



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

**DEBATES
and
PROCEEDINGS**

26 Elizabeth II

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The Honourable Harry E. Graham
Speaker*



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10:00 a.m. Friday, March 31, 1978

THE LEGISLATIVE ASSEMBLY OF MANITOBA

Friday, March 31, 1978

Time: 10:00 a.m.

OPENING PRAYER by Mr. Speaker.

MR. SPEAKER, Hon. Harry E. Graham (Birtle-Russell): Before we begin this morning's session, I had taken under advisement a point of privilege raised by the Honourable Member for The Pas the other day, and on checking it through very carefully with Hansard, I find that the Honourable Member for The Pas had in fact, no point of privilege.

PRESENTING PETITIONS

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

MR. GEORGE MINAKER: Mr. Speaker, I beg to present the Petition of the Royal Trust Company praying for an Act respecting the Royal Trust Company and the Royal Trust Corporation of Canada.

MR. SPEAKER: Reading and Receiving Petitions. . . Presenting Reports by Standing and Special Committees. . . Ministerial Statements and Tabling of Reports. . .

TABLING OF REPORTS

MR. SPEAKER: The Honourable Minister of Highways.

HON. HARRY J. ENNS (Lakeside): Thank you, Mr. Speaker. I would like to at this time table several reports that by statute I am required to do, the first one being the Annual Report of the Department of Public Works and the Annual Report of the Manitoba Public Insurance Corporation and the Annual Reports covering the activities of the Highway Traffic Board, the Motor Transport Board, the Provincial Transport Board and the Taxicab Board for the calendar year 1977. Thank you.

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. JAMES E. DOWNEY (Arthur): Mr. Speaker, I would like to table two reports, the Manitoba Department of Agriculture Annual Report ending March 31, 1977, and the Manitoba Agricultural Credit Corporation Annual Report March 31, 1977.

MR. SPEAKER: The Honourable Minister of Consumer Affairs.

HON. EDWARD MCGILL (Brandon West): Mr. Speaker, I wish to table the following annual reports — The Annual Report required under Section 13 of the Trade Practices Enquiry Act for the period ending December 31, 1977; the Annual Report on the operations of the office of the Queen's Printer for the fiscal year ending March 31st, 1977; the Annual Report of the Manitoba Lotteries Commission for the year ended March 31st, 1977.

MR. SPEAKER: Notices of Motion.

INTRODUCTION OF BILLS

MR. ALBERT DRIEDGER (Emerson) introduced Bill No. 5, an Act to amend the Liquor Control Act.

ORAL QUESTIONS

MR. SPEAKER: The Honourable Member for Selkirk.

MR. HOWARD PAWLEY: Mr. Speaker, a question addressed to the Minister of Industry and Commerce: Can the Minister of Industry and Commerce confirm that the regional office of the Department of Industry and Commerce located in Selkirk has been transferred into the city of Winnipeg?

MR. SPEAKER: The Honourable Minister of Trade and Commerce.

HON. ROBERT (Bob) BANMAN (La Verendrye): Mr. Speaker, with regard to that particular office, the contract person who was employed there, the contract was not renewed. The particular gentleman who was operating out of that office was, I understand, commuting from Winnipeg. The

functions of that office will be dealt with from the Winnipeg office the same as we deal with different areas in rural Manitoba, and I can assure the member that every attempt and consideration will be given to maintain the high level of service in this area.

MR. PAWLEY: Supplementary to the First Minister: In view of the answer by the Minister of Industry and Commerce involving the transfer of a regional office, can the First Minister advise the House whether there are any further contemplated transfers of regional offices to the city of Winnipeg as a result of provincial government restraint policy?

MR. SPEAKER: The Honourable First Minister.

HON. STERLING R. LYON (Charleswood): Mr. Speaker, no, I can't at this moment, but I would imagine that the detailed review of the estimates will show if there are any such further contractions. The regional office at Selkirk would hardly be considered decentralization, however.

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

MR. LAURENT L. DESJARDINS: Mr. Speaker, I have a question to the Minister of Health. Could the Minister tell us if the contracts of the dental nurses will be honoured by those that are taking the course in Regina? Apparently there is some concern that those who are finished the first year, will they go for the second year, and then are they reasonably sure of obtaining employment when the course is finished?

MR. SPEAKER: The Honourable Minister of Health.

HON. L.R. (Bud) SHERMAN (Fort Garry): Mr. Speaker, they are not reasonably sure of that at the moment. The Childrens Dental Health Program is under review by the government.

MR. DESJARDINS: Is there a possibility that the contract will be terminated in the middle of the course, that is, after the first year, if it is felt that the program will be curtailed?

MR. SHERMAN: There is a possibility of that, Mr. Speaker, if it proves necessary in relation to the decision that the government ultimately takes with respect to that program.

MR. LAURENT L. DESJARDINS: Will this decision be taken soon then before the Estimates are dealt with, or is that something the people will have to worry about for years to come?

MR. SHERMAN: No, it will be taken soon, Mr. Speaker, and I presume that my estimates will be dealt with fairly soon too.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. EDWARD SCHREYER: Mr. Speaker, to the First Minister, given that it has become I suppose one could say, standard practise in recent years for First Ministers in most jurisdictions in Canada to eventually issue a statement with respect to procedures or methods to be followed in order to guard against potential conflicts of interest on the part of members of the treasury bench, may I ask the First Minister if he has in mind to articulate such a statement sometime in the reasonable future?

MR. SPEAKER: The Honourable First Minister.

MR. LYON: Mr. Speaker, I welcome the suggestion of my honourable friend, the Leader of the Opposition. I know from time to time, usually after incidents arise such statements are articulated or enunciated; as my honourable friend says, we will certainly take that under consideration. I think it is a worthwhile suggestion.

