

LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, May 24, 1979

Time: 8:00 p.m.

BUDGET DEBATE

MR. SPEAKER: The Honourable Minister of Agriculture has 16 minutes.

MR. DOWNEY: Thank you, Mr. Speaker. As I said earlier this evening, Mr. Speaker, the Budget Speech relates to the economic policies of the government of the day and I think that in making the points that I made earlier as far as the involvement of agriculture and how the agricultural products are handled and marketed in this province and in the country, it is certainly one of the major issues that we are facing here in Manitoba today.

I think, Mr. Speaker, that, in looking at the Budget and supporting the thrust which it is taking, it is also the major issue that's before us.

And, Mr. Speaker, I really think that we really should paint it in the light that it is a no-tax-increase Budget. Mr. Speaker, when you look at a Budget that has been presented, that we have presented to the people of Manitoba, we are looking at a real thrust, that we are living up to what we said was really what we believed in, and that is leaving the dollars and cents in the people of the province of Manitoba.

When we look at the history over the past few years, looking at 1968, a Budget of \$349 million; it increased to \$1. 472 billion in 1977. Less than nine years later, we have seen a gradual increase in the taxes, the expenditures of the province and really, Mr. Speaker, who are accountable for those dollars and expenditures? —(Interjection)— Well, Mr. Speaker, the Member for St. George said they were. Well, I would think that they can really go on record and be very, very, very ashamed — really ashamed — of the way they took and misused the people's money.

And what did they use those dollars on, Mr. Speaker? Well, I'm glad the Member for St. George happened to get in this evening. And they really won't own up to this, Mr. Speaker, but they used those dollars to buy farm land, to own the very productive base on which this country was built on; to buy the mining, to control the mining.

Why, Mr. Speaker, would they, as a government, have to do that? Because, Mr. Speaker, any government has the regulatory power through the taxation policies to totally control what happens in their particular jurisdiction. Why, Mr. Speaker, would they have to have that sole possession or that state ownership?

Well, Mr. Speaker, it carries totally through with what was indicated by the Member for St. George in the Estimates of the Department of Agriculture. They believe totally in the state ownership or in the actual government controlling the assets or all the —(Interjection)— That's right, Mr. Adam from Ste. Rose, it's true. Keep everything to your chest.

Yes, Mr. Speaker, I think when we look at the thrust that this Budget is presenting, a no-tax-increase Budget, . . . and in fact, Mr. Speaker, I'm very proud, I'm very proud to go to the people to present to them our belief that we need to leave the money with them so they can use it in their own way.

The Leader of the Opposition whose main thrust, Mr. Speaker, whose main thrust in any comments he had about the Budget was, "We don't want to see the increases, we don't want to see increases on the municipal golf courses." That was a horrendous problem, you know.

How can he claim to be the potential leader or the today Leader of the Opposition party in Manitoba when his major concern, Mr. Speaker, is the golf course fees on municipal golf courses?

Well, Mr. Speaker, then he said, "Well, you know, there's another problem and that's the increase in the fees to the campgrounds."

Mr. Speaker, let me tell you that those are the luxuries in life — those are the luxuries in life that I think people should have to pay for, pay the actual costs for. I don't think there's any room for a subsidized program.

But, Mr. Speaker, let us really get into the myths that have been spread by the members opposite.

The real myths — they couldn't go out, Mr. Speaker, and campaign on a hard issue today if

they tried to; they're trying to make believe, trying to tell the people of the province, the elderly, the people who are in hospitals, who are expecting hospital care that they are losing something. Mr. Speaker, our hospital budgets have increased — Mr. Speaker, let me tell you that they have increased and I'll go to the people and tell them. I'll tell them that they've increased, and there isn't one person in . . . well, Mr. Speaker, who causes inflation? Who, exactly? —(Interjection)— Governments, governments cause inflation. You do realize that, that governments are one of the biggest feeders of inflation, and because we cut government expenditures, you're saying we have cut inflation, and that's exactly what we've done. And I'm proud of that, Mr. Speaker, and what did you do with your run away increases up to 22 percent? You increased inflation — the very thing that you say that the old people are hurting from.

Well, Mr. Speaker, let me tell you that the old people in this province — the elderly, and the people who are what they let on cannot look after themselves — why can't they look after themselves? Because of the high cost of government.

Anybody that saved money to look after themselves were hurt by a Socialist policy, let me tell you that.

The day that a Socialist government stands up and says that they are the great wonders that are going to protect you in your old age — let me tell you, they have ruined those people. Anyone who puts savings away — what are those savings worth? Very little today, Mr. Speaker, and the people were forced, were forced into Socialism. The people, Mr. Speaker, I'm talking about are the people who built this country. They didn't have medical programs, they had themselves and they had a doctor and, let me tell you, all the criticism that comes from across the way about our doctors unsatisfied with Manitoba and opting out of our programs — how many doctors in this country — who really provided the medical service for the people of Manitoba? They were hard-working individuals who could give a darn about a social program. They cared about the health of the people, and that's the same kind of doctors we have today, and who forced them into —(Interjection)— Yes, Mr. Speaker, they were concerned about the people of this province. They went day and night, Mr. Speaker. And, Mr. Speaker —(Interjections)—

MR. SPEAKER: Order please. I realize that all members are just so eager to get involved in this debate but unfortunately we can only have one person at a time. The Honourable Minister of Agriculture.

MR. DOWNEY: Well, Mr. Speaker, the very things that the socialists on the other side really get up and complain about and really say we're neglecting, Mr. Speaker, are the problems that they created through their inflationary programs. Mr. Speaker, I think we really have to look at the hard facts of life. When you see the provincial expenditures in 10 years go from \$349 million to \$1.600 billion, where was our responsible government, Mr. Speaker? That's what happened to the people of not only Manitoba, but to Canada.

I think, Mr. Speaker, I am very very pleased and I would sure like to tell the people of Manitoba, and I'll go to campaign on it as every member on this side of the House will go — Mr. Speaker, I will go any day to any part of the province, yes, I will go any day to any part of the province, because when the real issues are backed with the facts that we have not taken away any medical services. In fact, we have increased the money to provide medical services. The essential services in this province, we have increased. —(Interjection)— The Leader of the Opposition, I think, has had his opportunity to speak and I guess he's a little bit sorry that he didn't have any meat in it.

I think, Mr. Speaker, when we look at what government's responsibility is, and that is to provide highways for our people to move their products, to transport on, for tourists to come to our province.

Mr. Speaker, we look at the infrastructure that will be provided by the Minister of Mines and Resources, the encouragement for mining industries, for oil development to come into the Province of Manitoba. Why, Mr. Speaker, have we had no oil development in the Province of Manitoba? Mr. Speaker, we have no development because the economic or the government environment, the economic environment wasn't here. Yes, Mr. Speaker, and they were more concerned about the green fees on municipal golf courses.

