean refugees in Canada have been attempting to find out what has happened to their mothers, to their fathers, to their brothers, their sisters, and wives, and their children. And so far their efforts have met with very little success, despite representations that have been made to the military dictatorship of Chile by various groups, by various people.

There has been a very specific instance, Mr. Speaker, of very horrifying incidents that have occurred in Chile since the coup, a very specific set of incidents involving what appears to be the murder of 27 people. There was a discovery — a very grisly discovery — of 27 corpses with bullet holes in their skulls and wrists, bound by electrical conductor cable in a cemented-in abandoned mine shaft in a town in a place called Lonquen, which is a place just southeast of Santiago.

This particular discovery came about, Mr. Speaker, when a soldier who had revealed the existence of this mass tomb confessed to his priest — in a confession to his priest — and he in turn then consented to that information being made available to the public. So here's a case of a soldier who was involved in these murders confessing to his priest, and then agreeing to make that information available to the public. And subsequently, Bishop Enrique Alvear and the Priest of the Vicary of Solidarity confirmed the existence of this tomb containing these bodies, and demanded, therefore, an investigation by the Supreme Court of Justice in the Country of Chile.

There was an investigation conducted by the Supreme Court, by a justice named Judge Adolfo Bartados, but this enquiry was conducted in camera, and shortly thereafter the entire area was sealed off and was not opened to anyone of the public, or any foreign correspondents, or any others to come and visit and to inspect. The entire area was sealed off by security men dressed in civilian clothing.

In the meantime, other facts have come to light. There's medical evidence that apparently is available, I am advised, Mr. Speaker, from the Chilean people who are now resident in Manitoba, that the deaths occurred — the medical evidence that they have indicate that the deaths occurred in late 1974 or early 1975 — and that, at that time, the only group that would have the capacity to carry out such a massive murder, mass atrocities involving these 27 people, would have been either the secret police or some group associated with the Pinochet military dictatorship.

The evidence indicates from reports that have been given — verbal reports that have been given

— that the type of clothing worn by the 27 people were typical of the dress worn by the urban professional and educated workers who were involved with the previous democratically-elected government of Mr. Allende and many of whom had disappeared from Santiago in late 1974 and early 1975.

So here is a very specific case which is deserving of investigation. It is obvious, from efforts that have been made within Chile, that the dictatorship of General Pinochet is not about to carry out an investigation which, of course, would ultimately prove the guilt of members of his administration.

So the only solution would be, Mr. Speaker, in the view of many people who are concerned about justice, who are concerned with this type of inhuman action by this particular government, is to ask for some international agency to carry out an investigation. And I appreciate that we, as a province, are not involved in international affairs, and that of course is why the Resolution is worded: For we, as a Legislature, to request of the Government of Canada, who has the proper authority, proper jurisdiction, to deal with international affairs.

And the request is really a modest one, Mr. Speaker. All we're doing is asking the Government of Canada to pursue this matter by seeking an independent investigation of the alleged atrocities by the International Red Cross, or possibly by Amnesty International, or, as I say in the Resolution, by any other, some other appropriate international organization — any organization that is in a position to obtain this type of information.

And we know, all of us are aware, I would think, Mr. Speaker, that the International Red Cross has been involved in doing very excellent work around the world in alleviating conditions, not only physical turmoil, but conditions of injustice; and I know Amnesty International very specifically has been very concerned about the infringement on human rights all over the world — in Asia, Africa and South America. And I would not argue for a moment that this is the only country that such atrocities occur. Unfortunately, Mr. Speaker, we read almost daily — if not daily, certainly on a weekly basis — we read in our newspapers, we hear through the other media, of atrocities that are occurring around the world. And this, I think, is to be regretted by all of us.

And one does feel frustrated. We are limited; we are limited in what we can do as citizens; we are limited in what we can do as an individual province or Legislature. But nevertheless, I think we have a request here, at least I have a request from the people, the Chilean families living in Manitoba, and members in my constituency, to see what we can do to at least ask for an unbiased, independent investigation of this particular allegation relating specifically to 27 people.

And inasmuch as the Roman Catholic Church of Chile, and as I said, the Bishop Enrique Alvear, and the Priest of the Vicary of the Solidarity, have stated that there is plenty of evidence that these bodies are here, so therefore we have it on very good authority in my view that there is a case of mass murder, and a case that is deserving of an investigation.

So I think while we see these atrocities around the world, many of which we can't do very much about, but here's at least one specific instance, Mr. Speaker, that we can at least take a stand.

I see you looking at the clock. I'm not sure how much time I have . . . five minutes, thank you.

In this respect, I would point out, just in conclusion, that the students in the universities in Manitoba, and I guess in other universities in Canada, have been very aware and very upset about what's happened in Chile under the present dictatorship. I have an article here from the *Uniter*, that is the students paper of the University of Winnipeg. It's called the *Uniter* because, of course, as we know, the University of Winnipeg used to be United College, an institution that I had the pleasure of being at for about four years, and in an issue of the *Uniter* published in late 1977 there's a write-up about some of the atrocities in Chile in the universities, and how the universities are being persecuted by the military junta.

