

# THE LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, April 18, 1978

Time: 8:00 p.m.

## BUDGET DEBATE

**MR. SPEAKER:** The Honourable Member for Point Douglas.

**MR. MALINOWSKI:** Thank you, Mr. Speaker. Mr. Speaker, I think that you will remember and I remember that April 10th was Budget night. On that day the Liberal Government presented the Federal Budget and the Manitoba Conservative Government presented the Provincial Budget. Had this taken place on April 1st, we could have dismissed it as an April Fool joke, but unfortunately it wasn't a hoax, that wasn't the case. As it is, we must accept both of these Budgets as demonstrations of the complete failure of liberal and conservative policies, for on the day these Budgets were presented, Statistics of Canada announced there were 1,045,000 unemployed in this great country and there was absolutely nothing in their Budget that will significantly change that fact.

Talking about unemployment, Mr. Speaker, I have a pamphlet which was used during the election campaign by Honourable Minister of Health and Social Development. I am sorry that he is not in his seat, but I would like to put on the record what he had to say about the unemployment situation: "At the present time there are nearly 30,000 unemployed in Manitoba, many of them young people. Manitoba has always had a relatively low rate of unemployment in the past 18 months, however, unemployment has been growing faster in Manitoba than any other western province and faster than the national average".

Mr. Speaker, we are talking about November 1977 and I think that maybe he hasn't heard about it, that right now we have not 30,000, we have 37,000 or more unemployed here in Manitoba. But he was concerned about young people, and Mr. Speaker, not so long ago we had young people right here on the front steps of this building and in my estimation there was between 3,000 and 4,000 of them. What do you think they were asking for? They were asking for that job which he said . . . Naturally he was giving information that if he would be in power or if his party is, this problem will be solved — but it didn't happen.

Unemployment has reached right now the depression level of the Thirties, during the period the Conservative government under R.B. Bennett was applying a restraint policy from Ottawa, while in Manitoba the Liberal government was applying a restraint policy in this province. Today the positions of the Liberals and Conservatives are reversed but, Mr. Speaker, their policies remain the same. After a hundred years of almost continuous unemployment, they are still hoping and maybe even praying that private enterprise will solve the problem.

At this point, Mr. Speaker, I will present a few comparisons of the Manitoba Conservative government with that of the Saskatchewan New Democratic government.

Let's just find out about their Budget. In introducing the Saskatchewan Budget the Finance Minister of that province said, "In this Budget we are taking direct action to pump more cash into the hands of the Saskatchewan people."

The Saskatchewan Budget, Mr. Speaker, contained tax cuts. It had a reduction in car insurance. It had substantial increases in benefits of the senior citizens. It increased the amounts going to municipalities. There was more money to create jobs. All the benefits added up to \$82 million, Mr. Speaker, more going to the people of Saskatchewan.

The Manitoba Budget also had a few slight benefits but the Manitoba government is taking away more in its restraint program than it is giving in budget benefits.

In contrast, the NDP government of Saskatchewan has no restraint program. The Saskatchewan government has not resorted to massive layoffs of public employees. The Saskatchewan NDP government is not counting on private enterprise alone to end unemployment.

Mr. Speaker, the Saskatchewan Finance Minister in his Budget Speech said, "The government job creation strategy is grounded in the conviction that the public sector has an important role to play in creating useful and productive jobs. We believe that expanding the activities of commercial Crown corporations, or the construction of useful public assets, is a productive enterprise."

Furthermore, the Saskatchewan Budget showed a very substantial increase in expenditure in the public sector. Their Finance Minister said, "We think that potash miners, oil field workers, timber cutters and other workers are just as productive in the public sector as they are working for private corporations." In this attitude to private enterprise, the Saskatchewan NDP Government has been pragmatic and rational.

Mr. Speaker, I think that the Honourable Minister of Highways is sick. I have some tablets. If I finish I will give them to you so you will not have the hiccups. Maybe it will help.

Mr. Speaker, in a mixed economy there is an important place for both. Their Finance Minister, Walter Smishek, in his Budget address, said, "Governments and the private sector should join together now to create jobs today, to build available social capital for tomorrow." And Mr. Speaker, this government on the other side has irrational prejudice against public enterprise. It has curtailed activity in the public sector at the same time as activity declines in the private sector. Talking, Mr. Speaker, about private sector and private enterprise, I don't know what is actually the matter. What is bothering them so much. Probably, maybe they are allergic to it or something like that, but thinking

twice, Mr. Speaker, I came to the point that they don't know how to operate public sector. They don't understand it all. They can't think for themselves, Mr. Speaker, and this is the main problem for them.

Mr. Speaker, if they had any problems, they are looking for advice and you'd be surprised where they have two main sources of wisdom in Winnipeg. The first source of wisdom, Mr. Speaker, is the Great-West Life Assurance Company across the street, and the people, at least for Manitoba, should be really grateful for them because we are not spending much money for transportation to go down there and find out what is what. They may just walk here even during a lunch time.

The second source, Mr. Speaker, is the Chamber of Commerce. These are the two main sources for them to find out how to govern and how to deal with the problems of the people of Manitoba.

Mr. Speaker, the average Manitoban has little to gain from this government, especially my people, people from Point Douglas. So far only a very small minority of the wealthy have gained by the government's gift of \$5 million through the elimination of the Succession Duty and Gift Tax, but who else will gain? Certainly, not the hundreds of people this government has added to the ranks of unemployment. Certainly not those who are affected by the cutbacks in all kinds of essential services. Certainly not my people, Mr. Speaker, in Point Douglas. But talking about this Gift Tax which they cut, I am just wondering who will benefit of it? Who? I think those who will benefit are those who — anyhow, they are not spending that money here in Manitoba, or even in Canada. Mr. Speaker, they are going outside. They are going to Florida, Mexico, Hawaii, even to Europe.

**MR. McKENZIE:** Mr. Speaker, on a point of order. The rules seem to interpret to me that a member cannot read from a written, previously prepared speech.

**MR. SPEAKER:** Order please. I believe the honourable member is speaking extemporaneously and if he makes reference to his notes from time to time I'm sure that the House will accommodate him.

**MR. MALINOWSKI:** Well, I would like to reply to the Honourable Member for Roblin, because he is interrupting all the time. He's welcome, but listen, I am telling nothing but the truth, you know. So I am using a note, I'm preparing, I have to find out what is what. Not like your government and yourself. You promise many things and then you just chicken out. And sometimes you don't remember what happened.

**MR. McKENZIE:** I withdraw my allegation, I was wrong.

**MR. MALINOWSKI:** Thank you very much, Mr. Speaker. So then, I am a Christian; I will forgive you. But don't do it again.

**A MEMBER:** Do you think Father knows best?

**MR. MALINOWSKI:** Absolutely. I am following new rules of Christians, you know. New Christians. Mr. Speaker — nevertheless, he makes me mixed up, you know. I don't know how to continue. I'll finish on these taxes.

Well, let's come back from Mexico, Florida — you know, I would like to be back in Manitoba with my people. Mr. Speaker, talking about the promising and big election team for the Conservatives that was restoring business confidence. They were telling the voters that you are great experts in restoring business confidence. Yes, you are doing something like that, but you are giving business to those who have big outfits. And at the same time, you are killing the small business. Mr. Speaker, for example, I would like to illustrate something concerning this matter, and using my notes — I'm saying this for the information of the Honourable Member for Roblin — for example, Mr. Speaker, that Flin Flon or The Pas, or maybe even better, Churchill — (Interjection) — or Flin Flon, let's take Flin Flon. Down there is a really good business. Then put advertising in the paper saying that we are working on the basis first-come, first-served. Now I may say, an equal opportunity starts. Great-West Life Company is going down there to Flin Flon by plane. The Chamber of Commerce are going by Chevrolet, by car. And Crown corporations they are using only bicycles. Mr. Speaker, who will get that business? You may guess. If you would like to be sure, my speculation is Great-West Life Assurance Company will — (Interjection) — well, he didn't even start, he didn't even approach Portage la Prairie and they are coming back already with this profit.

Mr. Speaker, in this connection I would like to refer again to the Saskatchewan Budget Speech of the Honourable Walter Smishek, the Finance Minister of that province. He said — and I am quoting his words — "There have been many statements about restoring confidence in our economy, the confidence of investors. Indeed, that must be done but the very first priority must be to restore the confidence of the people who are demoralized because they cannot find work. The first priority, Mr. Speaker, must be to create jobs."

Mr. Speaker, I hate to say this but almost every move made by this government has tended to shake the peoples' confidence. Every move made by this government has further demoralized thousands of people in our province. The government's policies have completely shattered the morale of hundreds of civil servants who have lost their jobs here in this province. It has lowered the morale and created a feeling of insecurity in many others who are not sure when the First Minister's broad m. axe will fall on the when he will call them to the office and say, "Well, don't force me to fire you. Do me a favour, disappear." This is also a very Christian way of dealing with human lives, very Christian. It has further demoralized the thousands of unemployed, Mr. Speaker. Instead of holding

out some slim hope of jobs, the unemployed are demoralized by reading the news every day of further job cuts resulting from the government's restraint policy. There is no hope for them.