Let me tell you, Mr. Speaker, governments have the kind of control they need to look after, to collect the taxes they need to run the province. They don't have to own them. Why, Mr. Speaker, did the NDP Government in Saskatchewan buy the potash mine, take their people's money, give it to the bureaucrats to control an industry that they already had control of. They could tax it at whatever rate they liked; they didn't need to take the taxpayers' money. Why, Mr. Speaker, did the last government in Manitoba have to own farmland, or why, Mr. Speaker, would they not want to sell Crown land so that the people who owned it could pay the taxes to the municipal authorities

so that they could pay education taxes? Mr. Speaker, they eroded our tax base in this province. That, Mr. Spekker, when you look at what their policies were, they were making the poor people pay, not the rich. They were making the poor people pay. Yes, Mr. Speaker, they were making the poor people pay.

I think, Mr. Speaker, that we have got to really look at the —(Interjections)—

MR. SPEAKER: Order please. I realize that everybody is interested in getting into this debate, but we can only have one speaker at a time. The Honourable Minister of Agriculture.

MR. DOWNEY: It really amuses me, Mr. Speaker, that we look at the debate that has come from across the way and we look at the stabilization of the Hydro rates. Mr. Speaker, the comments that came from the Member for St. George really didn't surprise me because of the fact that I don't think he really understands where the real economic development can come from. Mr. Speaker, it doesn't come from government; it comes from the people who do things. That's where the wealth is created, the people who provide services, who provide manufacturing and who are in the basic production industries. That's who provide the jobs, Mr. Speaker. It isn't changing or transferring the burden of taxation from the hydro payer to the taxpayer; we're all the same, Mr. Speaker. As I said earlier in my comments, the taxpayer of Manitoba, every taxpayer uses hydro, from morning to night. I really want to feel that the most significant move that was made in Manitoba in any Budget that I have ever read or heard of, is the one that we have now stabilized the hydro rates for people who live in the province, whether it is for the schools, for the hospitals. We know, the people in business know, that they can budget and estimate their costs of energy for the next five years and the rate is not going to change; that rate is going to be stable.

Mr. Speaker, I think, I really believe that it is a responsibility of government to take that kind of action. I think that we have to really expect support from the members opposite because when they, Mr. Speaker, when the people of the province really find out of the falsehoods that have been spread about the medical care that the members opposite are claiming has been taken away, there isn't any taken away. And when they go to the people, Mr. Speaker, when we go to the people, I'll tell you, I'll campaign, and every member on this side will campaign, on a hydro rate that is probably half what it would have been under the NDP Government.

Mr. Speaker, plus the fact that the Member for Brandon East, when the Minister of Finance introduced his Budget and said we were working on a western power grid so that we as western provinces could move hydro back and forth, an interconnection which is very valuable as far as stationary power is concerned — it's a direct hookup for Alberta, Mr. Speaker, a direct hookup to Alberta, who, Mr. Speaker, I would think, will be one of the bigger consumers of electric power over the coming years, a ready market to a potential energy source that we have.

Mr. Speaker, I am pleased that the Minister responsible for Hydro has taken that kind of leadership. Mr. Speaker, the comments that we got from the Member for Brandon East were his typical kind of comments, his pie in the sky — pie in the sky from the Member for Brandon East — saying, it's just a dream. Well, Mr. Speaker, let me tell you, I think it's very close to becoming a reality. I think, Mr. Speaker, that we have to look, as Canadian citizens, as human beings today, at using electrical power as stationary power. The fossil fuels should be used in the mobile energy field where we have to transport goods or move a product across this country, we have to look at the fossil fuels. But, Mr. Speaker, a good sound energy policy is one where you use electric power for stationary power. I think, Mr. Speaker, with this Hydro policy, with our program to stabilize hydro rates, the real fact of life is that there are more opportunities for employment that really anybody has ever before imagined. Our gross production in Manitoba, I would think, will continue to increase at a rate that is greater than inflation because we have stopped inflation on certain parts of the inputs that will produce part of that production.

So I believe we will look at a total expanding gross production of this province. I look forward to participating as far as the Minister of Agriculture and the rest of my colleagues, in fully developing the potential and the resources of this province.

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

MR. D. JAS WALDING: Thank you, Mr. Speaker. I always look forward to taking part in the Budget Debate each year. It's a wide open debate where members can discuss almost anything having to do with provincial affairs.

I have a number of remarks to make about specific items within the Budget Speech itself, and I will try to be brief on each of them, and after that I want to take a look at the general Conservative and government approach at the present, and over the last year-and-a-half that the government has been putting forward to the people, and give that some examination and try to give the

members opposite some answer to that.

But before I get into that, Mr. Speaker, I would like to make a comment or two about the recent federal election on Tuesday, and members opposite or the Conservative Party generally, Mr. Speaker, deserves our congratulations of having defeated a disastrous government in Ottawa for the last 11 years, and are now in a position to form a minority government. We certainly wish them and their leader well in their future efforts. We realize the tremendous problems that are facing them, and their inexperience in government affairs. —(Interjection)—

Mr. Speaker, if the honourable minister wishes to make a remark, he is quite welcome to stand up on his feet and make it. I can't hear what he says when he calls from his seat. —(Interjection)— Well, he invited . . .

MR. SPEAKER: Order, order please. We can only have one speaker at a time. The Honourable Member for St. Vital.

MR. WALDING: Mr. Speaker, I was a little disappointed in the Conservative Party, in not forming a majority government. I had expected that they would do so prior to the election. I was disappointed that they did not form a majority government because I wanted them to be in a position, with no excuses to put into practice, into place, their policies and their programs. I wanted them to have no excuse when it came to their next accounting with the people of Canada. However, the new Prime Minister-elect has assured us that he intends to govern as if he does have a majority, and I look forward to seeing the policies and programs that will be put into place. —(Interjection)— Well, that's rather interesting, Mr. Speaker, the remarks of the Minister for Consumer and Corporate Affairs. I was rather intrigued to see in the Free Press today, Mr. Speaker, under the editorial column, the suggestion that if Ed Broadbent and 26 New Democrats should vote against the government that they would be responsible for bringing down the government at the same time that one Mr. Trudeau and 104 Liberals would also vote against it. I'm a little at a loss to understand why 26 people can be at fault in a government falling, but 104 people would be completely innocent of any guilt there. However, Mr. Speaker, as I mentioned, I read it in the FREE Press and the Free Press logic often eludes me.

Mr. Speaker, there was one oddment of that particular election. Things remained very much the same in the Maritime provinces but they tend to look at things in a rather traditional way. The Conservative Party made no breakthrough in Quebec, however the Juggernaut got into gear when it came to Ontario and steamrolled its way across the province, staggered a little bit when it got to Manitoba and continued its steamrolling across the rest of the province. It finished up short of about 5 seats to form a majority, Mr. Speaker, and where were there 4 or 5 seats that the Conservative Party was expected, confidently expected, to pick up those seats? — nowhere else but in Manitoba. I would ask gentlemen opposite whether they expected Dean Whiteway to lose his seat; whether they expected Mr. Smith to lose his seat; whether they expected Mr. Masniuk to lose his seat, a very long time member of the House; whether they expected Mr. Hare to lose his seat, well there was perhaps some doubt there, Mr. Speaker. He was a gentleman who jackrabbited into office six months ago and has jackrabbited out just as promptly this time.