And I just quote very briefly from a couple of statements made in this article dated November 30, 1977, in the *Uniter* paper: This is a description of the fighting that occurred at the Chile State Technical University, where a young priest was admitted for the purpose of blessing the dead. He encountered a pile of 200 corpses," and I'm quoting further, "John Barnes, of *Newsweek Magazine*, also found 200 bodies, many had been machine gunned, of young and apparently working class people in the Santiago City Morgue. He learned from a staff member's daughter that nearly 2,800 dead had been received by the morgue during the previous two weeks, setting the city's daily murder rate at 200. These are not isolated incidences. Rather, if the sparse reports slipped out of the country are an indication, newspapers are shut down or monitored since the military dictatorship assumed power on September 11, 1973, that they are the norm."

MR. SPEAKER: Order please. The honourable member has four minutes — four.

MR. EVANS: Four minutes, thank you, Mr. Speaker.

Just continuing on in my quotation from this article from the *Unitar*, "In the four years since the murder of the democratically-elected Mr. Allende, and the seizure of power by a military coup led by General Pinochet" — and according to this article, and I can't attest to its accuracy, but I'm just reading the article from the university paper — they said, "General Pinochet, 30,000 people have been murdered. One out of every 100 have been arrested, tortured or imprisoned. 2,000 political prisoners are held in concentration camps, and 3,000 are officially listed as missing."

Well, the article goes on to describe further atrocities, and I think I have made the case that there is a very serious problem in that country. I think we should all regret the situation that exists in that country, and what I'm requesting in this Resolution is simply to take a stand on one incident, one incident that involves the discovery of 27 corpses that has been attested to by a Roman Catholic Bishop in the area, and which I believe has been covered up by the Chilean government. They've attempted to keep people away from the area, but nevertheless I think that it's a specific instance that we should pursue and pursue vigorously in the name of international humanity, international justice, and international democracy.

Thank you, Mr. Speaker.

MR. SPEAKER: The Honourable Minister of Transportation.

MR. ENNS: Thank you, Mr. Speaker. I doubt if there would be any inclination on the part of anybody in this House not to want to support this Resolution, a resolution that clearly exhibits and indicates, and I do not quarrel with any of the whereases contained in the Resolution that cites inhumane treatment to fellow human beings; that cites sordid and tragic acts of violence against humanity. And as I say, I think that I certainly would have no difficulty in supporting this Resolution, and in convincing honourable members on this side to do likewise.

Mr. Speaker, I have, of course, a great deal of difficulty in accepting the selectivity of the concern expressed by my honourable friend, the Member for Brandon East. And I appreciate, Mr. Speaker, that, as he indicated in his remarks, that yes we are limited in terms of what we can do. And I would have to indicate that so are some of the agencies in his final Resolve limited — Amnesty International, indeed, International Red Cross itself has, is, and are effective agents in terms of monitoring abuses against mankind, but mostly, Sir, in the western world; and mostly, Sir, or in such countries, as the honourable member mentioned, South America and parts of Asia.

There's very little opportunity for Amnesty International to in any effective way monitor the same kind of abuses, same kind of degradation of mankind in countries totally under Communist and authoritarian control of the Left.

Mr. Speaker, I think the Honourable Member for Brandon East acknowledged that this was but one example of what's going on. I know that he could have talked about Cuba with its paid 30,000 or 40,000 hired mercenaries roaming around killing people in Africa; I know that he could have talked about Vietnam and more particularly Cambodia where there is an outrageous degradation of mankind taking place right now. I know that he could have talked about many other States but, Sir, who really has some overall responsibility for this situation that is spread through so many parts of the globe unfortunately, and that is of course, the U.S.S.R. Because the U.S.S.R. although they have become a little more refined and sophisticated, have really never shed themselves of their capability and their readiness to use terror, torture, in the most inhumane way ever practised on the face of this globe to carry out its long term politics. Mr. Speaker, as tragic as the discovery of 27 corpses is, let me for members of the House, just remind them of the scale of tragedy that occurred with the birth of Communism in the U.S.S.R.

A Senate subcommittee released an expert study of the cost of human lives during the event of the communization of the U.S.S.R. Senator Thomas J. Dodd, who requested the report by A. Robert Conquest for the Senate Internal Security Subcommittee, said the figure is admittedly conservative. He was using as factual information as he could. This particular gentleman, Mr. Conquest enjoys a very high international reputation as an expert of Soviet affairs. Mr. Conquest calculates that some 500,000 persons were executed or died in prison camps from 1919 to 1923; 2 million — 2 million were executed under Stalin; 3.5 million died in camps from 1930 to 1936; 12 million died in forced labour camps; 3.5 million died in famine during the fourth collectivization of the 1930s. Mr. Speaker, this all happened in peace time. None of the losses of life as a result of the long and bitter struggle of the Civil War are included in these figures.

When the then Minister of Foreign Affairs, Sir Anthony Eden, in a visit with the then Premier of the U.S.S.R. asked him in the latter '30s, I believe in 1938, simply asked him the question: "When are you going to stop killing people?" asked the civilized Anthony Eden of the Georgian monster. "When I think it's no longer necessary" was the reply.