MR. SCHREYER: Mr. Speaker, I have a correction to make with respect to Hansard, if I may, Sir. Yesterday I said in speaking to second reading of the bill on interim supply that the accumulated deficit on combined current and capital accounts in the Province of Ontario had exceeded \$4 billion. Upon further checking for the decade of the Seventies to date, I find that it is in excess of \$6 billion.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. LLOYD AXWORTHY: Mr. Speaker, I have a question for the Minister of Health. I wonder if the Minister could report or confirm that the St. Boniface Hospital has issued orders to the various wards that they should be closing beds as a result of the announced cutback of the government in terms of its support?

MR. SPEAKER: The Honourable Minister of Health.

MR. SHERMAN: No, Mr. Speaker, I certainly can't confirm that.

MR. AXWORTHY: A supplementary, Mr. Speaker: Can the Minister indicate whether he or his office is making any attempt to ascertain from the different hospitals what the result of his announcements on the cutback of support for hospitals would be in terms of the supply of hospital beds in the various wards?

MR. SHERMAN: Yes, Mr. Speaker, I can assure the honourable member that I personally and my office are making very intensive attempts to monitor that situation, and consultation on the subject of budgeting allocations and reallocation and adjustment within budget parameters is being monitored very closely by the Health Services Commission.

MR. AXWORTHY: Mr. Speaker, a supplementary: Can the Minister indicate whether in addition to his announcement of the cutback in supply and resources whether any instructions or guidelines were set for the hospitals in terms of the kind of services that they should continue to operate, particularly in the maintenance of the full operation of sufficient acute-care beds to supply hospital needs in the city?

MR. SHERMAN: Mr. Speaker, in the first place, I would say to my honourable friend that I don't accept the application of the term cutback. The budgets have been increased by 2.9 percent. That's not a substantial increase but it's an increase in the budget.

Secondly, Mr. Speaker, . . .

MR. SPEAKER: Order please. Order please. Order please. The Minister of Health may now proceed.

MR. SHERMAN: Thank you, Mr. Speaker. Secondly, Mr. Speaker, I can only reiterate to my honourable friend what I attempted to say at the time that I announced the budget expansion limitations and that is that the hospitals and health facilities are now on a global budgeting basis. They have the opportunity to make the readjustments, the resourceful decisions in terms of fiscal management that I think they will be able to respond to positively and creatively to ensure that there is no reduction, no significant reduction in the kinds of services referred to by my Honourable friend. The Honourable Member for . . .

MR. SPEAKER: Order please. May I suggest to the Honourable Minister that his answers should be short and concise. The Honourable Minister of Health.

MR. SHERMAN: The Honourable Member for St. Boniface and the Honourable Member for Fort Rouge, Mr. Speaker, apparently fail to understand the challenge and the opportunity that is involved here. Nobody has ever had to make the effort to do the job before. We'll see what can be achieved, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Inkster.

MR. SIDNEY GREEN: Mr. Speaker, I'd like to direct a question to the Minister who will be dealing with the problem of flooding rather than the Minister responsible for flooding as he was so designated for the past eight years. Could the Minister advise the House whether the more sudden warm weather, combined with last night's rainfall, is creating any particular problems and requires any change in forecast with regard to problems which could be expected in the area of runoff?

MR. SPEAKER: The Honourable Minister of Mines.

HON. BRIAN RANSOM (Souris-Killarney): Mr. Speaker, I'm advised this morning that there is no substantial change, in fact no change, from the predictions that were put out last week and I expect to have a further update by Monday in case there is continued precipitation.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SCHREYER: Well, Mr. Speaker, I say in a somewhat lighter vein to the Minister of Agriculture, perhaps as a point of privilege, that given that this report of the Department of Agriculture is for a year which was under the purview still of the previous administration, that the selection of the picture for the front cover is not to be construed as being influenced by myself, Sir. It was done unbeknownst to me.

MR. SPEAKER: The Honourable First Minister.

MR. LYON: Mr. Speaker, on the point of privilege raised by the Honourable Leader of the Opposition, I want to assure him that that picture was selected before the 24th of October.

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

MR. JIM WALDING: Mr. Speaker, my question is for the Honourable Minister of Consumer and Corporate Affairs. Does the Minister have any statement for the House following the telecommunications conference that he has been attending this week?

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

MR. MCGILL: Mr. Speaker, to the Honourable Member for St. Vital. I have no specific statement to make other than that the meeting provided an opportunity for Manitoba, in concert with Alberta and Saskatchewan as jurisdictions having a Crown corporation as its common carrier, to express in strong terms our concern on the application by CN-CP Telecommunications to inter-connect with the TransCanada Telephone System, and to bring to the attention of the Federal Minister of Communications our very sincere concern about the possible financial impact that would have on our Crown corporations and on the cost of telephone services generally in our province.

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

MR. WALDING: A supplementary, Mr. Speaker: Did the Minister, on behalf of Manitoba, put forward any new policy to the Federal Government?

MR. MCGILL: Mr. Speaker, I think it could not be construed as a new policy, expressed positions that we have reached in respect to some statements that have been made by the Federal Minister of Communications —expressing our concern, one area was in the ownership of earth stations for Teleset Canada. We were able to present certain views of our feelings on these matters at this stage but in terms of firm policy I think that would not quite describe our statements.

MR. SPEAKER: The Honourable Member for Elmwood.

MR. RUSSELL DOERN: Mr. Speaker, I wanted to direct a question to the Minister of Tourism and Recreation concerning his statement of March 15th indicating that the proposed condominium development in the Big Whiteshell was a self-contained pilot project. I wanted to ask him on what basis this was determined to be a pilot project and whether any other businessmen or syndicates were given an opportunity to submit proposals.

MR. SPEAKER: The Honourable Minister of Tourism.

MR. BANMAN: Mr. Speaker, since there have been no developments by the private sector in projects such as this, to that extent it was a pilot project.