But, Mr. Speaker, the most remarkable one of all, and I don't know anyone, especially members on that side, who would have taken a bet last week that one Mr. Spivak would have been defeated in Winnipeg-Ft. Garry. I certainly didn't expect it to happen. I would have thought it would have been a clear walkover in that particular seat. But there is another one that is lost, Mr. Speaker.

Perhaps it was a coincidence, Mr. Speaker, but the Minister of Finance, just one week before election day, early in his Budget Address said the following words, "On the other hand we know we have the strong support of the vast majority of Manitobans for the goals and policies we have established thus far." Now I'm not sure what he means by a vast majority, Mr. Speaker, I would have thought a majority would have been 51 percent, presumably a vast majority was far in excess of that, the final vote that that Party received in Tuesday's election was in the order of 44 percent, I understand. But however, perhaps they still believe that they have the support of the vast majority of Manitobans despite the defeat of 4 sitting members of Parliament and one who was confidently expected to win a seat.

However, the Honourable, the First Minister had something to say right after that election, and he said, "I'm 100 percent convinced what we are doing is right." He also said, "I don't recant what we are doing for one second" and when referring to the restraint program he said that the restraint program, as practised by this government for the last year and a half, was absolutely right, Mr. Speaker, and he termed the loss of a few seats by the Conservatives in Manitoba as an aberration.

Well, Mr. Speaker, I sincerely hope that the First Minister and his colleague and desk mate,

the Minister of Finance, continue not to recant what they're doing, and I trust that they will continue to be 100 percent convinced that what they are doing is right. That being the case, I am convinced that the next election will show that the election of this Provincial Conservative Party to have been an aberration. It will be rather interesting to see what a national Conservative Party does when it gets into office. The matter of acute, protracted restraint has been often referred to by gentlemen opposite, particularly the Honourable, the First Minister, who has said that Manitoba should be a model for a new national Conservative Government. In fact, one Conservative spokesman was quoted to have said last year that a Joe Clark in office would make Sterling Lyon look like a pussycat. Well, Mr. Speaker, the people of Manitoba have been there; they know what acute, protracted restraint is like, and they told the Conservatives last Tuesday very clearly what they thought of acute, protracted restraint.

Just by coincidence, I happened to notice on the very next page, where the Minister of Finance had made those remarks, and I'm quoting from Hansard now, Page 4295, where he said, "The greater program effectiveness has been a top priority of our administration." Mr. Speaker, I wonder if he was thinking about that "Send Money" program that the government had last year. They called it a private investment, private grant, Jobs in Private Business Program, or something like that, Mr. Speaker, and you will recall that that was the program where companies, such as The Bay, and Cadillac Fairview, wrote to the government and said, "Send money," and the government sent it to them; and Great-West Life wrote to the government and said, "Send money," and the government sent it to them; and Investors Syndicate and a number of other rather well-known companies in this country wrote to the government and said, "Send us money", and they sent it to them, including Mr. Speaker, four companies all at the same address, all with different names, but program effectiveness seemed to have gone out of the window where those companies were concerned because in that case the government sent them money just as they had requested.

Plus, Mr. Speaker, I nearly forgot the best example of all, and that was the Progressive Conservative Association of Manitoba, who wrote to the government, "Please send money", and the government sent them \$2,000 just like that. —(Interjection)— Whether there was a stamp on the letter or not, I wouldn't know, but perhaps they delivered it by hand just to make sure that a deserving organization was in receipt of \$2,000.00.

Mr. Speaker, the matter of the removal, or the change, in the sales tax provision on children's clothing has been referred to by some members on the opposite side, but has not received a great deal of discussion within this House, and it would be worthwhile just to review briefly this matter of the exemption from sales tax on children's clothing. You will recall, Mr. Speaker, as some other members will here, that the 5 percent sales tax was introduced about 12 years ago. In fact, it was a Conservative Government at that time that brought in the sales tax. When members on this side say to us, "We didn't do this, and we didn't do that thing in eight years", they should recall that it is their tax; they brought it in. If they wish to make any changes to it now, then go right ahead. It is, after all, a tax that they brought in.

But when it came in, Mr. Speaker, the government of the day decided, in common with the other provinces of this country that had a sales tax, that children's clothing, as such, should not be taxed. The Finance Minister of the day, it was recommended to him that Manitoba follow the same course, the same manner, of exempting children's clothing as was in effect in the other sales tax provinces at that time; and that was, Mr. Speaker, to set certain standards, certain maximum sizes in clothing, certain maximum sizes in footwear, corresponding approximately to a 14 year old child, so that all sales of clothing in smaller sizes than that should be easily administered as being exempt from sales tax. There is only one provincial government in the country which has a sales tax exemption for children's clothes that is administered differently from that. That happens to be British Columbia. And I'm not sure whether they brought their sales tax in after Manitoba's or not. But that is the only one, Mr. Speaker, and in that province the method of exemption from sales tax is the same as is being proposed by the Minister of Finance; that is to say, where the clothing is purchased for anyone under 14, then it is sales tax exempt.

Now, I'm not sure whether the Minister of Finance asked the taxation officials in British Columbia what their experience was. I'm not sure whether he asked his own officials in his own department what the experience from British Columbia was, but I can recall clearly when we were in government and talking to people who were knowledgeable in the sales tax field about this particular item and they told us in no uncertain terms, Mr. Speaker, that British Columbia had considerable administrative difficulties in administering this particular facet of its 5 percent sales tax. The abuses, the possible abuses, were widespread. It was almost impossible to stop them. What it amounted to was an invitation to people to abuse this particular provision. Now, I'm sure if the Minister of Finance had asked his colleagues in British Columbia that they would have given him those exact, selfsame facts, because where does the unfairness come in? Well, if it's done in clothing sizes, there are some adults, Mr. Speaker, who are able to wear clothes in children's sizes and for those people who

can get under those 14 year old sizes, they are able to save a little bit of money on the sales tax that is involved.

Now, that is really not an abuse of the system, Mr. Speaker. It just happens that those people have that one advantage of their smallness of size in that they can purchase certain items of clothing, and perhaps footwear, and save themselves a few cents or a dollar or two on sales tax.