Mr. Speaker, talking about the people of Point Douglas, the low income people, and this is a tragedy. They are scared when they are going to work that if when they are just approaching the door they will open it and start to punch their card and they will say, "Well, sorry, your service is no more required because of restraint."

But still I remember very clearly, Mr. Speaker, promises made by the Leader of the Conservative Party during the election campaign: There will be, there must be, jobs. And if a leader of any party is saying that to his voters, if he is promising something like that, I would like to read from Moses' tablet under Eighth Commandment, "Thou shall not bear false witness against thy neighbor," and you did. And you did, all of you — 33 of you; you did.

Mr. Speaker, the people in my area were looking forward to getting — a long time — a new Mount Carmel Clinic in their community. Their hopes have been dashed by the government's wrong-headed ideas on restraint. Sometimes I wonder if that is because of the restraint program or whether it reveals the government's attitude to the people of North Winnipeg.

Mr. Speaker, a man in my profession has to keep asking himself all the time what is life all about. What are the important things in life? What should be the guiding principles of governments in civilized society? Restraint? Firing them?

Mr. Speaker, our party for many, many years — almost from the beginning, talking even from CCF and now NDP — for a long time were using one slogan, "Humanity first". Human life first — not the dollar. And we are continuing.

I was just mentioning about the Budget of our neighbors from Saskatchewan. They didn't restrain; they didn't lay off the people. They created jobs and they had a Budget. You know why, Mr. Speaker? Because they know how to do it. They are listening to the people, not a few individuals but a majority of the people. People who are in need. But my honourable members on this side — no way. They don't listen as long as their belly is full, who cares?

Many of them, Mr. Speaker, are asking themselves who is my neighbor? Well, it depends what he has, how much he has and what kind of a membership card he has. Then I will tell you if he is my neighbor or not.

Mr. Speaker, talking about humanity — by this we meant that in all matters of government and the economy the welfare of all the people should be the first and main consideration. But for our present government, it is entirely opposite. They don't care if people starve to death. They don't care if they lose their homes, if they lose their cars, as long as the Budget will be in balance. —(Interjection)— Oh no? That is what you are doing.

The Honourable Minister of Health and Social Development just said, "Regardless if you like it or not, you will get used to it, and we will do it as we planned to do." They don't care how many people will be starving and how many people will go bankrupt — No, they will just go and do their program not looking on the other side what happened. —(Interjections)— Watch it, my friends, watch it. You just have not a very long time and not only that you will be not sitting on that side, you will be not sitting here at all. I have a good connection; I know what I am talking about.

I just feel sorry, from time to time, for our honourable lady Minister of Labour because, you know, I like her very much. And you know really I sympathize with her because for her it is very hard to act. She doesn't know when to act as a lady and when to act as a politician.

But, Mr. Speaker, allow me; I will tell you what is the difference between a lady and a politician. She has a really hard time. Okay, I will tell you. When the politician is saying "yes", she means maybe.

**A MEMBER:** Be careful, Father.

**MR. MALINOWSKI:** Oh yes, I will. When he says "maybe", he means no, but when he says "no", he is not a politician anymore. With a lady we have a different situation. When she says "no", she means maybe, but when she says "maybe", she means yes. But when she says "yes", she is not a lady anymore.

So for you it is very hard, you know, to keep the balance.

**MR. SPEAKER:** Order please. Order please. I realize that we are into the later hours of the day, but at the same time, I would like to hear the remarks of the Honourable Member for Point Douglas.

**MR. MALINOWSKI:** Mr. Speaker, I will suggest for honourable members, especially for Roblin and for Portage la Prairie maybe they will attend some time my service so maybe they can learn something by gosh. But before you enter my church I would like to mention something like, you know, don't fight inflation and restraint in my church, be generous when you see that church collection plate.

Mr. Speaker, my honourable friend for many years, the Member for Virden, he just spoke before supper, and I was glad to read in the press the protest of the Honourable Member for Virden. As quoted in the press the Member for Virden said, Mr. Speaker, and I'm quoting, "It is dangerous for the Premier to be so close to big business in Winnipeg." We on this side share those sentiments with you my dear friend. We agree with you. —(Interjection)— No, I wouldn't suggest this. I remember when I spoke on the Throne Speech the Honourable Member for Wolseley was making the suggestion that I should come on the other side. I'm sorry that he's sick now but I would like to reply today to his invitation that first of all I am a New Democrat; secondly, my name is Malinowski and I have nothing to

do with the Judas. I am with New Democrats. So I am sorry I have to reject his invitation. Well about Judas, sometimes I am asking how much somebody, somewhere, is getting to put such a program before us dealing with the people of Manitoba.

Nevertheless, Mr. Speaker, the First Minister has always had a strong affinity for the people who paid him only \$3,000 a month when he was still an unemployed leader of this party without a seat in this House. So for me it is understandable. Maybe the Honourable Member for Emerson will now understand what I am talking about. So this government aims to give more business to big business and a kick in the pants from the Task Force for most other Manitobans. Of course we are told the aim of the Task Force is to make government operation more efficient, more efficient. But, if a greater efficiency was the aim it was wrong to have the Task Force headed by the executives of insurance companies and leading big businessmen.

**MR. McKENZIE:** Does that include Portage Mutual?

**MR. MALINOWSKI:** Well, for your own information, I would like to say to the Honourable Member for Roblin that I don't think that a blind person can talk about colors and if he's a leader then your ears are plugged completely. You just listen to the people who are very nice when it is election time.

**MR. MC KENZIE:** I am listening.

**MR. MALINOWSKI:** Oh, if you are you wouldn't do what you are doing now. Mr. Speaker, I understand the insurance companies would like to get back into the car insurance field in Manitoba. That will be a disaster. Well I may say, let them prove first that they can operate efficiently enough to bring the rates in Ontario and other provinces down to the low level we have here and in Saskatchewan under the public insurance. That is no such thing. We know what has happened in B. C. after the election — people are sorry. Our people in Manitoba, they are sorry even the conservative people who vote for you are sorry — In talking with them they say: "Father forgive us, we made a boo boo, we made a mistake." I say: "Well just wait, be patient, I will forgive."

If private business, Mr. Speaker, is so efficient how is it that telephone rates charged by private utility companies like Bell Telephone are twice as high as the rates charged in the provinces where telephone service is a public utility. If, Mr. Speaker, anywhere the private sector is operating, if they are quitting their business down there, it's not because, Mr. Speaker, that they can't afford it, but only under one condition, they don't have enough profit. That's very true, see, at least the Honourable Member for Roblin agrees with me.

Our party is committed to a mixed economy, Mr. Speaker, we believe there is a place for both private and public enterprise. We believe with the right kind of government policies some of the ways of extravagance in the private sector can be curbed in the interest of the public. But Conservatives, Mr. Speaker, completely overlook all the effects in the private business world.

There is an experiment going on, Mr. Speaker, in Britain at the present time. It has been in the news recently and I believe most honourable members must have read about it. This is very important you know, a small group of people have completely cut themselves off from modern society. Their aim is to prove that people of this modern age could live as the people lived in the Stone Age. They live in the same kind of primitive huts as did the people in the Stone Age. There is no electricity, no television, no supermarkets — in every way they were placed in the same situation faced by our distant ancestors in the Stone Age. But this is to be only a one year experiment.

We have, I believe, for half a year an experiment about cutting a tax. Oh, Pierre Trudeau is such a nice gentleman, he's helping. God Bless him, poor soul. But I wonder, Mr. Speaker, is it the aim of this government to send the people of Manitoba back to the Stone Age for the next four years with their restraint policy? It looks like it to me. The people involved in this Stone Age living experiment in England may prove that they can live without modern conveniences. They may prove that they can get along without television, without theatres, without galleries, museums and so forth. They may prove that they can live without symphony concerts and without literature. Well, they did before.

But, Mr. Speaker, with us it is an entirely different situation. The province in which we live is a rich province, and we have enough natural resources to fulfill our duty and to help those who are in need.

Mr. Speaker, talking about Budget, and programs, and so forth, and especially when they are accusing us of this and that kind of a thing — well, what about Ontario? After over 30 years of Conservative government, Ontario has the highest debt and the people there don't even enjoy such a benefits as premium-free Medicare or low cost public Auto Insurance. There is little evidence that Conservatives are experts in holding down debts. No way. Mr. Speaker, well, goodness gracious, I will give you so many oils, you don't even use your head — somebody else will be looking for you and think for you, like now.