To answer the other side of the question, Mr. Speaker, the member knows that the particular land in question is that owned by a private individual.

MR. DOERN: A supplementary, Mr. Speaker. Will the Minister be giving other businessmen an opportunity to establish similar developments in either the Whiteshell area or in other provincial parks?

MR. BANMAN: Mr. Speaker, as the member knows, we are right now in the process of reviewing the whole Whiteshell area and going to be making a master plan available for the public and to get some public input. We are looking at different proposals and asking people to put proposals forward and if they meet with the government's guidelines and policy directions, we will be giving them serious consideration.

MR. DOERN: Mr. Speaker, I would also like to ask the Minister since he is impressed, also being Minister of Industry and Commerce, with the fact that in this instance the principals, and I quote, "were prepared to risk their money and no public funds involved," etc., etc. . . . Would the Minister either, wearing one of his hats, be prepared to consider allowing industrial development or mining development in provincial parks?

MR. BANMAN: Well, Mr. Speaker, the member knows what the policy has been of the Parks Department. I understand that there is a certain amount of limited mining that is undertaken in different parks and that isn't this administration that started that. I understand that the members opposite were involved in some of those too.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SCHREYER: Mr. Speaker, perhaps I should, by way of a question, give the Honourable Minister an opportunity to indicate more precisely just what he means when he says that within provincial parks mining was being carried out. Could he indicate which park and what mining?

MR. SPEAKER: The Honourable Minister of Tourism and Recreation.

MR. BANMAN: Mr. Speaker, further to that question, I think the member knows that there was some mining exploration carried out in different areas.

MR. SCHREYER: Mr. Speaker, there is some distinction to be drawn between mining exploration and mining but in either event, in taking either or both if the Honourable Minister wishes, can he indicate where? Which park?

MR. SPEAKER: The Honourable Member for The Pas.

MR. RON McBRYDE: Mr. Speaker, I would like to address a question to the Minister of Labour. I wonder if the Minister of Labour is willing, or will be willing, to comply with a request from the Canadian Paper Workers' Union, Local No. 1403, at The Pas, Manitoba, to have an industrial inquiry into the deteriorating labour relations between this union and the ManFor operation at The Pas.

MR. SPEAKER: The Honourable Minister of Labour.

HON. NORMA L. PRICE (Assiniboia): There hasn't been any thought in that direction at this time, Mr. Speaker.

MR. McBRYDE: Mr. Speaker, I wonder if the Minister could indicate whether or not she has received a formal request from the Paperworkers' Union and whether she has made any reply to that or whether that has caused her to give it some thought.

MRS. PRICE: Yes, Mr. Speaker, I did receive a letter requesting one but, as I say, we haven't made any decisions in that regard at this time.

MR. McBRYDE: Mr. Speaker, I would like to ask a supplementary but this time to the Minister of Mines in his role as responsible or reporting to the House for the operation at The Pas for the ManFor operation. Will the efforts to bring in outside consultants and assistance to try and improve the labour relations at the ManFor operation at The Pas, will that effort continue and will he support the request by the Paperworkers' Union for an inquiry into labour relations at The Pas? Is any consideration going to be given, as was indicated by the Conservative candidate during the last election, a move toward placing members of workers at the plant on the board of directors of the ManFor operation at The Pas?

MR. SPEAKER: The Honourable Minister of Mines.

MR. RANSOM: Mr. Speaker, I think there were about three questions involved there. With respect to the first question, the operation of the company is basically the responsibility of the board of directors and we have made some appointments to the board of directors and I fully expect that they will operate the company in the manner that they see is most satisfactory.

Secondly, with respect to the request for an inquiry, I have advised the local that I consider that to be inappropriate at this time in respect to the fact that the board of directors are charged with the responsibility of managing the company. The moves that management will make will reflect the directives of the board. There have been some changes on the board. I think it would be totally inappropriate to hold an inquiry at this time. Aside from that, I'm not sure even that there is substantiation, that the need for an inquiry has been substantiated.

The third question, I believe, had to do with employee participation. I have reviewed the information in the files in that regard. I understand that it was the position of the previous directors and the previous administration that they were working in a consultative fashion with the workers but it did not seem, again, appropriate to move directly into having worker representation on the board. Again, that is an issue that the board will continue to deal with and I think that the direction that they were pursuing at the time was appropriate.

MR. SPEAKER: The Honourable Member for Logan.

MR. WILLIAM JENKINS: Thank you, Mr. Speaker. My question is to the Minister of Consumer Affairs. Will the Honourable Minister inform the House whether his department intends to make representation before the Milk Control Board when the hearings are made on the proposed rise in the cost of milk to the public?

MR. SPEAKER: The Honourable Minister of Consumer Affairs.

MR. MCGILL: Mr. Speaker, I must confess that I was somewhat distracted at the time that the honourable member placed his question. I wonder if he would just repeat that.

MR. JENKINS: Then I'll restate the question, Mr. Speaker. In view of the fact, since metrification of milk and its sale, that the milk companies have received an increase in the price of milk and also the fact that the milk companies and the producers of milk in the province are, in the near future, going to

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again appear before the Public Utilities Board for another increase in milk, does the Minister of Consumer Affairs Department, officials in his office, intend to make representations before that board on behalf of the public of Manitoba?

MR. MCGILL: Well, Mr. Speaker, I believe the honourable member is aware that we have a board appointed for the purpose of dealing with matters such as the price of milk in Manitoba. This board is apprised of all of the factors involved and the decisions that are reached are naturally of great interest to us as a department charged with the consumer legislation. But this surely is a matter that is strictly within the purview of the Milk Board and we will examine their decisions in this matter and certainly we feel that they have the responsibility and the authority to make any corrections or changes in the price, the retail price of milk in our province.

MR. SPEAKER: The Honourable Member for Logan with a supplementary.