U.S.S.R. and the government, and by the way, Mr. Speaker, it is the same government today.

There has not been another revolution. The man who heads it was a senior man who played a role in this, Mr. Brezhnev. There had been no change. They have changed their policy somewhat as I said, a little more sophisticated. U.S.S.R. concentrated on heavy industry, capital machinery, and starved the Soviet people of consumer goods. He laid the foundations of the Soviet economy but the price was terrible. The slave labour camps were filled with millions of innocents. The procession of traitors, drugged, making abject confessions — we still have people making abject confessions, drugged, brought into the courtrooms of the U.S.S.R. today. It's only when it suits in the greater politics of super powers, when trade-offs are made, you know, you get to send me back some of our spies and we'll get rid of some of our dissidents, that these people find freedom. Countless thousands vanished or were shot in the nape of the neck in the brightly lit quarters of Bianca Prison under the auspices of the then Police Chief . . . Whole peoples were dragged from their homes and departed to remote areas.

Mr. Speaker, I find it impossible not to express when this kind of occasion presents itself, that kind of concern. I find it, Sir, impossible to rub shoulders or be in the same room with people like Mr. Joseph Zugen of this city and recognize that while he battles mightily for the right and the freedom to cross Portage Avenue, he had no difficulty literally in wading over the corpses of millions of people waste deep in blood to attend party meetings in Moscow.

Mr. Speaker, I would ask the honourable member for only one addition to his resolution and I would have absolutely no difficulty in assuring him of unanimous support, that is, that this Legislature of Manitoba requests the Government of Canada to condemn the inhumane and criminal actions of the Pinochet government and that of the government of the U.S.S.R. If the honourable member would make that very understandable and surely very acceptable amendment, then he can and will have the unanimous support of this House. Because, Mr. Speaker, while I take nothing away from the tragedy involved in the particular families, the Chilean families that we now have but, Mr. Speaker, I must tell him that there are many more than 27; there are hundreds, there are thousands of families that are Manitobans, that are Canadians living in Saskatchewan particularly, and in Manitoba, who have experienced the same kind of terror within their own families, my own grandfather being among them. My grandfather on my in-law side was shot; my uncle was one of them who was shot in the Bianca Prison in the nape of the neck in 1931. And, you know, that's no special case. My mother, who has since departed, always had and maintained a scarred finger, as it was torn off as she was being raped by five or six bandits — I don't call them Communists; they were bandits in the state of a reign of terror — in a reign of terror that was part of the price and part of the willing price that the current rulers of the U.S.S.R. were prepared to pay to bring about a policy that they thought was worthwhile.

Well, Mr. Speaker, I don't particularly agree with the policy objectives of one, General Pinochet, or the manner and way in which he's doing it. I accept the fact that he is undoubtedly doing it by stamping on people and transgressing against what we would accept in the free world as what is right and what is proper.

But, Mr. Speaker, I cannot accept that selectivity that honourable members opposite, the Honourable Member for Brandon East, chooses to pinpoint or focus on in this particular case when he himself in the remarks to the resolution admits to a wide range of atrocities, a wide range of abuses against mankind being portrayed throughout this world by different countries, by different regimes, military dictatorships, quasi, you know, democracies, and I have suggested to you that there is as well documented evidence, as well documented evidence that perhaps no regime since its inception in 1917, 1918, bears a greater responsibility for international terrorism in the world.

Well, Sir, they have become very sophisticated now. They do it thrice removed. I mean, they support Cuba and Cuba sends its troops over to Africa and of course, Mr. Brezhnev can say that he is not involved. Who is supporting the strife and the ongoing strife that is now continued through the French regime, through the American sad experience in Vietnam, and now we have the same situation developing because you have a fight going between the Chinese and the Soviet hierarchy in terms of control of Southeast Asia. But people are getting killed, and by the thousands, Sir, by the thousands, today.

I ask, I appeal to the Honourable Member for Brandon East, allow us to share his correct concern that he expresses in this resolution. Allow us to support as members on this side, the concern that the particular Chilean families or relatives that I understand have approached him or asked him to make this consideration, to pass this resolution, to do what he said in our limited way what we as a Manitoba Legislature can do. But I cannot, out of memory to deceased ones in my immediate family, I cannot, to the memory of those who have had very direct and personal contacts to many thousands of Manitobans, many thousands of Canadians and indeed it can be said of so many that sought and settled and took advantage of the free society, the free world that western Canada offered to them, when in the latter 1870s and 1880s and 1890s, the plains of western Canada were

settled by so many of these people that at that time fled from precisely the kind of oppression, the terror and the abuse that we are concerned with in this resolution.

Now, Mr. Speaker, my time is up but I would ask the honourable member when next the matter arises, I have not had an opportunity to caucus this with any of my members but I am prepared to indicate to the honourable member that I would certainly seek the kind of support that I suggested if that amendment were made.

MR. SPEAKER: Order please. The honourable member will have eight minutes remaining when this question next arises.

The hour being 5:30, I am leaving the Chair to return at 8:00 o'clock.