Mr. Speaker, when it comes to sales tax exemption by size there is an obvious problem. A parent can go into a clothing store or a shoe store, pick out a pair of shoes or a garment that he wishes to buy for his child, and tell the salesperson there that it is for someone who is under the age of 14 but who is of a larger size. The Honourable Minister of Finance mentioned some simple declaration. Well, Mr. Speaker, how is that to be checked up on? Who is the bureaucrat who is to hire an army of inspectors who are going to run around with all of these little bits of paper to check up on Mrs. Smith or Mr. Jones, to see whether or not his son or daughter is in fact under 14 years of age?

But, Mr. Speaker, there is even a worse area for abuse and in this area the Minister of Finance is simply asking people to abuse the system. And I asked him, a few days ago, whether he will require a child under the age of 14 years to sign a declaration if he or she is buying some clothing or a pair of shoes that are above that particular size limit. Well he didn't give me a direct answer but he did suggest to me that no, the government would not require children under 14 to sign legal declarations, and that really doesn't surprise me, Mr. Speaker, because it probably couldn't be held up in court.

But obviously what is going to happen and it's a wide open abuse of the system is that an adult will go in with a child to purchase something. Maybe it's a man who wants to buy a pair of size 12 shoes. When it comes to paying for the shoes he gives the money to his 10 year old son or however old the child is and says, you pay for these shoes and you will save me the sales tax. Now maybe the Minister for Economic Development thinks that won't happen, well I tell him that it will happen, Mr. Speaker, because as long as there is a system there will be people who are out to beat the system, and as long as the government of the day gives these people such a barn door to drive through, there will be people who will abuse the system.

There is no way that that can be enforced, Mr. Speaker. So the government will be in the position of saying to people, we will trust you — that some of you will pay the tax and some of you will not pay the tax and we can do nothing about it one way or the other. Now that is what the government intends to bring in. The honourable member for wherever it is suggests what are we suggesting.

This matter of the exemption of children's clothing from the sales tax is a matter that came up when we were in government, several times. We examined the experience in British Columbia. We examined the experience of every other province that had a sales tax and the exemption for children's clothes. We came always to the conclusion that the way that we are doing it now by sizes is the best and the fairest and most easily administered manner.

Mr. Speaker, I want to move now to another tax change that the government is making and that is a change in The Metallic Minerals Royalty Act. The Minister for Economic Development challenged the members on this side to show them where there was a tax increase in this year's Budget, Mr. Speaker. I would suggest to him that there is an increase in this particular tax. It's going up, as the Minister of Finance has told us, from 15 percent to 18 percent but on a one tier basis only whereas before it was an incremental rate by a rather complex formula that designed so that mining companies would be given an adequate return on their capital at a taxation rate of 15 percent. When they gained an economic rent by means of world prices going up, a complicated formula came into effect whereby that extra, that excess profit, if you like, was taxed at 35 percent.

Now you will notice, Mr. Speaker, that when the Minister of Finance introduced this provision he really didn't give us any figures as to what the effect of this particular tax had been. He said that it had been oppressive and that it was keeping mining companies away from Manitoba, and he gave us figures such as 73 percent which was some top rate and if I recall properly, correctly, when this measure came in it would bring their top possible potential rate down to something like 58 percent. But the Minister of Finance, following his Estimates, gave us a few figures on The Metallic Minerals Royalty Act, Mr. Speaker, and to how much money had accrued to the province because of this tax. Now we asked him for the figures for the last three available years and it happened to be the first three available years, that is from the 1975-76 year to the 1977-78 year inclusive. That's three years, and I assume, since we don't have it, that the '78-79 year figures are not available yet.

Members opposite might be interested to know that this particular tax in a total of three years netted to the province or accrued to the province \$20,785,000.00. That's over a term of three years. The members opposite might wish to know how that is broken down, Mr. Speaker, into tax paid

at the 15 percent rate and tax paid at the 35 percent rate, and the figures are as follows, Mr. Speaker: Tax received at the 15 percent rate, \$20,040,000.00. Royalty received at the 35 percent rate, \$745,000.00. \$20 million at 15 percent, \$745,000; $\frac{3}{4}$ of a million as opposed to \$20 million, Mr. Speaker. And gentlemen opposite are suggesting to us that \$750,000 is preventing INCO or Sherritt-Gordon or Hudson Bay Mining and Smelting from doing business in Manitoba and from mining here.

Let me quote them another figure, Mr. Speaker, that shows that profits in the mining industry for the first three months of this year was up 35 percent, bringing profits for the three-month period \$750 million, Mr. Speaker.

Companies which make a profit in just a quarter of a year of \$750 million are being prevented from doing work and business and mining development in the province of Manitoba for $\frac{3}{4}$ of a million. Mr. Speaker, I know you don't believe that and I don't believe that either and probably none of my colleagues on this side, but that is the impression that the Minister of Finance is trying to leave with the people as to the effect of this incremental rate, whereas the fact is that a negligible amount of the total \$20.7 million was raised at the 15 percent.

Now you might ask, Mr. Speaker, what would the effect of that have been had we had only one rate in the last three years and had that been 18 percent? Well, 18 percent is $\frac{1}{5}$ higher than 15 percent. So, Mr. Speaker, instead of receiving \$20.785 million we would have received 20 percent more than the \$20 million, which comes out to my arithmetic as being \$23 million that we would have received at the new Conservative rate had that rate been 18 percent over the last three years, instead of \$20.75 million, as if fact it was.

So, if my honourable friend, the Minister of Economic Development, is looking for a tax increase, he will find one right there. He will find that had this rate been in effect during those terrible socialist years, that we would have netted \$3 million, almost \$3 million more than was in fact the case.

I want to just refer briefly to Hydro, Mr. Speaker. The Honourable Minister of Agriculture was one of the many speakers over that side who has mentioned it and told us very proudly what they are doing, except that it was the Minister of Agriculture, I believe, who was prepared to go to the people and tell them that hydro rates would have been twice as much as they in fact have been.

Now, I read very carefully the remarks of the Minister of Finance, where he was talking in there about the stabilization of the hydro rates. What I was looking for, Mr. Speaker, was an indication of the amount of the subsidy that was to come from General Revenues which would be paid to Hydro in order to enable them to stabilize their rates. Now I didn't see any indication whatsoever of any amount this year that would be paid to Hydro, nor of any estimate of next year or the year after or the two years beyond that, to bring it up to five years, of how much subsidy there would be from the taxpayers that would be paid to Hydro to enable Hydro to stabilize its rate. In fact, the expression "subsidy" was used in a debate by one of my colleagues on this side, and it was corrected by the Minister of Finance who said it's not a subsidy, all it has to do is take account of the devaluation of the Canadian dollar as against other currencies, which can only lead me to the belief, Mr. Speaker, that there is no taxpayers' money that is going to be paid to Hydro to stabilize its rates, and that all that will happen is that those issues, those foreign issues, where there is a potential loss because of devaluation, that those potential losses will be taken into the government and the government will somehow alter its books by an amount of \$31 million this year, so that Hydro is protected against fluctuations of the Canadian dollar, the American dollar, and the Swiss franc and various other currencies, over which it has no control and for which it is not at fault. That is made quite clear within the remarks of the Minister of Finance. We can therefore only come to the conclusion that Hydro is in good shape, that it intends to continue to provide electricity to Manitobans at the cheapest possible rate, and that it does not foresee any increase in its rates for the next five years. Mr. Speaker, we can come to no other conclusion.