MR. JENKINS: A supplementary, Mr. Speaker, to the same Minister. Can the Minister inform us whether the Milk Control Board authorized the present increase when the metrification of milk will go on sale in Manitoba or is this something that the companies have done themselves?

MR. MCGILL: Mr. Speaker, I'm not able to answer precisely in that vein. I'll examine the question and take it as notice.

MR. JENKINS: A Further supplementary to the Minister of Consumer Affairs. Can the Minister assure this House that he will make sure that when metrification comes to gasoline in this province that we will divide by 4.6 and not 4 when we're dividing the price and the cost of gasoline per gallon at the present time?

MR. MCGILL: Mr. Speaker, certainly we'll examine the member's arithmetic and compare it with the arithmetic that we have on this side and ensure that it is at least comparable.

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

MR. A. R. (Pete) ADAM: Thank you very much, Mr. Speaker. To the Minister of Agriculture: In view of the fact that Alberta, the Province of Alberta, has seen fit to bring in a program of assistance for livestock producers who had to purchase feed this year, and in view of the fact that there has been considerable amount of feed that had to be purchased, particularly in the Parkland area — a concern which was again expressed yesterday by farmers in the building who were here yesterday — does the Minister intend to review his position of refusal of providing any assistance?

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. JAMES E. DOWNEY (Arthur): Mr. Speaker, in answer to the member's question we did in fact implement a loan program to individuals who, if they are unable to receive funds to purchase feed this recent month . . . We have implemented a program, which I'm sure he's aware of, through Manitoba Agriculture Credit Corporation where individuals could borrow up to \$2,000 to buy emergency feed rations with.

MR. ADAM: Yes, does the member consider this an assistance program or simply just a loan which is available from, I presume, any financial institution?

MR. DOWNEY: Yes, Mr. Speaker, I consider it an assistance program.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SCHREYER: Yes, Mr. Speaker, a question to the Minister of Northern Affairs so that he is not allowed to become bored. I ask the Minister of Northern Affairs, given the fact that it is several months now since the meetings, series of meetings, presumably have taken place as between representatives of Canada and himself and other officials of Manitoba and International Nickel: Can the Minister indicate what, if anything tangible has flown or is flowing from those meetings?

MR. SPEAKER: The Honourable Minister.

HON. KEN MacMASTER (Thompson): Could you be more specific?

MR. SCHREYER: I think, Mr. Speaker, I will make it a practice henceforth to ask the Honourable Minister questions other than on Friday morning. My question, Sir, is rather specific. It is very specific. My question is that with respect to the meetings that were held, and which were reported on in this House by the Minister several months ago as between representatives of International Nickel, representatives of the Government of Canada, the Minister himself and others representing

Manitoba, with respect to ways and means by which some alternative courses of action might be followed in order to ameliorate circumstances at Thompson as a result of International Nickel Company layoffs, and future layoffs, can the Minister report whether anything tangible has flowed from those meetings between the two levels of government and International Nickel?

MR. MacMASTER: Well, Mr. Speaker, first of all, Friday morning or Monday morning is just fine for your questions. There has been many series of meetings as the Leader of the Opposition is aware, I'm sure. The Thompson City Steering Committee, I believe is the title, comprised of representation from the Chamber of Commerce, from International Nickel, from the city, from the steelworkers, from NorMan, plus three people that the provincial government assigned to help them formulate some proposals for consideration by the government. . . . That group has put together proposals and they have met with, I believe, all the Ministers involved. They've felt reasonably encouraged, I believe, by the response that they had with the Ministers and I think you're going to find, Sir, as the various Ministers lay out their programs through the Estimate procedures that some of the requests, recommendations for consideration by this government will be given fairly substantial consideration.

MR. SCHREYER: Well, Mr. Speaker, the only thing I can deduce from that answer is that there is no reason not to allow hope to spring eternal. Perhaps I should leave it there.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Speaker, I have a question for the Minister of Consumer Affairs concerning his statements with relation to rent control. In view of the representations made in the last few days by different tenants' organizations, and certainly in view of a substantial slow-down in the supply of rental housing in the province, is he prepared now to reconsider his position that he will bring in a decontrol measure and in fact be prepared to continue a form of rent control until we have a proper and adequate supply of rental housing in the province?

MR. SPEAKER: The Honourable Minister of Consumer Affairs.

MR. McGILL: Mr. Speaker, in reply to the Honourable Member for Fort Rouge, I should say, first of all, that I don't accept his premise for the question. He then proceeds to build his question upon that premise and then to ask me to announce policy with respect to the period following the end of phase three of the present rent control program, so, Mr. Speaker, it's a question that simply deals very directly with the policy of the government and, again, can I just ask him to be patient. We'll be prepared to make our positions known in due course.

MR. AXWORTHY: A supplementary, Mr. Speaker. If the Minister is not able to accept the premise, does that indicate that he assumes that there is an adequate and sufficient supply of rental housing for low moderate income people in the province and that therefore he is contradicting the fact put forward by other housing agencies which say the contrary? .

MR. SPEAKER: The Honourable First Minister.

MR. LYON: Mr. Speaker, I wonder if I might attempt to answer one portion of my honourable friend's question. That portion of it would be this: my honourable friend is Director of the Urban Institute, as we all know, in Manitoba. My honourable friend's work depends on the continuing real or apprehended or imagined housing shortage, at all times, so my honourable friend always has to premise every question on a real or apprehended housing shortage which may or may not exist, that's merely all that my honourable friend is saying.

MR. AXWORTHY: A supplementary, Mr. Speaker, to whichever Minister is prepared to rise in defence. If the government or either of the Ministers are not prepared to answer that question, and they do not have any understanding or acceptance that there is a shortage of rental housing for those on low to moderate income, can they indicate, is the government now prepared to undertake a public statement on exactly what is the condition of rental housing for people? Are they prepared to release the documents which show the shortages that exist, that their own departments and the Manitoba Rent Review Board has provided? Are they prepared to make that document public because that document, as we know, has already been prepared?