Mr. Speaker, if this government thinks that the most important thing before us is to reduce the debts why did they eliminate a tax which brought in about \$5 million or \$7 million in revenue? Why did they remove a tax which affected only a tiny minority of the wealthiest people in the province who did not suffer less by paying this tax? Cutting the debts means sacrifice. Why isn't this burden spread more evenly and fairly among all taxpayers on the basis of their ability to pay?

I am appalled, Mr. Speaker, by the immorality of this government. You gave increased benefits to those in the upper income levels by adding to their incomes but eliminating the 2.2 percent surtax on incomes of \$25,000 and over but in your restraint, you cut off the entire incomes of hundred of government workers laid off. These had to bear the main burden of the restraint program while those

in the upper incomes go still further . . . from sharing the sacrifice. You cut the provincial tax but you also cut the grants to the City, so the City tax went up. You cut grants to the universities, so university tuition fees went up. You cut grants and subsidies to the Winnipeg Public Transit, so the City raised the fees. You kept your election promise; you cut provincial tax by a few pennies but you made the people pay dearly for this little gift. They have to pay higher City tax, higher university fees, higher bus fare, but that is not all, those in the lower income groups must bear the brunt of most of the restraint program. They will have to make the big sacrifice in the government's drive to cut down the provincial debts.

**MR. SPEAKER:** Order please. The honourable member's time is up.

**MR. MALINOWSKI:** May I finish, Mr. Speaker, just a few sentences? Thank you, thank you for your kindness.

**MR. SPEAKER:** The honourable member's time is up. The Honourable Member for Gladstone.

**MR. JAMES R. FERGUSON:** Thank you, Mr. Speaker, and I certainly welcome the opportunity of congratulating you on your elevation to your new post and also to the many new members, each representing a constituency that has elected him, each with a job to do and each trying to do the best job they possibly can do while they are in the House. There are a lot of different methods of looking after a constituency; there are a lot of different constituencies to be represented and each one, I believe that is elected, to represent that constituency as they see fit.

It is indeed a pleasure, as far as I'm concerned to have moved over to this side of the House. It is a change from opposition to government. We spent eight years I guess you would say in the wilderness, and as long as it doesn't happen too often that our party is in the opposition ranks, I guess you can say that with 8 out of 108 years, you can't really say too much is wrong with that. I would say that the way things are going and just the general outlook on things, that possibly it will be quite a long time again before our government is back over on that side of the House. I know it's very frustrating for the honourable gentlemen across the way but it's one of those things that you have to bear and I'm sure that they'll be accustomed to the stay over there.

With the coming federal election, I expect that we possibly will see again a few more by-elections and a few changes in the personnel in the House. It seems to be that there is, over a period of years, a gradual change through attrition and one thing and another. But one of the things that really impressed me, Mr. Speaker, is the fact that the actors more or less have seemed to have changed and the action, of course, but the honourable gentlemen across the way have already decided that the government on this side of the House are liars and crooks, etc., and of course we have to learn to accept that. We don't have to believe it but it's one of those facts that they do believe. We, on the other hand, have never changed our thoughts about those. We think that they are a fine bunch of fellows, sitting exactly where they should be and hopefully that they will be there for quite a lot longer.

At this point in time, Mr. Speaker, it's very hard to follow the general crowd because it doesn't really matter what you say it's repetition and what other new angle you try to bring to it, it really doesn't come across that well. We've been watching very closely, though, the manoeuvring across the way. We've seen the Leader of the Opposition who doesn't really relish the position of being the Leader of the Opposition although I will admit that in watching him the last while he has come around to accepting the fact and I believe that he might stay as leader of that party. But the first thing that was an indication that there might be something wrong was when the annual meeting of the NDP Party was postponed from April until October, I believe it was, or March until October, which could possibly give them lead time to establish a leadership race.

But watching the action across the way, the newcomers and the fellows that are established, it kind of reminds you of a horse race. The Member for Transcona I guess you would have to say would be one of the ones that would be in the race. He's been manoeuvring —(Interjection)— Well, he would be a colt, yes, and he's been manoeuvring for the position. He's tried his legs out in the country and trying to get acquainted, trying to put himself across and this, of course, is one of the things that he has to do.

The next you'd have to look at would be the Honourable Member for Selkirk and he, of course, would have to be one of the favourites because he's been established. He's well-known rurally and this is something that there are very few on that side of the House that are.

Of course, you would have to say that the Member for Inkster was probably the favourite. Whether it was a muddy track or a fast track, he'd be out running hard and I can assure you that everybody would know that he was in the race.

He went to the Member for Lac du Bonnet who had a very strong track record but I think the odds on him were proven out last fall about 8 to 2 and I don't think there would be any improvement on that.

We are the party that have always been noted for having leadership problems and our leader has been called a fascist, a dictator, just about everything under the sun. Even the Member for Elmwood said that he was going to be one of the most hated people in Manitoba. Well, the Member for Elmwood, of course, has a little fetish. He's something like the Pharaohs of Egypt. He likes to go around building buildings. He's built one across the way —(Interjection)— Well, whatever the case

may be. It may be nine feet too high but it bears that noble title the Woodsworth Building which looks after the NDP Party in the Province of Manitoba, the first building — (Interjection) — it's not, it's a little different, fellow. But then again, we hope possibly, in due course of time, Mr. Speaker, that our leader will have a building erected as a monument but to cover his tracks, the Member for Elmwood has already built his little memorial down at the corner of Memorial Boulevard. This, of course, will be known as Doern House and he is assured of his spot in posterity. — (Interjection) — You're right. It's the only useful thing he's done.

But, Mr. Speaker, the Budget Address, possibly it doesn't contain something for everyone but it does fulfill a lot of our election promises and our government have made many efforts to fulfill our promises. We've reduced income tax — of course we're under flack because of that. I'm not going to draw out at great length on these things. We've abolished the succession duty and gift tax and, according to our honourable friends across the way, there's 148 people involved. But something they don't know is the fact that — and we're not going to go through this again at great length — but they don't know how many people transferred their funds out of the province, established head offices out of the province, took their funds out because they just couldn't afford to die in Manitoba. The Mineral Acreage Tax Act was another that basically realized about \$100,000 a year. I filed an Order for Return, I believe, last year for three years, and the total take for the government after administration, one thing and another, was roughly in the area of \$100,000 — maybe \$130,000. But this is their idea of creating employment — harass the public, create jobs that don't mean anything, but as long as you're doing something and you're harassing the public, you know, this is a good idea. This is the course you're supposed to take. We've had the lowest growth rate in expenditures in Canada with this budget. I think that's something that we should be commended for. Our government has tried to adopt our expenditures to revenue and I think they are doing a very creditable job.

During the course of the Premiers' Conference last February, it was by general consensus agreed, Mr. Speaker, that the private sector was the one saving grace, supposedly or one of the ways of getting the economy back moving again. I think everyone went into that with good faith but our Federal Government again, in the usual manner, tack on 10 percent on their budget. They're now looking at a budget deficit of about \$11 billion which was, of course, a 10 percent increase.

We've lost the confidence of the investment people of the world. I believe about three weeks ago on the front page of the Tribune or the Free Press there was an article stating that American interests had pulled about \$860 million worth of investment out of our country. Well, this is something that we just can't condone or can't hack, Mr. Speaker, because of the fact that we do have to have investment capital. We are in a position where we're sliding, we're not producing. Certainly, we've had a government that had ample funds to bring in short term projects to try to keep the economy going, but they haven't developed a firm and substantial base on which our economy can be built. It's very easy if funds are coming in, and they've had some very good years of income — I believe over the last 10 years the average income has gone up about a billion dollars, from 1969 the take has gone up from about \$369 million to about \$1.2 billion. So you are basically looking at about a billion dollars over the period of time that they were in power, and they had the ample funds without deficit financing, without any of the rest of these things. So consequently they were in a position that they could supply many short term jobs but they petered out; they just aren't doing the job that is expected and they are just not developing our economy.

In this Budget Address, we have heard a great deal from the opposition that our senior citizens are being neglected, etc., etc. Possibly \$100 isn't that much but it is a lot better than nothing. It is one of the places that there have been a few dollars go into, I believe that the total cost of that is about \$2 million. The private sector, trying to create employment for youth, which will be another \$2 million. There has been roughly 1,000 reduction in the civil servants. We are not altogether singing hallelujah about that, but any time that you can take 1,000 people out of circulation that are I guess you would say deadwood, consequently they have got to go.

Our government is definitely on the move towards trying to make agriculture go and I really haven't that much hesitancy, I think there is a better underlying current in agriculture than what people realize. We have a fairly stable agricultural industry starting as of about the last four months, and I certainly say that we are not taking the credit for it, it is one of those things that is arrived at in the marketplace and it's one of the things that I don't think that you can do very much about. Our markets are set in the United States basically or in eastern Canada, consequently you reach the point where there is a short fall, well, the price is going to go up.