Members have made a great deal of fuss about the matter of hydro rates having increased 150 percent since 1968, I believe they said, was the last increase when they were in office. Well, what has happened to other prices since 1969? I recall seeing an advertisement on the television during the election campaign which said that the dollar that you spend today was worth 42 cents or 40-something cents back in 1968, and I assume that that was a reference to the recently defeated . . . I'm sorry, it has just been pointed out to me it's the other way around — the dollar that you spent then is worth 42 cents today.

Okay, the other side of that coin, Mr. Speaker, the effect of inflation, is that we have to spend today more than double those for those things that we bought 10 years ago, which is to say that those hydro generating plants that we have built in the last few years cannot have been bought at the same rate as 1968-69. So is it any wonder, Mr. Speaker, when all Manitobans expect Manitoba Hydro to provide them with electricity, is it any reason to wonder that it takes new generating capacity

to provide that electricity and that that generating capacity costs more as the years go by.

The Honourable Minister of Finance himself, who is the Minister reporting for Hydro, has told us that they do not foresee any new Hydro construction within the next few years, which only bears out what we have said before, that Hydro itself is not anticipating any increases in its rate over the next few years, whether it is five years or six years. Hydro might surprise us all and not require any rate increases for more than five years.

I want to turn now to remarks that other members on that side have mentioned, and that is again the matter of tax increases. I have already mentioned one of them to the Minister of Economic Development. I want to mention a couple of others and I should point out, Mr. Speaker, that the figures that I use are Conservative and government figures. They are figures and rates that the government has published and presented to us itself. The reasoning and the logic is Conservative logic that I am putting forward to members opposite.

Mr. Speaker, you will recall that the members of the Conservative Party announced very proudly last year that they had made tax reductions of \$83.00 for every man, woman and child in this province. Well, Mr. Speaker, I didn't really accept those figures but they were Conservative figures and they were entitled to use them if they so wished. Part of what they were using to get to that figure, Mr. Speaker, entailed a decrease in the amount of sales tax, the sales tax rate by 3 percentage points, you will recall, which amounted to some \$60 million. Now, if they want to use those figures, Mr. Speaker, they should also be prepared to use the same figures when they increased the sales tax in September by an amount of \$60 million for that year. Now we are into a second year where the government has made permanent that sales tax increase and if the amount is \$60 million for half a year, it is \$120 million for a whole year, or for the two taxation years that the members want to refer to, \$180 million in tax increases. Now, I will not add onto that the amount of the 2 cents on gasoline tax which comes to something like \$6 million or \$7 million a year, another \$15 million there, plus the amount of 5 cents on a packet of cigarettes, and the same on tobacco and cigars, and I don't know what the figure is for that; that also runs into millions of dollars.

The Minister of Finance was very proud to tell us that the tax changes that he had made for this year, and he confidently added them into the amounts that were made for this year. We can use the same two years; we can use the same two figuring, the same Conservative figuring, and come out with a figure of something like over \$200 million in tax increases brought in by this government.

Now, the Member for St. James and the Member for Pembina used some rather curious logic and some rather convoluted arithmetic in trying to show that taxes, that the burden upon the average Manitoban, had been decreased since this government came into office. They used such convoluted arithmetic as comparing the amount of private expenditures as a percentage of government expenditures, and the Member for Pembina lost me completely when he was talking about the amount of time in hours that the average worker worked for the government before he worked for himself, and came up with a figure of 33 hours or something like that. But I really did not understand it, and even reading back over Hansard I fail to grasp the point that he was making.

What none of those honourable members had told us' Mr. Speaker, was what the actual dollar figures were. Now, why don't those gentlemen use dollars? It's something that we can understand and we can grasp quite easily, and we can grasp very readily whether one dollar figure is higher than another dollar figure.

So, in case they might be interested, I will tell them what those dollar figures are. Mr. Speaker, for many years when we were in government, you will recall, as other members will, too, that it was explained to us and brought home to us very clearly in government that Manitobans were paying millions of dollars, tens of millions of dollars more in taxes every year even though the government was not increasing the rates. It was pointed out to us, yes, Manitobans are paying more taxes this year and they will pay more taxes next year. Two members, in particular, I recall saying that with some vehemence, Mr. Speaker; one was the former Leader of the Conservative Party, Mr. Spivak; another one was a former Leader of the Opposition, who now just happens to be the Minister of Finance.

Now, using that same logic and agreeing with the Honourable Member for Pembina, who says that there is only one taxpayer and all of the government's revenues come from the taxpayers of this province, let me tell him, from the 1978-79 expenditures, that Manitoba spent \$1,632 per capita. Now, that's for every man, woman and child in the province. This is taken from the Minister's own figures. One year later, for the coming year, the government proposes to spend \$1,812.00. Mr. Speaker, that is an increase of \$180 for every man, woman and child in this province.

Now, agreeing with the Member for Pembina that the only source of income for a government is the taxpayers, we can only come to the conclusion, Mr. Speaker, using Conservative logic, that Manitobans are to be taxed \$180 per capita more this year than they were last year. Mr. Speaker,

that's Conservative logic; that's what they told us for eight years and, Mr. Speaker, if members wish to question it, we will quote it back to them chapter and verse, Mr. Speaker.

But, Mr. Speaker, I see that my time is running out. I want to give members opposite just one more figure before I sit down, and that refers to the total debt picture of Manitoba.

Mr. Speaker, you will recall that the First Minister, particularly, and other Conservatives, ran around this province at the time of the last election telling people that this province was on the verge of bankruptcy. They told the people of Manitoba that our total debt in this province was the highest in the country, that it stood at \$3.5 billion in total, or \$3,219 for every man, woman and child in the country; that we needed a Conservative government to save us from bankruptcy because of the dead weight of debt that was like an albatross around the necks of Manitobans.

Well, Mr. Speaker, what has the government done in its two years to save Manitobans from bankruptcy? Let me give you that figure again. In 1977 Manitobans owed \$3,219 per capita. What do they owe for this year? From the Minister of Finance's own figures, \$3,949.00. That's an increase, Mr. Speaker, for every man, woman and child in this country of \$736.00.

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

MR. WALDING: 23 percent.

MR. SPEAKER: The Honourable Member for Swan River.

MR. DOUG GOURLAY: Thanks very much, Mr. Speaker. I appreciate the opportunity to participate in the Budget Debate, and I congratulate the Minister of Finance on his work in bringing forth a very timely Budget that will assist our province in the road to economic recovery after an eight year Socialistic trip which I feel has cost us more than all the floods that we've had in this province since the turn of the century.