MR. LYON: Mr. Speaker, I think it would be well worthwhile for the government to give consideration to that thought, to put to rest some of the mythology that my honourable friend spouts from time to time.

MR. SPEAKER: The Honourable Member for Winnipeg Centre.

MR. J.R. (Bud) BOYCE: Mr. Speaker, to the Minister of Consumer Affairs. Would the Minister have his staff investigate the possibility of finding some relief for the couple who were inadvertently, I suppose, involved with an agency which was insolvent in the travel industry, whereby they lost some

\$2,500.00.

MR. SPEAKER: The Honourable Minister of Consumer Affairs.

MR. MCGILL: Well, Mr. Speaker, to the Honourable Member for Winnipeg Centre. I thank him for giving me some advance notice of his intent to pursue this matter during the question period. I know that there is a general feeling of sympathy for the people involved in this particular incident; there is nothing of course in the statutes or in our consumer legislation that could possibly prevent such an occurrence from taking place from time to time. No legislation can really anticipate the possibility of a bankruptcy and therefore it is something that cannot really be prevented.

Our experience up to this point with travel agencies in general has been rather good. I think there has only been perhaps one other case of a bankruptcy occurring in these agencies. Nevertheless, Mr. Speaker, the matter must be of some great concern as well to the travel agents' association in Manitoba, and it may well be that they might consider some form of deposit insurance against losses being incurred by innocent parties who have entered into negotiations for the purchase of tours, or for travel arrangements.

It is interesting as well to note that the federal government is presently introducing a new bankruptcy statute which will, I am told, have greater powers for trustees to pursue in detail the matters relating to the conditions which brought about the bankruptcy. So I think perhaps we can look for, in the federal statutes, a greater protection through the new act for the avoidance or the general field of bankruptcy proceedings in which this couple now find themselves involved.

MR. BOYCE: Mr. Speaker, I want to thank the Minister for his answer. I'll leave that particular part of it sit for the moment. But I wonder if the Minister would take as notice another question, if he can advise the House what will be the position of the Manitoba government vis-a-vis the reported sale or takeover of the assets of CN-CP Telecommunications by Bell Telephone?

MR. MCGILL: Mr. Speaker, I have not heard that rumour, or if it's more than rumour, any announcement of any such undertaking or intent, but I would be glad to endeavour to find out more detail about the possibility and respond in due course.

MR. SPEAKER: The Honourable Member for Winnipeg Centre with a final supplementary.

MR. BOYCE: Well, Mr. Speaker, it was reported in the press within the past two weeks when the Minister was away at the conference.

Mr. Speaker, to the Minister of Health. The Stats Canada reports which came out yesterday indicating that the population shift for adults, the proportion of the adult population will go from 9 percent to 12 percent in a relatively short time, will the Minister have his colleagues reconsider the freeze on senior citizens' housing in the province of Manitoba?

MR. SPEAKER: The Honourable Minister of Health.

MR. SHERMAN: Mr. Speaker, I presume the honourable member means personal care homes. Well, Mr. Speaker, that program is under continual and ongoing review. As the financial circumstances of the taxpayers of Manitoba permit it, I hope to be able to recommend to my colleagues that projects go ahead apace; that's continually under review.

MR. SPEAKER: The Honourable Member for Selkirk.

MR. PAWLEY: My question is directed to the Minister of Consumer and Corporate Affairs responsible for the Telephone System. Can the Minister confirm that dual telephone service is being discontinued in the province of Manitoba by the Manitoba Telephone System?

MR. SPEAKER: The Honourable Minister of Consumer Affairs.

MR. MCGILL: Mr. Speaker, I am advised by the Manitoba Telephone System that a new policy is being pursued with respect to people in the proximity of Winnipeg who have in the past been permitted to have two exchange direct connections, in fact two telephones, one in the local exchange and one in the Winnipeg exchange. That is my understanding of that policy and recent events have resulted in a re-examination of that policy and changes are being effected. We are examining that at the moment.

MR. PAWLEY: Is the Minister then indicating to me that that policy is presently under review and that the decision by the telephone system may, in fact, be altered?

MR. MCGILL: Mr. Speaker, I would not like to give the impression that the present policy will be altered; I am asking for more information on it based upon a number of requests and a number of letters that have come to me indicating that this will present a great hardship to the people who have become accustomed to this rather unusual situation of having connection directly with two exchanges.

ORDERS OF THE DAY - ADDRESS FOR PAPERS

ADDRESS FOR PAPERS NO. 1: On motion of Mr. Doern.

THAT an humble Address be voted to his Honour the Lieutenant-Governor praying for copies of all correspondence between the Department of Tourism, Recreation and Cultural Affairs and Joe Jarmoc and associates with respect to the proposed condominium development at Big Whiteshell Lake.

MR. SPEAKER: The Honourable Minister of Tourism.

MR. BANMAN: Mr. Speaker, we accept that Order.

ORDERS OF THE DAY — ORDER FOR RETURN

ORDER NO. 2: Motion of Mr. Green, Order for Return.

THAT an Order of the House do issue for a return showing the following:

1. The number of staff employed by the Rural Water Services Branch.

(a) By each region.

(b) By job description.

(c) In the Bulk Purchasing depot.

2. The number of farms services since the inception of the program.

3. The value of Bulk Purchases since the inception of the program.

4. The number of purchases from the depot since the inception of the program.

(a) The number of purchases for each fiscal year since the inception of the program.

5. (a) The total cost of cost of operating the Bulk Purchasing depot for each year of its operation.

(b) The total revenue received by the depot for each year of its operation.

(c) The estimated total savings to the purchasers of materials since the inception.

MR. SPEAKER: The Honourable Minister of Agriculture.