We have talked a great deal about restraint. That is one of those things that everybody agrees with but nobody wants. Since this session has gone in on March 16th, we've had demonstrators on the grounds practically once or twice a week, and they have ranged everywhere from just about every segment of society; from the university students all the way down through and, Mr. Speaker, I can't see it. We had over this little discussion the other day, I forget who was speaking, I guess it was the Member for Rock Lake, but the Member for Inkster said that he would write out a private members resolution saying that if you didn't work, you couldn't go to university. Well, I can tell you, Mr. Speaker, that I am just as sure as I am sitting here, that \$90.00 or \$100.00 or \$1,000 wouldn't have kept the Member for Inkster out of university, if he wanted to go because he would have got out and got himself a job.

All I can say is that it might have been an awful lot better for those students had they gone out and looked for a job and they are available might not be what they want, but by the same token, to make \$100.00 or \$500.00, if they can't make that between the period of the middle of April or the first of May, on the first of September, there is something wrong with this country, and it isn't with the people that

are paying the taxation. This little document here indicates what is happening, and I have no hang-ups on the university kids — I am quite sure if the time comes, they will go out and get a job, people have done it before, but to say that there are no jobs available for those people is utter nonsense. If you want a job you can get it. Because I owe the kids in my area are either picking up jobs in the country or they are picking up jobs in the city and they are not having that many problems getting them.

But there is one thing there, they will go to work. This is what people hire people for. Somewhere along the line we have instilled in a lot of our young people the fact that the work ethic is down the drain. You are owed a living from the day that you are born when you start collecting family allowance until you go through the public school system, into the university system, into the old age pension racket or whatever the case may be, but you are looked after from the cradle to the grave which is very nice. But somebody has to pay for it.

I would say that our government has certainly developed a thing where we are listening to people. As I said, Mr. Speaker, we have had more demonstrators on the grounds since the session opened than there has ever been in history, so we are certainly getting an opportunity to listen to people, and we are listening to the protestors. So we should be recognized as one of the best governments that ever hit the province.

**A MEMBER:** What about nightlighting?

**MR. FERGUSON:** I will come to that if you like. I would certainly like to come to the fact of nightlighting, Mr. Speaker, but I am sure that the former Minister of Renewable Resources spent many years and he didn't know what department he was representing and he didn't know what jack lighting was. So sometime I would love the opportunity to go out very private with him and sit down and explain to him: now, look this is what went on, you didn't know before and you didn't really bloody well care but here are the facts. So, I would welcome the opportunity of explaining something to you.

Everyone has said a few words about their constituency, Mr. Speaker. I would like to just mention a few things about mine. We are very happy in the fact or I am very happy in the fact that I do represent a very strong rural constituency. We have probably some of the best land in the province. We have very enterprising people. We have some very good industries. But our major concerns of course are still rail abandonment which the Member for Virden stressed today. This is one of the problems that didn't just happen yesterday either. It is something that is foremost in the minds of most rural members, and that is our road systems. We feel that in many cases we have been abandoned over the past eight years. As I said last year, and the year before, and the year before, I could put all the hardtop that I have had in my area in my back pocket. I am not saying that we are being discriminated against, I guess possibly it is just one of those things that wasn't a priority and just never happened. I guess we just happened to be missed.

And of course the other thing that has been a high priority in my area has been flood control, and here again, Mr. Speaker, we have had a government for the past eight years, who over those eight years never instigated one major flood control project. Their high priorities were: Okay, if you get flooded out we'll pay compensation. There was a little bit done on cleanups and ditches and one thing and another. But by the same token the previous government to that, if it hadn't been for the Winnipeg Floodway; if it hadn't been for the Portage Diversion; if it hadn't been for the Shellmouth Dam, we'd have had an awful lot more problems than we've had and compensation wouldn't have covered the damage that could have happened to the City of Winnipeg. We ask and we ask and we ask and as things have gone on of course the cost of these controlled structures or whatever the case may be have escalated with the inflationary rate. Hopefully our government will, if and when funds become available, start to develop some more flood control methods for the province even if it's only one, it is an accomplishment and it's there for a lifetime, but at least it would be something.

I would also like to mention the influx of new residents that I have had in my constituency and they have come from that great south corner of the province, the Winkler, Altona, Miami area there. These people are bringing new ideas into my area, they are bringing the growing of corn, sunflowers have been grown before, they are pioneering irrigation. But these can all be tied in, and instead of rushing all our water out of the country I believe that we are going to be in a position to - develop, especially irrigation, McCain's plant in Portage which again was mentioned by the Member for Portage today. When it becomes operative and utilize the full 15,000 acres of potatoes that they hope to contract for by the year 1979 or 1980 it could be quite a stabilizing influence on our incomes.

The Member for Fort Rouge is not in his seat but I was really surprised the other day when he started talking about the fact that people were not producing in this province and they were not producing in Canada. That is the first time I've ever heard him talk this way; he always talked before that somebody owed the people a living. He never talked productivity and I was really surprised when the Honourable Member for Fort Rouge did make that statement. I understand that there was some inclination on his part to go federally, and hopefully if he happened to become elected to the Liberal Party, that he might also bring the word up to the powers that be. I'd feel awfully disappointed if we had the same Prime Minister after the election but if it happened to come to pass and the Member for Fort Rouge was a member in that particular government, that he would convey the fact that maybe somewhere along the road there should be some productivity tied in with government.

I'd like to also point out at this time to my honourable friends across the way, many who belong to

the labour force, that a worker ten years ago — this is quite common knowledge of course — he paid 21 percent of his pay cheque on food; today he is paying 18 percent. I know that most of the fellows across the way there, my good friend from Flin Flon who has been a hard working miner all his life, I don't think would argue with this.

**A MEMBER:** A hard working man.

**MR. FERGUSON:** I wasn't including you, Peter. But it seems to me that somewhere along the line labour has developed a kind of a divine right that they have to have an annual increase. I don't doubt for one moment if inflation is nine percent most of them should be entitled to nine percent. But there are other segments of our society that are not able to follow inflation and I don't mind quoting that agriculture is one of them. Since 1976 the price of many of our cereal grains have halved, the oil seeds possibly are about two-thirds of what they were, but by the same token the cost of our equipment has doubled in about three years — (Interjection— I wouldn't say that our income is down by 40 percent but our income would be down by thirty percent, but the cost of our equipment. . .

**A MEMBER:** From what year?

**MR. FERGUSON:** From what year? From 1975, 1976. — (Interjection)— Yes. I would be with the Member for Inkster but by the same token, I would like to point out to the Member for Inkster that, as of the first price increase in grain, the companies — fertilizers, machinery, the rest of the parts — were following within the week. We used to pass it if there was an increase. There was a time lag of maybe six months before the boys got fired. This time they were prepared. They are studying the world situation better, they have economists, they know what is going to happen and they gear themselves for the. . .

**A MEMBER:** You can't pick the lowest year and say your income is down. The income is not going to stay in that year.

**MR. FERGUSON:** But this winter again we ran into our annual problem at the west coast. This is one place I will give the Federal Government a wee bit of credit for, the fact that they have built boxcars. It hasn't helped us at all, we're still in the same position as we were last year or the year before, etc. We're 33 million bushels behind in delivery and it's not because of the snow on the mountains, it, of course that had some bearing on it but it didn't have anywhere near the bearing. . . Talk to any of the grain companies, the Pools, the Cargills, whoever you want to talk to. They'll tell you that they can ship a boxcar using apples as cargo. They can ship a boxcar from Elm Creek to the coast — the turn around time on that boxcar is about 23 days, five of it is spent in shipping, 18 is spent in getting it unloaded. This is due, on the main, to labour problems. The same boxcar could be shipped from Duluth down to the Gulf ports and the turn around time is five to six days. There is just no way that you can operate this way. A loss of sales alone, the frustrations or whatever you may call it with our customers, they're not going to load here if they can pick up somewhere else. Of course there is a solution. Here again you are doing away with labour. High through-put elevators, unit trains and dump them straight into the boats and it would be game over. You could do it just about as simply as that.

Mr. Speaker, there are several people on this side and on that side that want to speak. I have quite a bit more I'd like to say but I'm not going to dwell on it because of the fact that I do want the other people to have their opportunity. There will be other chances of course to speak, but I would like to just in passing mention some of the previous government's thoughts on business. I have a lot of respect for the Member for Inkster, I have no reason to distrust him at all, he says what he thinks. He says whatever you do, you bring in private business that we don't like and we'll walk them back to Toronto, you bring in something we don't like and we will nationalize it, and that's all right. He says it and he'll do it, but by the same token you're not going to develop any confidence in the business community with this kind of a statement.

The Member for Brandon East said that the bigger the deficit, the wealthier you are. By the same token I always thought if you wrote a bouncing cheque or whatever the case may be, it cost you so much to service that and the next time you got five bucks or whatever it was, you had to pay it back. Government is no different, our cost of our debts servicing has gone from 16 to 44 million dollars. But of course according to — and he is an economist; I'm just a farmer, but he says the bigger the deficit, the wealthier you are.