I would be remiss if I did not congratulate the new Prime Minister elect, Mr. Joe Clark, on his fine achievement on May 22nd, and also the other 281 newly elected members and re-elected Members of Parliament. —(Interjection)— Pardon? Well, the Member for Inkster says that the situation in the Dauphin constituency was pretty shaky. I would say that we had a very close fight there but we came out the winners with a good, comfortable majority when the final ballot was counted. —(Interjection)— Pardon? I didn't hear you.

A MEMBER: 500 votes? 400 votes?

MR. GOURLAY: Roughly 500. I would say the new government has a great challenge ahead — I think that's probably an understatement. And just recently — I believe today — this Canada/Japan Newsletter, the April issue — I just got it today — but in here, I think there was a very appropriate statement in the editorial.

Returning from a European trip, Mr. John G. Doherty, Executive Editor of the Hamilton Spectator, wrote in that newspaper that one of the nagging worries he brought home was that Canada is slowly becoming a second-rate nation, too paralyzed by doubt and a confused sense of history to change course. I think that was the feeling of the majority of Canadians on May 22nd.

I am confident that our new Canadian Prime Minister-Elect will be able to negotiate and co-operate with the various Members of Parliament in order to get the job done that has to be done to rectify the situation. I'm rather pleased, now that it's over, that maybe we didn't get a majority government, because it will really put the pressure on the other parties to really honour and give the new government a chance to see what they can do, and whereas they will have to shape up, and I think co-operate, and I'm sure that our new Prime Minister-elect can put forth a great program because he has a lot of good people around him in the new government.

I'd just like to comment on the Member for Ste. Rose. When he was speaking he indicated and suggested that the PC Party was one that only attracted Anglophones, and it's interesting to note that he didn't make any reference to the fact that in the Province of Quebec there was not one single NDP candidate elected, or in Prince Edward Island, or in Alberta, or in New Brunswick. You know, the NDP and the CLC referred to as the Perfect Union, and it was very ably described by my colleague, the Minister of Mines, that perhaps they should have been more ably referred to as the Odd Couple. I believe that this, perhaps, describes the situation a little better. Obviously, I was disappointed in the outcome in the results for the province of Manitoba, but I think it must have been a tremendous disappointment for the New Democratic Party with the results that came forth from especially the province of Ontario, the great industrial province of this country, where we would expect that if there was a great union, that there would have been a lot more New

Party members elected from that province.

As a matter of fact, the total count went down, I think from eight members. It was reduced by two down to six, and especially in the great industrial centre of Hamilton, I'm not sure whether they even elected one member from that area. So, I think that the great union certainly didn't come about in the province of Ontario.

I was especially delighted with the Budget, the feature item that hydro rates would be frozen for the next five years.

It's no secret that Winnipeggers and most Manitobans appreciated the efforts and foresight of the former premier, Duff Roblin, to proceed with the ditch around Winnipeg, Duff's Ditch, also the Portage diversion and the Shellmouth Dam. And also, when I think of that, it reminds me of the situation, when the former premier, D.L. Campbell, had the foresight to bring in the rural electrification program to all of Manitoba.

I think that was another highlight in this province, and I'd like to just comment on the fact that my mother is now in her 96th year; she'll be 96 in November. She wasn't born in this country, she was born in New Zealand and she moved to Scotland at a very early age. She arrived in this country on Armistice Day, and it wasn't until the year 1922, that she settled on the family farm at Oak River, which is in the constituency of Minnedosa. That was back in 1922 and to this day, she feels that the greatest highlight probably in her 96 years was the fact that the hydro was brought to the farm back in 1949. I think it's fair to say that many people in the province became extremely proud of the fact that the province became electrified, not only in the city of Winnipeg, or other cities where they did have sources of power before the Manitoba Hydro. But it became a very proud fact that Manitoba led the way, especially in Western Canada anyway, to electrify all the farms.

It became a tradition and I'm sure you will recall the slogans that appeared in many of the newspapers, "Manitoba Hydro — use it." Another one was, "Live better electrically." Little did we know that the NDP Party were going to change the utility advantage that we have. —(Interjection)— I'll show you — if you want an example of what we've lost, in 1966 —(Interjection)— in 1966 — the Member for St. George asked the question, "What advantage did we lose?" Well, I'll give you a good example. We moved to Swan River in 1966. We were fortunate in being able to buy a Manitoba Hydro Gold Medallion home, and we decided to put our hydro on the budget payment, where you pay your hydro bill — they work it out and you pay the same for every month, I think 10 months of the year — the last two months you balance it out or get a refund or whatever. But in 1966, the monthly charge was \$39, and in 1978 that went up to — it increased over the years but in 1978 they set the rate at \$95 a month from the \$39, and back in March, I was running so far in the hole that I had to up that to \$160 a month. So I'm paying \$160 a month the last two or three months in order to break even by the cutoff date of June or July. —(Interjection)— Pardon? Well, we don't have gas . . . All I can say to your question for the Member for Inkster, it's a damned good job that the rates of gas and oil really went up, because we would have been in a terrible mess.

MR. DEPUTY SPEAKER: The Honourable Member for Flin Flon? I thought the Honourable Member for Flin Flon wanted the floor. Carry on, the Honourable Member for Swan River.

MR. GOURLAY: Well, all I can say to that example is that the hydro bills — people didn't mind their hydro bills coming, it was a tradition. Everyone was proud of the hydro because it was so cheap. Everybody talked about it; the Hydro sold electrical appliances and they were really promoting their product and under the NDP administration we lost that advantage.

I think the Free Press summed it up very well in Tuesday's edition — the Free Press summed it up very well on Tuesday, the 22nd of May issue written by one Fred Cleverley. I couldn't really prepare a talk that would explain it any better than Mr. Cleverley has outlined it here. I've got a few marks here, "A number of arguments against the freeze have already been voiced by members of the New Democratic Party. Each deserves to be considered on its own merit. First, there is the argument put forth by the leader, Howard Pawley, that the freeze would not have been possible, had it not been for the wise decisions of the previous administration, responsible for the construction of the power plants in the first place."

Well, then to go on, he says, "It would be easy to turn this argument around and suggest that if the plants had not been built the way they were, it would not have been necessary for the government to freeze rates, because costs would not have escalated in the manner they did during the past five years. By suggesting that it was NDP policy that allowed power rates to be frozen now, Pawley is ignoring the down-trend in other aspects of the provincial economy such as that experienced in the mining industry, which was caused by other NDP policies, and which produced, as a spin-off, a lower growth in electrical demand and the necessity of postponing more Hydro

construction."

And he goes on here: "Pawley devoted a remarkable short part of his reply to the Budget to the power rate freeze. He asked the government to call a meeting of the Public Utilities Committee soon so that he and his colleagues could question Hydro officials. This sounded a bit as if he was saying that he could not think of any valid criticism himself and was hoping that those in charge of Manitoba Hydro would help him out."