MR. DOWNEY: Yes, Mr. Speaker, we are prepared to accept the Order.

ORDER NO. 3: On Motion of Mr. Schreyer, Order for Return.

THAT an Order of the House do issue for a return showing:

1. The number of staff; the number of residents and the operating budget for the fiscal year 1968-69 and the fiscal year 1977-78 for the Manitoba School for Retardates.

2. The number of residents or trainees and operating budgets for the fiscal years 1968-69 and 1977-78 for

(a) Centre St. Amant

(b) Pelican Lake Training Centre

3. The number of community residences in existence in 1968-69 and in in 1977-78 and the number of persons residing therein.

4. The number of vocational and rehabilitation workshops existing in Manitoba and the number of persons engaged in each in 1968-69 and in 1977-78.

5. The number of community workers in the field of mental retardation working in the province in 1968-69 and in 1977-78.

MR. SPEAKER: The Honourable Minister of Health.

MR. SHERMAN: Well, Mr. Speaker, it seems to me that the Honourable the Leader of the Opposition and his colleagues should have all the answers to the questions posed in this Order for Return since it relates to the last year prior to the time that they came into office, and the last year they were in office . . .

MR. SPEAKER: Order please. The Honourable Member for St. Boniface on a point of order.

MR. DESJARDINS: Yes, I have a point of order, Mr. Speaker. It is usual at this time to indicate yes or no, if this will be accepted. If the honourable friend wants to start a speech, then it should be debated by all the members of this House.

MR. SPEAKER: Is it the wish then to transfer this Order — order please — is it the wish of the House to transfer this Order for debate then?

MR. JORGENSON: Mr. Speaker, the Minister has accepted this Order.

MR. SPEAKER: The Honourable Leader of the Opposition. **MR. SCHREYER:** Just to doubly

ensure that the matter has been clarified, the Minister did indicate acceptance of the Order, along with some interesting or not so interesting gratuitous comments.

ORDER NO. 4: On Motion of Mr. Schreyer, Order for Return.

THAT an Order of the House do issue for a Return showing:

As of March 11, 1978, with respect to the Manitoba School for Retardates:

(1) What were the 131 recommendations of the Fire Commissioner's Office that had allegedly been carried out by the Department of Health?

(2) What were the 26 recommendations allegedly not carried out by that department?

(3) What were the 220 recommendations allegedly carried out by the Department of Public Works?

(4) What were the 99 recommendations allegedly not carried out by that department?

MR. SPEAKER: The Honourable Minister of Health.

MR. SHERMAN: Yes, Mr. Speaker, that Order is acceptable.

ADJOURNED DEBATE ON SECOND READING

BILL 7 — INTERIM SUPPLY

MR. SPEAKER: On the Proposed Motion of The Honourable Minister of Finance on Bill No. 7, the Honourable Member for Inkster.

MR. GREEN: Thank you, Mr. Speaker. It is rather fortuitous, Mr. Speaker, that we have a motion or a bill for Interim Supply proceeding almost concurrently with the presentation to the House of the Estimates of the new administration as it does give us some opportunity without unduly delaying supply to be granted for the purpose of payment of administration expenses; it does give us some opportunity to comment further, Mr. Speaker, on the presentation of the government — some of the matters that were left over from the Throne Speech Debate, and in particular, Mr. Speaker, the statement that was made by the Minister when he introduced his Estimates.

I may say, Mr. Speaker, that there is certainly an affinity with many members of the opposite side and myself with regard to some of the rationale that has been used by the First Minister of this country to justify his position with regard to national unity.

We have all heard Prime Minister Trudeau, who has trouble in many many respects and finds that the only way of getting out of trouble is to set up a confrontation between himself and the Prime Minister of Quebec, rallying to that particular position when he is in great difficulty. And how does he do it, Mr. Speaker? He does it by saying that he stands for national unity, those who are with him are patriots to Canada and those who are against him are friends of disunity.

The Conservative Party has been particularly wounded or he attempts to wound the Conservative Party and the New Democratic Party by that particular position, Mr. Speaker, by identifying patriotism with himself. And it is not a new trick, Mr. Speaker, it is an old trick. It's an old trick which is so old that it has been even put into a very, very sage expression, that patriotism — that when a person is desperate, when he is bankrupt of every other argument, when he has nothing else to rely on, he relies on patriotism. And so it has come to be said, in an expression which is very current, known to all honourable members, that patriotism is the last refuge of a scoundrel. And we have seen that used to some effect by the Prime Minister of Canada.

Well, Mr. Speaker, we have something akin to that in the Estimates that were introduced by my honourable friend and which were dealt with, to some extent, by the Leader of the Opposition yesterday in his suggestion that the way in which he has reduced expenses in the Province of Manitoba is by reducing the departmental estimate requests by something like \$200 to \$300 million.

Well, Mr. Speaker, what the Minister has shown us is that he has no argument, that he must rely on something else and just as, Mr. Speaker, patriotism is the last refuge of a scoundrel, so departmental requests of estimates is the last refuge of a bankrupt Minister of Finance, because he has nothing else to say in terms of having to reduce the expenditures so he comes up with the suggestion, the astonishing suggestion which I think he now finds so astonishing that he has removed it from the press release which followed the presentation of the Estimates, that he realized that it is more a joke on himself, and does discredit to him, that he has removed it. But, Mr. Speaker, that's an aside with regard to what amounts to the substance of what is occurring here in the Province of Manitoba.

Mr. Speaker, I got into this House in 1966, and at that time there was an interesting debate going on and I was advised that it was a long standing debate — that it was a debate that had taken place since 1958 to 1966 and recurred every year. What is the essential nature of this debate? The then Member for Lakeside, the former premier of the Province of Manitoba, D.L. Campbell, used to say, "Debt is debt," and Mr. Roblin used to get up and say, "Oh, no, there is such a thing as dead weight debt which is debt which arises from deficits and it has to be repaid in future appropriations, and there is self-sustaining debt — that is debt which is attributable to the utilities for which there is a method of repayment and which does not constitute an additional expense on the citizens of the Province of Manitoba." Now I want honourable members to note that it was the government — the government of

the Province of Manitoba, the Conservative government of the Province of Manitoba — which was saying that you must separate dead weight debt and self-sustaining debt.