But this budget, Mr. Speaker, does really say that this government is attempting to get our province back in the sound fiscal position. We have the confidence of the people, we had it in October — sure, we have a few disgruntled people at the moment. By the same token, we have 3 or 4 more years to project our policies, and I'm quite sure that at the end of that period of time, we will have just as much of the confidence of the public as we had before.

We have a very responsible bunch of Ministers. As I said before, we have a leader who we have complete trust in. He is leading us successfully, and as your leader did, previously — I'll tell you without your leader you fellows wouldn't have been here any longer than four years, and you all know it too. But, one of the reasons that we are here is because the people — not only the business



community, but more than the business community, — lost confidence in the actions of the NDP government. They didn't believe in the two and one-half times one theory of the Premier, and many other of their promises. I'm sure, Mr. Speaker, that in due course when our Ministers do settle in, I'm not saying that we will bring the economy in line, but we certainly will have some guidance in seeing that the thing does come back into line. And at the end of the three years, I would be more than surprised if our government was not returned with as great a majority or greater. Thank you.

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

**MR. JAY COWAN:** Thank you, Mr. Speaker. I welcome the opportunity to enter the Budget Debate this evening, for unlike the Member for Gladstone, I believe it is, I do believe that it does matter what you have to say. And although I may not be saying anything that is new, and he says that there maybe are no new angles, and he may be correct, but I think that what I am saying — or what I am going to say this evening — does bear repeating, and for that reason, and perhaps for that reason alone, I will stand and make my contribution to the Debate tonight.

Much needs to be said about the Budget, Mr. Speaker, or perhaps given the content or perhaps the t, of it, it may be lack case of much ado about nothing. I still think that it is the obligation and responsibility of every member in this House to stand and speak on it, for the Budget is much more than a document that stands alone or stands by itself, it is a statement of intentions. It is a reflection of the government's attitudes.

If a member or Minister opposite says, "We are all spoiled rotten, the people of Manitoba are spoiled rotten," that will be reflected in their Budget. If the Minister speaks of having to tighten our belts the Budget will tell us who is going to have to tighten our belts and how many notches. For that reason, I think that no matter what the content of the Budget, whether it be a good or bad Budget, it is a responsibility to speak. Perhaps one of my constituents said it best. This weekend I was travelling in the Churchill Federal constituency attending a series of nomination meetings — we have a long list of fine candidates seeking the nomination for that constituency — and they would get up before the meeting and give a short speech confined, perhaps, to 5 or 10 minutes, and then after all of them had had an opportunity to speak there would be a question period and an answer period. And it would be incumbent upon them to present their views to the NDP Members at that meeting / by their answers.

One candidate was asked what he thought of the Federal Budget that has just recently been brought down, and he told the following story! and I'd like to share it with my colleagues. He told the story of a friend of his, a labourer, who works at the ManFor operation, who had a common medical complaint. An ailment that is common to working people, who have to lift heavy loads on occasion, and that, Sir, as crude as it may be, was hemorrhoids. And this person had suffered through those hemorrhoids for quite some time and finally decided that he would have to go to the Doctor, that he had to have something done about this constant pain in his backside. So he went to the Doctor, and after an examination — I'm sorry if I embarrass you, it gets worse, I'll tell you that now in case you, perhaps, would like to leave the Chamber. At any rate, he goes to the Doctor, and the Doctor examines him, and prescribes a 10-day supply of suppositories for the man, and so the gentleman goes home and takes his medicine faithfully for ten days. Ten days later he is walking down the street and he happens to meet the Doctor on the street. The Doctor says, "Well, how are those hemorrhoids? How did the medicine work?" He said, "Doctor, for all the good that medicine did me, I might as well have shoved it up my derriere."

**A MEMBER:** Sounds like the Member for Flin Flon.

**MR. COWAN:** No, the Member for Flin Flon would not have said, "Derriere."

Although this, Mr. Speaker, was told in the context of the Federal Budget, I don't think that that candidate would mind too terribly much if I applied it to the Provincial Budget, for most of the Provincial Budget was a Federal Budget, at any rate. And for all the good it does — for all the good that Budget does for the average Manitoban — and I'm not going to use the phrase 'the little guy', which is a common phrase on the other side, because I don't think the average Manitoban is a little guy, for all the good that Budget does the province as a whole, for all the solutions that it puts forth, then the Finance Minister might have done just as well to shove it. And I take no pleasure in that rather strong statement, but because like our friend in the story, the economy is sick. The economy is, according to the Finance Minister, and I use his words not my own, the economy is sluggish and faltering, the economy is suffering from a lack of investor confidence. Unemployment in this country is over the one million mark, and substantial in this province. Consumer confidence in the economy, consumer confidence in the government is low, and inflation is disabling our economy.

Now this is a situation that greets the Tories when they take office, and in all fairness to them, they took office at a time when the economy was, perhaps, at one of its lower ebbs. And as a provincial government they weren't directly responsible for creating that economy, yet they faced it nonetheless, and it is their responsibility, Mr. Speaker, to come up with the answers; to come up with the cures and to come up with the solutions to make that economy healthy and viable again.

What are their answers? Mr. Speaker, they say that we must depend on the private sector to create the wealth to make that economy healthy again. What they don't say, what they forget to say, Sir, is that if the private sector is responsible for getting us out of the slump that we're in, then it must also be responsible for putting us there in the first place. If the government was responsible for putting us in the slump that we're in, then the government would be responsible for getting us out of the slump we

are in, and they would not have to depend on the private sector to do that for them.

When INCO lays off hundreds of workers, when INCO closes operations for 2 weeks during the summer, when Greb Shoes leaves the province, when Hooker shuts down some of their operations, and there are many examples. I won't bore you with all of them. When all that happens, Sir, and let it suffice to say that they are numerous and they are devastating to an already weakened economy — when that happens, what does the government do? What do the members opposite do? Well, the Minister of Mines makes apologies for INCO — says it's weak markets, says it's the past practises of the previous government that are forcing them out of this province. They do nothing. — (Interjections)— I'd like to point out that the Member for Lakeside is calling for the nationalization of INCO, at this point. I'd like to have that on the records, Sir. They do nothing. They don't nationalize.

**MR. ENNS:** While we're at it we'll nationalize Hudson Bay and Eatons and the corner grocery store.

**MR. COWAN:** I would like to put it on the record, also, that he would like to nationalize the Hudson Bay and the corner grocery store, although I don't think I would agree with the last.

**MR. ENNS:** Mr. Speaker, if the honourable member will, on a point of privilege, allow me to . . . while we are doing that we'll nationalize the farmers, we'll nationalize everyone in our economy, that will resolve the problems that the Honourable Member for Churchill has. We'll nationalize them all.

**MR. SPEAKER:** Order please, order please. Will the Honourable Member permit a question? Would you permit a question? The Honourable Minister of Highways.  
The Honourable Member for Churchill.

**MR. COWAN:** I would thank the Member for Lakeside for putting it on the record himself, that they'll nationalize everything.

Sir, they make apologies for these companies, and it's ironic that when INCO said that they were going to have to shut down their operations, when INCO said that they were going to have to lay off hundreds of employees — and we haven't seen the end of what INCO is going to do to the economy of Manitoba — when they say that nobody runs up to the President of INCO, the Minister of Mines doesn't run up to the President of INCO, the Minister of Labour doesn't run up to the President of INCO, and say, "You're spoiled rotten. You are going to have to tighten your belts." No, no, they don't say that at all, Sir.

You know, it's disturbing that earlier this week the Minister of Health, in his contribution to the Budget Debate, said, "We have had to stand up and have the courage to say 'no' to rising expectations." Well, I ask him where that courage was, where he was when INCO, because of rising expectations, and rising expectations I'll point out to the tune of some hundred million dollars in profit per year, when INCO decided to substantially alter the economic make-up of the north of this province, and also of the province as a whole.

What INCO did in the cutbacks and the closers, has removed hundreds of thousands of tax dollars from the Manitoba economy. Tax dollars that would have built the hospital in Snow Lake. Mr. Speaker, tax dollars that would enable Victoria Hospital to continue the excellent services it provides with full staffing, full hours and full pay to its employees. Tax dollars that would have kept Pukatawagon logging operation, or the Churchill prefab operation going; tax dollars that could have been spent for the welfare of all Manitobans.

Well, the Member for Lakeside says, from his seat again, another \$6 million wasted. But I would point out that there's been several studies done on the Churchill Prefab plant, Sir, and in those studies it has been pointed out for all the subsidies that we have had to contribute towards the operation of that plant, we have in fact been saving the taxpayers of this province money in the form of UIC payments, welfare payments and social problems.