Another part here: "It was Premier Lyon who suggested that what Green was really saying was that he supported the policy and he only wished that he had thought of it first. Green then went on to suggest that it would not really cost the taxpayers \$31 million because rates had already stabilized and would not go up anyway. If he is right, then he is admitting that the announcement was simply good politics, promising something that the people want, and that it will not cost too much."

There's just one other little bit here: "As late as April, 1978 when the NDP was still defending the annual rate increases, even though it was in opposition, Schreyer was comparing his estimates of future increases which he said would continue in the 10 to 15 percent range annually with predictions of much higher increases in British Columbia."

So now the members opposite are saying, well, it's not going to cost anything because the hydro is already in place; we're going to sell this power, but we have been paying a high interest bill, high capital cost to produce 35 percent more power than we are actually able to use at the present time. But I think that is very poor planning when you have that much investment tied up, to have that much surplus and hope that you can sell it sometime during the next five or ten years.

Just one paragraph here: "The fact is that it was not astute planning by the previous government that allowed Craik to announce the freeze. It was at least in part a growing world shortage of energy that is promising higher prices for any form of power. Last year Manitoba exported \$83 million worth of electricity. In the near future, new interconnections will permit export sales to more than double."

So I think that this really explains the Manitoba Hydro situation, and to reiterate, it's fair to say, I think, that it's fortunate, it's very fortunate for Manitoba Hydro that the prices of gas and the prices of oil went up as quickly and as high as they did or we would have been in a further mess with our Hydro situation.

Another situation in my particular area, and I think it's probably true in the City of Winnipeg and other parts of the province where many, many people have gone out and bought wood stoves. It has created an industry, of course, in the developing of stoves so that people could pull out their hydro and use wood-burning devices in order to heat their homes. Many business places that were on demand electricity could not afford the demand rates and were trying to supplement their heat by other forms, whether it be wood, oil and what have you. Now that the hydro has been frozen, I can only predict that the prices of gas and oil are going to increase and that we are going to be in a very fortunate electrical advantage situation in the next five years, and hopefully much longer than that.

Well, to go on to some of the sales tax reductions, many farmers will be greatly relieved, I'm sure, about the fact that province? In my particular part of the country, I think there are many restaurants where you can still get a fairly substantial meal for \$4.00, or even maybe less than that. So I think that this will be beneficial to not only low-income people, but it will also be an advantage to those establishments that have to collect that tax. It's a bit of a nuisance on those small items anyway.

I was somewhat surprised and disappointed that the Leader of the Opposition didn't devote more time to discussing more substantial items than knocking the fact that university tuition fees had gone up. They did go up slightly last year but they are still about the lowest in the country. I believe there are only one or two universities in Canada that are lower than Manitoba. As a matter of fact, in our neighbouring province of Saskatchewan, their tuition fees are much higher than they are here in Manitoba.

The Minister of Agriculture, when he was speaking, he also referred to the green fee of Municipal Golf Courses, green fees being increased as was mentioned by the Leader of the Opposition. Another one that he mentioned was the increased cigarette tax. I really don't think that these are important issues and those people who decide and wish to smoke, I don't have much sympathy for the fact that they have to pay increased sales tax. Well, I think anyone who is able to golf I am sure that there is so much satisfaction from being out in the great yonders that they won't mind paying a little bit extra in order to maintain the Courses in fine condition.

Well, I was further pleased with the Minister of Finance's consideration for the mining industry. The Member for St. Vital had some comments about the fact that the mining tax adjustments would not be of any benefit, probably would hurt us. I would just like to mention, in the Minister's Speech on the Budget, he mentioned an average decline in employment in mining, smelting, and refining

of .6 percent over the 1971-77 period compared with an average annual growth rate of 1.6 percent over the preceding decade. While taxation was not the only factor accounting for these declines, it was in our view a major contributor.

The very fact that Manitoba operators were faced with the prospect of almost 75 cents of each additional dollar earned by the industry accruing to the public sector was and continues to be a major impediment to new development and new jobs.

The Minister of Mines, Natural Resources and the Environment will shortly be introducing legislation to reform the metallic minerals royalty legislation. In addition to proposing a series of housekeeping and non-royalty measures, the Bill will provide for major reforms to the incremental royalties system. Reforms geared towards assuring a realistic royalties system fair to the industry and people of our province, a system which encourages development in Manitoba instead of inhibiting it. This change will reduce the maximum potential income taxation and resources charges facing industry from over 73 percent under the present system to around 56 percent.

And again there's another interesting comment in this Canada-Japan Newsletter, and just to read a bit here, it says: "At heart the question is one of incentive. We are talking about businesses and the business of businesses to make profit. The less chance there is of this, the less chance of improvement. Such changes as have been suggested require investment and investment on a large scale, a scale beyond Canadian resources alone. Foreign investment is required, but like Canadian investors, foreign investors cast their bread upon waters most likely to return it many fold. Investment figures clearly show Canada is not now a place where Canadians, let alone foreigners, wish to cast their bread. In 1970, 1971, and 1972, direct foreign investment in Canada was \$2.4 billion. Direct Canadian investment abroad; \$1 million. In 1973, 1974, and 1975, the figures were \$2.4 billion and \$2.5 billion. In 1976, 1977, 1978, they were \$25 million and \$3.1 billion. It is obvious from these figures that the supply of building bricks essential to the foundation of a new Canadian industrial structure is not only dwindling but is being employed elsewhere. Until this situation is corrected by providing adequate incentive in Canada, the vitally needed changes cannot reasonably be expected." And I think this is very true of the mining industry, and to quote from I believe it's the Free Press, I didn't mark it down and I'm not sure what day this was, but it mentions here, to quote: "And the Opposition Leader jumped on the Sterling Lyon government for bowing to the mining interests by reducing a royalty tax scheme introduced by the NDP to skim off high profits from mining companies. He said the determining factor in the expansion of the mining industry in the province was the international price of metals, not the province's royalty structure.

However, an executive of Sherritt-Gordon Mines in Lynn Lake, one of a number of Manitoba's business spokesman, to react favourably to the Budget last night said reduction of the royalty meant his company would sharply increase spending to about \$1 million this year."

So I think it's rather significant already and I'm sure that we'll see a very noticeable upsurge in the mining industry and of course we will all benefit. But I think that in this announcement regarding the mining industry, I think that we will see that it has been the right step to take.

Some comment has been made by some of the members that have participated in the Debate about rail line abandonment in the Province of Manitoba. I'm sure that no community likes to lose their train service even though it might only be for the purpose of hauling grain from the local farming areas to the various markets. Many communities have already lost this advantage and for some of the lines I am sure that we cannot justify that they be maintained. They have fulfilled a useful purpose over the years but they no longer can be justified. But there are many communities that are slated to lose their railways and the Minister of Economic Development has already mentioned to us in the House that he has staff that are able and willing to help these various communities to get retention associations formed in those particular parts of the province so that the rail line abandonment can be fought even further.