There was another argument, Mr. Speaker. The argument was that the previous administration, that is Mr. Campbell's administration, did not separate capital expenses from normal current operating expenses, and the Roblin administration which was a new Conservative administration which was far more advanced and far more sensible than the previous administration, had gone into the system of budgeting whereby current expenses and current revenues were put in one category and capital expenses, which meant that something was being built today which would last a number of years and therefore should not be paid by the citizens of today but should be paid over a period of years, should be put in a separate account.

Now the honourable members should note something — that it was the Conservative administration that was arguing with Mr. Campbell on these questions. What did they use to say, Mr. Speaker? They used to say that the previous administration, that Mr. Campbell's administration, Mr. Speaker — they said they were dinosaurs. Dinosaurs — that was the word they used with respect to that administration, and they used other expressions. They used the expression stingy, they used the expression parsimonious, unbusinesslike, not forward looking.

Well, Mr. Speaker, we have an interesting turn of events. The Conservative government which defeated the Campbell administration has now restored the Campbell administration. And the ultimate winner is not the Conservative Party, the ultimate winner to his credit is D.L. Campbell because everything that he said about what the Roblin government was doing wrong, every reason that the Roblin government gave to get rid of him, is now being mouthed by the people who have now got rid of what was conservatism of 1958 to 1968 and restored the D.L. Campbell administration. Mr. Speaker, the wonderful part about it is D.L. Campbell is still around, has lived to see it, and can claim ultimate and complete and total victory over his Conservative opponents, because that was the debate. So what do we have, Mr. Speaker? I know Mr. Campbell very well and have a great respect for him and I know how hardy he is, and I hope that he will see a second defeat of his administration, because it is now in power and, Mr. Speaker, what we have in Manitoba is the return of the dinosaurs — by their definition, nobody else's, return of that stingy, parsimonious, dinosaur, troglodyte administration that was thrown out by the Conservatives in 1958 and returned by the Conservatives in 1978.

Because Mr. Speaker, all of the arguments with regard to capital lent, with regard to the separation of current and capital, have been in fact won, and with regard to the general attitudes of what a government should be doing, have been won by D.L. Campbell who at least, Mr. Speaker, had the conviction to carry it through in government, to carry it through in opposition — and if he ever was re-elected, he would have had the consistency to keep on going. The Conservative Party in the Province of Manitoba has been schizophrenic up until their election to office of this year and I say with some regret, because I have not made this criticism up until now. Up until now I have said that the government at least has had the courage of its conviction and the willingness to pursue a course regardless of whether there was problems associated with it. But, Mr. Speaker, after the speech that has been made and the attitude that has been adopted by the Conservatives during this debate, I say, Mr. Speaker, that I recognize a weakness of conviction — a lack of conviction in what they are doing — because when they were in opposition, they talked about cutting government expenses, eliminating government programs, getting the government out of the lives of the people, not because of a legacy, not because of a horror story; they talked about it, Mr. Speaker, because of conviction.

What do we get from them now? We get what may be expected from a conservative administration, but I get from the First Minister — not that this is the way government should carry on — but with much regret, Mr. Speaker, with much pain, with crocodile tears, that these things are being done policies of the conservative not because they represent the policies of the conservative administration, they now say these things are being done because they are in a financial straitjacket, Mr. Speaker, and that is the question that I am going to examine as to just what type of financial straitjacket they're in.

Are they suggesting to the people of Manitoba that despite everything that they have said in opposition over the past eight years, that despite everything that they said in going to their constituents, that despite all of their professed beliefs in the rightness of what they are doing, that if they did not have \$100 million deficit last year, none of these things would be done? Mr. Speaker, that is the worst condemnation of the conservative administration. They now rely on, as I heard my friend and I have a respect for him, my friend the Minister of Health who is not in the House, talking about what he is doing. Rather than saying that what he was doing was right, and that it was a necessary thing to do, he relied, Mr. Speaker, on the the cheapest kind of presentation and the one which displayed his vanity, his inexperience, and his naivete as a Cabinet Minister. He said one of the civil servants came up and told him and confirmed to him that we had no control, and that there were leaking taps.

Mr. Speaker, the Honourable Minister has obviously not learned that there are people whom can be relied upon and that there are sycophants throughout this administration, throughout every administration' who will play on the Minister's vanity, who will come to him and do homage to him, who will praise him and who will try to endear themselves to him, on the basis of that kind of ridiculous statement. That's the kind of civil servant that the Minister should boot out of his office on his ear. Instead, he brings that information into the House on the basis that he is acting on the advice of one of these sycophants.

And now, Mr. Speaker, the First Minister having apparently lost the notion that he's going to foist

\$600 million of his problems on the hydro rates, has not mentioned those, unlike the Minister of Finance, and now says that there is a legacy which is so terrible that they didn't know about it and now we are proceeding, not as a matter of conviction, but with great regret. I think his words are that it's a terrible thing that we have to do. And we are paying and we have no alternative.