Sir, those tax dollars that INCO has removed from the economy of this province are now being spent in Indonesia and Guatemala. Where was the Minister then with his great courage? Where was his no then? I'll tell you where he was, Sir. He was in this House courageously saying no to the Lynn Lake Counselling and Resource Centre, courageously saying no to the Churchill Alcohol Counselling program; courageously saying no to the people of Snow Lake; and courageously saying no to how many others, because, Sir, we don't yet know all the horror stories of this new government.

He continues in his speech of that day, Sir, he says, "Sir, we have had the courage to say no, and we'll continue to say no as long as we have to, as long as it is necessary." Well, as long as they are afraid to say no to INCO, and as long as they are afraid to say no to Greb Shoes, and as long as they are afraid to say anything but yes to Hooker and Simplot, as long as they have to say no to the people of this province they will continue to say yes to the multinationals in the corporate league.

And I can't really blame the Minister, and I can't really blame the government — (Interjections)— it depends on price, thank you, the Member for Burrows says it depends on the price whether or not you say no to the hooker. — (Interjection)— I've met him on a rare occasion, he's a fine gentleman. But I can't really blame the government, I can't really blame the Minister, because it would take great courage to say no to INCO, courage he and his colleagues obviously do not possess. But for God's sake, Mr. Speaker, let them be honest with each other, and let them be honest with the people of this province. Let them confess to their fears. It doesn't take courage to say no to hospitals, it doesn't take courage to say no to social programs, it doesn't take courage to say no to the workers of this province — it may take stupidity, Sir, but it does not take courage. It takes courage to say no to INCO, and it

takes courage to say to INCO, "You are spoiled rotten. Tighten-up your belt." Or Simplot, or Hooker, or Grebs, so instead of taking that honourable course of action — it is an honourable course of action — instead of taking that course of action, instead of telling Inco that they were just going to have to be satisfied with less, that they were going to have to keep their percentage increase of profits down, they took the coward's way out and they bullied the people of Lynn Lake, and they bullied the people of Churchill, and they bullied the people of Snow Lake, Wabowden, South Indian Lake, Thompson, Gods River, and the list goes on for far too long, Mr. Speaker. They bullied those people. The hospitals will have to make do with 2.9 percent, but Inco doesn't.

Next time, Mr. Speaker, because this government does not have the courage to say no, in a few years it will be the people's turn of this province to say no to them. We will go through that again because the Member for Gladstone said, "Eight years out of 108 isn't so bad." Well, I prefer to think of it as eight years out of the last nine, and the next hundred are ours, Mr. Speaker, and as sure as I stand here today the next hundred years are ours, because the people of the province will say no to a government that says no to them and yes to the multi-nationals and yes to the corporations. And they will be justified in saying no. —(Interjection)—

I would ask the Member for Rock Lake if he has any comments to make to make them from his seat and standing so that they will be put on the record. —(Interjection)— You know, the Member for Roblin reminds me of the story that the Member for Inkster said with the Finance Minister having a, "What about Hydro, what about Hydro?" Well, we've heard the same thing from the Member for Roblin. He has a one-track mind this evening — excuse me, Sir, he has a one-track mind all the time.

As long as that government, Sir, encourage dependency on the private sector, encourage the people of this province to have to depend upon free enterprise, they do so at the expense of the public sector, Sir, and they force themselves into the position of having to say no to you and I, and say yes to the multi-nationals.

In the Budget Address, Mr. Speaker, the Finance Minister said, "Our government is deeply concerned about the unemployment situation." It looks good on paper, Mr. Speaker, but it is a situation, regardless of their concern, that they are in no small way responsible for. Their concern, as voiced in that Budget Address, may seem somewhat hypothetical to the thousand civil servants they've laid off, to the unemployment they've created in that sector. Their concern, I can tell you right now, Sir, I know for a fact their concern does seem hypocritical to the over 30 percent of the work force presently unemployed in Churchill because of much of what their government has done. Their concern would seem somewhat hypocritical, somewhat transparent to the workers at the Pukatawagan operation, Minago, and numerous others. —(Interjection)—

You know, it's interesting, the Member for Lakeside, I think I'm getting it very well tonight — the Minister of Public Works, excuse me, I will defer him the honour due — the Minister of Public Works and Highways, says why don't you blame us for the pull-out of CBC in Churchill also, and it's interesting that when CBC announced their intentions to pull out of Churchill and thereby take ten jobs from the community of Churchill the Minister of Northern Affairs, who isn't in his seat this evening — the Minister of Northern Affairs was all over the place ranting and raving about how that pull out seemed to be at cross purposes — at cross purposes with the future of Churchill. Now I didn't hear that same Minister ranting and raving when he closed down the prefab plant. It's very odd, it's very odd. The Member for St. Vital says that's odd. I think it's odd but I think it's indicative also. I think it's indicative of their political posturing, and I think it's indicative of their lack — a real lack or concern over the unemployment situation.

**MR. LYON:** How many million did you fritter away on them? How many million did you lose on it? How many personal cares would that. . .

**MR. COWAN:** If the First Minister had been here earlier in the course of the debate he would have heard how many million were lost on it, and he would have heard the answer to that also. But I'm sure he knows of it and I'm sure I don't have to repeat it for him.

But even though them, they, the honourable members opposite and Ministers opposite as a government are partially responsible for the unemployment situation that they express so much concern over when it is politically expedient, even so, their friends, the friends that they encourage us to depend upon are greatly responsible for that unemployment situation. Their friends at Inco, their friends at Greb Shoes, and I might add their friend who bought the Lord Selkirk and it seems has pulled a certain number of jobs out of this economy now also. Their friends, the multi-nationals, who have cut their 1978 investment budgets in Canada by a huge \$830 million, and I emphasize the word "huge", Sir, because in this article, "Multi-nationals cut funds to Canada", the lead reads, "U.S. multinational firms have cut their 1978 investment budgets in Canada by a huge \$830 million while deciding to raise capital spending in other industrial nations, particularly in Europe, according to a U.S. Commerce department study published today." Well, I emphasize the word "huge" because it's unusual for a reporter — it's unusual for a reporter to use such a descriptive term as "huge" in a lead paragraph of a news article, but I would suggest to us that the immensity of that announcement, Sir, the shock caused him to break the rules — just as with the Lieutenant-Governor, who was sitting in that chair not so long ago in his Throne Speech, was driven to beseech upon the Lord for some divine intervention to help solve the unemployment problem that that government says they are so concerned about. Because in his heart, Mr. Speaker, in his heart, after reading that speech, and after

noting the total lack of any sort of commitment to dealing with that unemployment problem, and, after noting the government's dependence on the private sector, he knew we were in trouble. He knew that it would be a cold day in hell before that government did anything about unemployment.

The Premier tells us just yesterday or the other day, and I'm more careful with my dates now after my interchange with the Minister of Labour this afternoon so, recently the First Minister told us that private investment is growing in the province.

**A MEMBER:** What about the Hydro rates?

**MR. COWAN:** What about the Hydro rates, yes. I don't know if after this evening and the numerous interjections from the Member for Roblin if I'll ever be able to forget that.

I'll read the lead again, Mr. Speaker. Premier Sterling Lyon of Manitoba — we all knew that — said Sunday — we have the date right now — said Sunday there is evidence of increased private investment in the province in 1978 which is higher than the national average.) I would suggest that without the back-up for that, without the details of that statement, Sir, without substantiating evidence we are left in much the same position as we are left with the Task Force Report.

**A MEMBER:** He's relying on the analysis of the Member for Wolseley.

**MR. COWAN:** The Member for Wolseley's analysis. Thank you. But the Premier, as much as he would like to, cannot speak for the private sector. For as long as he encourages our dependency upon them he can speak at their command, he can speak on their behalf, but he cannot, and never will be able to speak for them. He says private investment will increase. What does the private sector say? They say they are deserting Canada and moving to greener pastures. They say that removing the succession duties wasn't enough. They say that removing the surtax on high income earners isn't enough. —(Interjection)— The Member for Lakeside?

**MR. SPEAKER:** Order please. Order please. The Honourable Member for Churchill may proceed.

**MR. COWAN:** I will welcome more interjections and more delays if it means I get more thumps.

They said that removing the surtax on high income earners isn't enough. They say that the tax reductions on mobile homes, which seems to be that government's answer to the housing situation, the tax reductions on mobile homes aren't enough. They want more, Mr. Speaker, they want more. And as long as we are dependent upon them, Sir, we will have to listen to them, and we will have to give them more, and a sick economy, Mr. Speaker, gets sicker, because, and if I might, the dictionary definition of "dependent" means "relying on another for support". Think of those words, Mr. Speaker, "relying on another for support". That means that dependency breeds dependency, and if there's anything that the Honourable First Minister should know about according to his own boasting, that's breeding. Dependency breeds dependency. It becomes a self-fulfilling process or prophecy, and the economy that must depend on an outside source, an economy that must depend on another for support, is an economy that cannot support itself, that will never be able to support itself, and it is a sick economy, and it will get sicker for it can do no different as long as that dependency is there. It can do no different until it breaks that dependency. And that is why this Budget cannot work. It is transparent. It is cosmetic in nature. This Budget misdiagnose the disease and mistreats the symptoms. It does nothing towards curing the problems that beset our economy.