Now in my particular area, the Swan Valley area, we are not really hurt too badly by rail line abandonment. There is one short chunk of track north of Birch River that is not presently hauling grain but it is hauling other goods and services that is slated for abandonment. But my biggest concern with that of many constituents in the Swan River Constituency is the fact that the railways want to remove the passenger service that now is in existence through Swan River three times a week, which passes through Swan River on its way to Churchill. There is an application for the railways to the Transport Board to have this passenger service discontinued and I have had occasion in the last eighteen months to travel on that particular transportation system. I feel that by the railways requesting that it be removed I think it's a step in the wrong direction. I am sure that if more people in the area knew the service was available to them and the time schedules were publicized, I am sure that many more people would use this form of transportation.

Again I think too that we live some 300 miles from the City of Winnipeg. I am convinced that the railways could be used to a greater advantage in piggybacking freight to that part of the province and further north, this service is not being used and hasn't been used to my knowledge in the

past but with the real serious energy problem that we are presently facing and will continue to face, I am sure that by removing the Station Agents and the railway services even further than has already happened, that this is a serious step backwards and I hope there will be much support to fight the railway system so that they will have to maintain this service to the northern part of Manitoba and hopefully this will come about.

Well, I think that in summing up, I would like to just review some of the 1978 economic highlights which were mentioned by the Finance Minister on May 15th. For all Manitobans the 1978 highlights should be encouraging. A gross output of over \$9.5 billion, an increase of about 10 percent over 1977, real growth of close to 3 percent compared to almost no growth at all the previous year; private sector capital investment up 22 percent, three times the increase the year before and the fastest growth of any province in Canada. A 21 percent increase in the value of agricultural production, almost double the growth rate a year earlier; 26 percent increase in farm cash receipts compared to no growth in 1977. Nearly a 17 percent increase in manufacturing shipments, four times the percentage of the last year our friends opposite were in government. And a 29 percent increase in housing starts compared to under 1 percent in 1977. A 9.3 percent increase in retail trade, double the increase in the previous year. And perhaps most encouraging of all was the strong rate of employment creation in the province. On average there were 11,000 more people with jobs in 1978 than there were a year earlier, the rate of increase was nearly four times that of 1977. And the private sector accounted for the entire increase. Manufacturing employment alone increased by 5,000 and is approaching former levels following a serious dropoff.

I think there is a strong evidence that Manitoba is showing economic recovery. The Hydro rates freeze and other budgetary encouragements just announced should greatly assist us to establish a bright 1979. Thank you.

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

MR. URUSKI: Thank you, Mr. Speaker. I wanted to take part in this Budget Debate this evening, Mr. Speaker. There were some remarks made by members from the government side that I wish to address to and especially I'd like to start my . remarks by commenting on some of the statements made by the Member for Swan River, when he spoke about hydro rates, and the Minister of Highways chirped from his seat and indicated that when the Member for Swan River indicated that we had lost our comparative advantage, those were the words the Member for Swan River made . . .

MR. SPEAKER: Order, order please. The Honourable Minister of Transportation on a point of order.

MR. ENNS: I recall distinctly, not chirping but shouting from my seat.

MR. URUSKI: Thank you, Mr. Speaker. I should know a cluck and a chirp when I hear one, Mr. Speaker, if anybody should in this Chamber, and I will not change my mode of description one word.

Mr. Speaker, the Member for Swan River indicated that we, in Manitoba, had lost our comparative advantage with respect to the hydro rates, Mr. Speaker. I don't know what the Member for Swan River compares us to, but I think the Member for Swan River should look at energy costs, not only right across this country, but all over the world, as to where energy costs have gone. If he would check the records, he would find that Manitobans over the last decade have enjoyed the comparative advantage, if one might use those same words, of being either the second lowest or third lowest — enjoyed the second or third lowest rates of electrical energy of any province in Canada. Mr. Speaker, the —(Interjection)— no, there has been no change and if our comparative advantage has changed, I'd like to hear the honourable members contradict the statement that I have made, because our comparative advantage has not changed. Mr. Speaker, the Member for Swan River quoted from an editorial, and if I recall, the editorial indicated that if the announcement made by the Minister of Finance was one of no cost or little cost, that was good politics, Mr. Speaker. That was the editorial comment.

Well, Mr. Speaker, that announcement was not good politics, it was a hoax on all the people of this province. It is, in the words of the Minister of Finance of this province, when he answered questions posed by members on this side, he indicated and I quote from Hansard of Friday, May the 18th, Page 4506, where the Minister of Finance of this province said, "Time will tell, Mr. Speaker, whether in fact it will mean any, even one red cent of an impact on the. . ." and there was an interjection, "time will tell whether it makes one red cent difference to the consolidated fund." Mr. Speaker, the government, the Minister of Finance well knows that hydro rates are stabilizing in this province because of the development and the foresight and the decisions made in the early

'70s. He now can get up in this House and prepare to freeze hydro rates for the next five years. Mr. Speaker, that is a hoax. That announcement is really insulting the intelligence of all the people of this province. That is Tory politics. Mr. Speaker, all we have to look at — we have an oil crisis in this North American continent and we know that that crisis will not go away. Iran will continue its energy exporting policy, where they will hold back energy from the U.S., and the U.S. — we all know what is happening now throughout the United States in terms of energy, and it will not change; it will get worse before it gets better.

Mr. Speaker, what is Manitoba's position? Manitoba's position is one of having ample energy at a time of year, Mr. Speaker, when the United States are energy-hungry. Their demand cycle is exactly opposite to Manitoba's, Mr. Speaker, and we have the capacity on the Nelson River today to accommodate that demand. Mr. Speaker, that type of demand that is necessary through the summer months, which in Manitoba is a surplus position, and heaven only knows, by the floods that we've experienced this year, that the amount of the ever renewable resource will continue and we will have an adequate supply for the coming years, so that that demand will not diminish with the energy crisis in the United States, it will increase. And what will that do to our finances in Manitoba, Mr. Speaker? It will increase, the revenues of Hydro have nowhere to go but upwards. They have nowhere to go but to continue to climb and the income from the energy resources that we are exporting to the U.S. will grow and will grow.

Mr. Speaker, the Conservative government, in their Budget, has now admitted that that Inquiry that they have set up, the Tritschler Inquiry, they have now confirmed, Mr. Speaker, that that Inquiry was nothing but a waste of money and a political sham. Mr. Speaker, in their Budget they have indicated that the Tritschler Inquiry is a waste, a total waste, because what they have confirmed by their Budget is that hydro rates are stabilizing, that revenues to Hydro are increasing by the exports, and that this province is in a —(Interjection)— .

MR. SPEAKER: Order please. Order please. Order please. Order please. Order please. Order please. Order please. Order please. The House is adjourned and stands adjourned until 10 o'clock tomorrow morning. (Friday)