But we can cure the problem. We will never be able to create that secure economic base that the Finance Minister talked about in the report as long as we're dependent so we, Sir, must break that pattern of dependency and I'm somewhat hesitant to break into my next sentence because I know the reaction that is going to be coming from the other side but full steam ahead.

I would like to talk a bit about socialism, Sir. —(Interjection)— That's /n reaction tha I expected. I would like to talk about socialism, Sir, he said louder — still lots of reaction. I'd like to talk about the socialism, Sir, as put forth by an honourable gentleman many, many years ago, Mr. J. S. Woodsworth. And unlike our honourable friends across, our brother, Mr. J. S. Woodsworth, was not encumbered with the disease called dyslexia, which is backwards vision. J. S. Woodsworth worked to the future, Mr. Speaker, and he is quoted as saying in 1924, and I will proceed with the full quote. He is quoted as saying in 1924, "I am not afraid of the word 'Socialism' which comes from a perfectly good Latin word which means 'comradeship' which means that today we, as individuals, are no longer living isolated lives, that no nation is any longer living an isolated life, but rather that we are living in a society in a thousand and one complicated relationships, and that we must adapt our political ideas and our political institutions and our political policies to meet the new situation that confronts us." That new situation that confronted J. S. Woodsworth confronted the people of this province, confronted the people of this country, confronted the citizens of this world in 1924 confronts us today.

**A MEMBER:** Didn't we have the Conservatives here at that time?

**MR. COWAN:** That was during the 100-year reign of the Conservatives which has come to an end, I should hope. And in his looking to the future, Sir, he worked on behalf of the people of this province and country and brought forth many fine programs that are accepted today, but at the time, at the time of their initiation, and at the time of their original implementation were considered to be quite

socialist, quite communistic, quite red; programs such as the Unemployment Insurance Commission, so that when we are faced with times of one million unemployed, that our economy does not go into a tailspin that it cannot recover from. Those members opposite should be thankful, especially with the policies that they are proceeding with, should be thankful for unemployment insurance.

Pensions, pensions, Sir . . . note the Member for Gladstone was talking about pensioners and referred to the old age pension racket, if I am correct. J.S. would roll over in his grave. The old age pension racket, as if it was some ripoff. As if that difference that we pay to our senior citizens for their productivity throughout their lifetime, for their contribution to this society, was some sort of a racket.

I find that hard to believe — as trapped as they are in their doctrinaire ideology, I find that hard to believe that the member could honestly believe that.

**A MEMBER:** You are grandstanding again.

**MR. COWAN:** I am not grandstanding. The Member for — and you will have to help me — Emerson, the Member for Emerson says I am grandstanding again, I can assure the Member for Emerson, that I am quite sincere in my beliefs. I can assure him that J.S. Woodsworth was quite sincere in his beliefs. And I can assure him that we will fight, that we will fight to maintain those socialistic programs, that we will fight to implement new socialistic programs because, Sir, we have to have some answer other than dependency for the sick economy, for the sluggish and faltering economy that faces us, that confronts us today.

Sir, I would be remiss, I am sure that I would be remiss, if I didn't just comment on one of the remarks made by the Minister of Labour during her fine contribution — I say that as sincerely as I talk about the pensions — during her fine contribution to the Budget Debate. And I was glad to hear her speak in some detail. The Member for Emerson has just sent me over a seating diagram of the Legislative Assembly about four minutes behind the Member for Elmwood, which shows that the Conservatives are still behind the New Democratic Party.

The Member for Radisson — and I knew that, I knew that — the Member for Radisson says he is just trying to show me that the government is on that side. Well, Sir, I am all too aware that the government is on that side and the people of this province are all too aware that the government is on that side. — (Interjection) — And the Member for Burrow says that the s people are on this side.

I would like to go back to the Minister of Labour's Budget Speech. She says that it is crucial that parties negotiate in good faith or government will have to take a more active role. That scares me, Mr. Speaker. It does not scare me that the government will have to take a more active role because I think there is a place for a more active role for government. What scares me is when they had the opportunity, when they had the responsibility, when they had the obligations to take a more active role when INCO said they were going to reduce their work force, when INCO dealt the economic blow to Thompson that they did, when they had the responsibility and the obligation, they did nothing. They did nothing, they apologized. And so I am afraid if they are going to take a more active role at this time, Sir, it is not going to be for the benefit of the workers of this province, the people that she as Minister should be trying to benefit, but that it will be for the benefit of management — and I go out on the limb when I say that, Sir, and I trust that the next two, three, four years will bear that out.

She says that they have set up a committee to deal with the mining fatalities and accidents. Well, Sir, I, for one in this House, along with a number of my colleagues, and along with a great majority of workers in the mining industry have been pushing for some sort of an intensive investigation. And we welcome that, we welcome that move, Sir, except that unfortunately, she tells us that a committee has been set up, the workers tell me that it hasn't been, the miners tell me that it hasn't been. Sir, I don't understand how she can stand up in this House, how she can stand up in this House and tell us that a committee has been struck, when no committee has been struck according to the workers. It means that they are going to impose a committee on the workers, and I would ask her if she has affirmation that the workers are accepting her committee, that the workers will participate in it, just stand at this moment — I will gladly sit and let her inform the House of that, but I know that she cannot without deliberately misleading the House. So, it worries me, it worries me, Mr. Speaker, that this might be a committee that is imposed without regard as to what the workers want, without regard of what the workers need.

Mr. Speaker, earlier today the Minister of Labour said that she agreed that we are all spoiled rotten. She said that we needed to tighten our belts and, again, she can stand and correct me if she wishes.

**MRS. PRICE:** I did correct you earlier.

**MR. COWAN:** I would sit down if the member wants to stand and correct me at this point because it is in Hansard and if I am wrong, with all due apologies to her, but I do not believe that I am wrong. — (Interjection) — She is quoted in the Press as using the word rotten. She said spoiled. Okay, I will apologize now then, Mr. Speaker. I will say that I am sorry that the Minister of Labour did not stand up in this House and reiterate what she was willing to say on the outside, and that is that the people of this province are all spoiled rotten, but she does say, that the people of this province are spoiled and let us leave it at that. Let us leave it at that, Mr. Speaker. That attitude, an attitude which she brings into a Ministry . . .

**MR. CHAIRMAN:** Order please, the honourable member has 5 minutes.

**MR. COWAN:** Thank you, Mr. Speaker. That attitude which she brings into a Ministry which is so responsible for the people of this province is appalling to me, Sir. And when she says that we have to tighten our belts, yet she didn't stand up and tell INCO to tighten their belts, I do not understand it. We have to tighten our belts, Sir, the workers, the people of this province have to tighten their belt, but INCO can go their merry way, they can come into Canada, they can use their capital to create profits, to take those profits out of this country, to go to what they consider obviously to be better economic climates, and she is silent. Her silence damns her, Sir, her silence damns her. And time indeed will tell, and I wish I could be more optimistic, and I sincerely hope that the Minister of Labour proves me wrong. I sincerely hope that she does, because if she proves me wrong, she does so for the benefit of the people of the province and I, Sir, will stand here and gladly be wrong on occasion if the people of this province will benefit by it.

The Member for Pembina ended his contribution to the Budget Speech by saying that he wants to put himself strongly on the record as highly endorsing that Budget.

Well, Sir, I think that that was a mistake because this Budget does nothing for the province and in fact, does nothing for the people that inhabit this province.

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

**MR. LYON:** Mr. Speaker, the Minister of Finance, as we all know, unfortunately is going to be out of town for the next week or ten days or so, and will be unable, as my honourable friends across the way are well aware, to participate in the Debate, because they chose this year, as they are entitled to do, not to make any amendment, thereby precluding the Minister from speaking on the same motion twice. We take no objection to that at all, as long as it is well and clearly understood by everyone as to why the Minister couldn't participate in the Debate, as I pointed out to the Member for Inkster the other day. And Mr. —(Interjection)— now I'm getting advice from the Member for St. Johns on procedure. Today he was attempting to give me advice upon civility. I would say that on both topics, Mr. Speaker, one would probably just as well take advice from a highwayman on the sanctity of private property.

Mr. Speaker, I do want to, on behalf of the Minister of Finance, lay before the House some of the material that he was attempting to lay before the House yesterday when he was pre-empted from that because honourable members opposite, for obvious reasons, didn't want to hear it. So, in his place, and at the beginning of my remarks tonight, and so my honourable friends will have the benefit of that information, not because it is of a tremendous amount of importance, but so that they will have the benefit of it, I will begin by dealing specifically with the one and only topic that they seem to have been involved in and that is, why Manitoba is enjoying a slightly smaller projected deficit than had been predicted in the earlier projections.

First time I think, Mr. Speaker, in the history probably of parliament that an opposition has been heard to complain about a smaller deficit, but my honourable friends opposite have set a number of records in things that are odd and queer, so we don't take too much umbrage of that at all.

I must say, however, on behalf of the Minister, some very harsh and I think uncalled for language has been used, both inside and outside of the House. And this is extremely unfortunate for a number of reasons, not the least of which is the fact that it calls into question the integrity of the Department of Finance and the professional officials who prepared the figures and who prepared them for three members who sit opposite, who once held this office.

There has been a suggestion by honourable members opposite that the government held back important information which it had when the last quarterly financial statement was issued in January, and that is simply not true, Mr. Speaker. We have available for tabling and I am going to table to my honourable friends tonight, even though they didn't want to have it yesterday, the summaries of fiscal arrangements, revenues for 1977-78, who showing the changes that were made in them, and the times by supplement that is appended to the information. Mr. Speaker, I admit that this is a departure — my honourable friend the Minister of Finance had agreed to do this, make this kind of detail available. I don't think it is one that is necessarily desirable, and I say right now, it is not one that is going to be repeated. But I believe that it is perhaps necessary in the interests of his integrity, which has never been in question by anyone, except by a handful of people opposite, to make the air clear, and to show exactly what was known and when and by whom.

My honourable friends will listen to that last phrase with some interest after I finish speaking either tonight or tomorrow. The Leader of the Opposition has referred a number of times to a question which he asked the Minister of Finance in the House on March 30th, and because of time restrictions I will deal with that probably at a later time. All I can say in brief is that the answer that the Minister of Finance gave was correct. The province doesn't get estimates from the revenue of Canada in the way that the question was asked, Revenue of Canada is involved in the tax collections for income, the Minister's answer naturally dealt with those taxes. The Leader of the Opposition, as an ex-Minister of Finance, should know that, or should have known that, from his own past experience.

Following the September estimate the department used for projections on the first quarterly statement issued in November, there was only one further revision on Ottawa's basic income tax estimates for the 1977 tax year. The net effect of that revision was to reduce personal and corporate income tax returns by an amount of under 2 percent or 6.7 million. That is a reduction from about 343.7 millions, to 331.3 millions, on the personal side, partly offset by an increase from 82 million to 87.7 million on the corporate side.

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Now, the Leader of the Opposition argues that he really wasn't talking about income taxes, even though he referred to Revenue Canada. He was asking, he says, about any major changes in all Federal Estimates. Well, Mr. Speaker, I can say to you tonight, that our summaries, and the summaries that have been prepared by the same officials who worked for my honourable friends opposite, show that the increase in total fiscal arrangements payments involved an improvement of 1 percent or 8.3 millions of dollars, from 794.3 million in the fall, to 802.6 million at the end of the year, and I stress right now that those are both only projected figures, because until the books are closed in June, no-one can give an absolutely final figure. I am glad that my honourable friends opposite agree with that because when the Member for Transcona was speaking he chose, as apparently and unfortunately is becoming his wont, to make a half quote from a statement without putting in the full quote and I merely fill out that quote for his edification. I hope that he'll understand that I'm doing it for his edification and for the edification of the House. From the January 27th News Service statement that was issued when the quarterly statement came out and I quote from the fourth paragraph, "The projections have remained unchanged," he said, quoting myself, because of the "significant continuing uncertainty" of the extent of those provincial revenues that come from federal transfer payments. And here is what my honourable friend didn't quote. "As well the extent of the early impact of the province's own restraint program is not yet assessed the Premier said, but he expected significant revisions would be included in the 1978-79 budget presentation."

I quote also from my honourable friend because he obviously would prefer to create certain fantasies in his own mind rather than pay attention to fact, but in the quarterly financial report for the nine months ended December 31, 1977, the final statement projections to March 31, 1978, this was in the printed report, "The projections to March 31, 1978, included with these statements remain unchanged from those presented September 30, 1977. Significant continuing uncertainty with respect to estimates of provincial revenues and the impact of the restraint efforts are factors which could contribute to numerous revisions in these projections before year end. A report on significant revisions will be included with the 1978-79 budget presentation."

So, Mr. Speaker, my honourable friends can try to make words appear to be what they aren't but the facts remain as we have stated and as the Minister has stated on a number of occasions that my honourable friends opposite are in the very awkward position of trying to indicate to the people of Manitoba that the budget deficit is somehow a creation on this side of the House and that they were just like the chicken thief in the hen coop. There was nobody there at all, nobody there but them chickens. Well, them chickens were there all right and it's their chickens that are coming home to roost. That's what we're talking about. Mr. Speaker, the facts were there and they didn't do anything about it, that's the problem with my honourable friends opposite.

Of course the position which we found ourselves in when we took office was not entirely the result of federal estimate changes. There were shortfalls in the province's own tax revenues about which they knew as well as serious projected expenditure overruns about which they knew or should have known, and if we hadn't applied restraint immediately there would have been another at least \$110 million in capital expenditures on top of the \$181 million that we are looking at in these projections. Thanks to the marvelous intrusions by people such as the Member for Elmwood, who was running like a wild man, spending money throughout the length and breadth of the province.

So I should say here that the main reason for estimated improvement in the 1977-78 revenue position at the Year End in comparison to the position projected in November, was the result of the addition of certain Manitoba Health Service Commission figures. Mr. Speaker, I'll quote right now and break down the figures for my honourable friends opposite, because I am sure that they will want to hear them and they won't deny leave as they did to the Minister of Finance yesterday, to give the figures as he wishes to give them. And if my honourable friends will have a little bit more patience, we'll give them some of the figures that are in these tables as well.

Mr. Speaker, the projected deficit September 30, 1977, prepared by the Department of Finance officials, the same ones who advised my honourable friends opposite — \$225,100,000.00. The adjustment since, less revenue adjustments. Fiscal arrangements — \$8,276.2 million. MHSC, out of a trust fund that my honourable friends across the way might well have been aware of — \$22,385.1 million. Other Adjustments in Revenue \$638.7 thousand, for a total of \$31,300,000.00. If you deduct that, for the benefit of my friend from Churchill, from \$225,100,000 and you come up with a figure of \$193,800,000.00. If you deduct from that the expenditure adjustments, which have taken place, that is reductions in expenditure since the 24th of October of 1977, you come up with a net projected figure and it's still only a projected figure at this time of \$181,400,000.00.

Now my honourable friends may not like that news but I think it's pretty good news for the people of Manitoba, and it comes about largely because of a contribution to reduction of wild expenditures and the implementation of proper restraint programs and the end if I may say to mismanagement, the end of mismanagement of public affairs of this province, which was largely contributed to by many people who now sit on the other side of the House and try to tell this government how to run — (Interjection)— Listening to the Member for Transcona or the Member for St. Johns, or even the Member for Inkster, the Leader of the Opposition trying to tell this government how proper affairs should be run in Manitoba. Well, I have used the analogy before, Mr. Speaker, it is a wee bit laughable.

So, Mr. Speaker, in September and December quarterly statements the activities of the MHSC had been treated on a net basis. In February of 1978, the decision was made to treat MHSC receipts and disbursements on a gross basis. While the accounting change, and I am leaving out a lot of the detail, while the accounting change improved the provincial picture in 1977-78, this was a one time only adjustment and unique because of the accelerated payments. In the future the revenues and

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expenditures related to MHSC will flow through in the same fiscal year on a gross cash basis. I will be one minute if my honourable friends will permit me and then I'll distribute the tables, and I intend to continue tomorrow of course, Mr. Speaker.

The main point of all of this is that all of the estimates are subject to change. The federal estimates in particular can be quite volatile and may often be revised on occasions which could most charitably be described as untimely. My honourable friends got news of some of that untimely change back in September which they didn't choose to tell to the people of Manitoba at that time. However this must be recognized and the province must not allow itself to get into a position where it is unduly vulnerable to negative changes. And as we said in the budget we intend to improve the monitoring of the revenue and expenditure trends more closely than in the past as part of our overall budgetary planning process. Through our quarterly financial statements we will be making our position known to the members of the Assembly and to the citizens of Manitoba in a way that my honourable friends opposite never did. Obviously the quarterly statements will be subject to change because the figures are merely a snapshot at that time and they are unaudited as indeed all quarterly statements are. But while they are accurate when they are prepared they can change later and we expect that they will and we hope that they'll change for the better. The opposition knows this of course, Mr. Speaker, and I think in the last few days they have tried to drag out just a few red herrings to obscure the seriousness of the situation in which they left the province, proof of which now stands out clearly in the summary of federal estimates which we have made available and which I now table for the benefit of my honourable friends opposite. And I will look forward indeed, Mr. Speaker, I will look forward with a great deal of relish to continuing these remarks tomorrow.

**MR. SPEAKER:** The hour being 10:00 the House is adjourned and stands adjourned until 2:30 tomorrow afternoon.