Mr. Speaker, just what is the extent of this problem, this horror story, as referred to by the Minister of Finance and the First Minister? The total extent of what the members did not know about when they were making their statements about what they were going to do and what they could do and what was available to them if they got in the hands of government, the total amount is \$100 million. I don't say that that's a small amount but would my honourable friends agree that at the outside it's \$100 million. They knew about the capital deficit; they knew about the capital deficits in previous years; they knew that there was a \$25 million deficit budgeted, so the total amount is \$100 million. Mr. Speaker, I'm not even going to ask that they had the common sense, as my friend and the Member for Lac du Bonnet knows, that they had the common sense to know that there was a downturn and there could be expected revenue shortfall. I would will say that they were oblivious to that, that they were ignorant of that, because they claim that ignorance. I would normally say that they are smarter than that but they are the ones who profess to be ignorant and stupid. I would not say it. I would not say that they are nitwits. They are telling us that they are nitwits. They are saying that they had no idea that there would be a federal shortfall so I will deal with it on the basis of their professed ignorance that there was \$100 million.

Now, Mr. Speaker, \$100 million is a lot of money. I do not sell short \$100 million. The honourable members know that it did not arise through mismanagement. They know that \$50 million was a shortfall from the Federal Government; \$25 million was a shortfall from provincial revenues because of the downturn; \$4 million was directly attributable to firefighting during the drought which no government will put in as no government budgets for a drought; approximately \$6 million had to do with Civil Service increments which I never put into a budget to target what is going to happen. We will be left, Mr. Speaker, at the outside — I want to fair to my honourable friends; I want to use figures that will help them — we will be left at the outside with a \$12 million increase or over-run on expenditures that can be attributable to what they want to call, and which I will not admit, but I will use their words, they want to call it mismanagement \$12 million on a budget of \$1.2 billion. Do you know what that amounts to, Mr. Speaker? It amounts to spending \$1.01 instead of \$1.00, for people who wish to understand what they are referring to as this great legacy of horror stories and mismanagement. And those are really interesting words and they were dealt with in an interesting way by the Member for Wellington yesterday.

But you know, Mr. Speaker, you can use other words to describe the same phenomena. Imagine how the same phenomena can be described in such different ways. It could be a legacy of mismanagement constituting a horror story which represents a horrendous predicament for a government, or it can be described as follows: "Table 5 shows that total revenues fell short of forecast by 5 percent. The sluggish performance of the economy during 1977 reduced the yield of the province's responsive revenue resources. These are taxes which historically have exhibited a strong correlation to the overall performance of the economy. In fact, the bulk of the revenue shortfall experienced in 1977 can be accounted for by three revenue sources: the personal income tax, the corporation taxes, and the retail sales tax." Isn't that more elegant than a horror story, a legacy, a lodestone. I mean, you know, that's kind of nice.

And let's go further, Mr. Speaker, just to show you how nice and elegant those words can be transformed to: "Of the deterioration and budgetary revenue, \$525 million was attributable to personal income taxes alone." Five hundred and twenty-five million dollar shortfall. In one area alone. It doesn't say here "a horror story."

"The major source of error was the 1977 personal income tax forecast supplied by the Federal Government which was off target by 12 percent. Additionally negative adjustments to reflect overpayments in prior years brought the federal cash flow forecast error to a startling 17.6 percent. This automatically boosted Ontario's established program financing payments from autos, since these payments make up the difference between the yield of income tax points and the province's total financial entitlement. Even with this compensating effect, however, Ontario's were off \$379 million or 9.3 percent in those fields controlled by the Federal Government. Revenue weaknesses . . ." — That's a good word; that's a nice word, revenue weaknesses. I mean, it could say here, "horror stories were not restricted," but it says, "Revenue weaknesses was not restricted to the personal income tax as a number of other resource forces fell below the province's own forecast. On balance, Ontario treasury estimates . . ." — Mr. Speaker, this is rather nice — "Ontario treasury estimates were on the high side by approximately three percent. Significant revenues which underperformed. . . ." — significant revenues which underperformed. Not leaking taps and mismanagement, but significant revenues which underperformed. I wonder why we don't adopt these Tory words? ". . . included the corporation income tax," corporation income tax, "\$119 million." Yes, Mr. Speaker, the mining profit tax \$70 million on one tax alone, \$70 million shortfall on one tax alone. "And the retail sales tax of \$66 million." These are shortfalls . . .

ell, Mr. Speaker, the honourable member can use the population figures. The Member for Sturgeon Creek, the Minister without Portfolio, I have a respect for, said that they have a bigger base than we have. Yes, they have eight times as many people in their province and their deficit is over ten times our size. And with the figures that my leader presented this morning, the total budgetary deficit

accumulation which he finds has so restricted him, which he knew about before he got here and never said it would restrict him, is 15 1/2 times as high as the province's of Manitoba. It's \$6 billion as against \$400 million — and I use for the \$400 million, my honourable friend's statement.

Mr. Speaker, this is to indicate merely that what my honourable friends have referred to as horror stories and mismanagement are, Mr. Speaker, referred to as estimates on the high side, under-performance by the Federal Government, under-performance of the economy, when almost identical problems arise in what is called a businesslike Tory administration. But, Mr. Speaker, that still leaves the government — yes, and I admit it — it leaves the government with a \$100 million problem. We will accept the fact that they are nitwits although I have not accused them; they wish to be classified as nitwits and therefore they could not have known about it, is what they are saying is the problem. Everything else was known to them. None of it can be referred to as having influenced one statement that they made, either in opposition or when they were fighting the campaign.

\$100 million. Well, what's \$100 million, Mr. Speaker, in a deficit? I discussed it this morning with the Provincial Auditor, your god. He says \$100 million at most, on the basis of which we amortize debt, is \$12 million a year. Mr. Speaker, \$12 million a year. That's a lot of money. I don't short-sell \$12 million but it's less than one percent of the operational budget of the Conservative Party. And, Mr. Speaker, worse than that, it's less than the amount that they have given up and are collecting in revenue. They gave up \$7 million in succession duties, and they claimed that they were hamstringing. They claim — and I don't believe them — that these 400 employees and this restraint and this 2.9 percent to the hospitals and the one percent to day care, these are done because of terrible regrets on their part.

And that's my charge against them, Mr. Speaker. It's not regret. It's conviction and a failure to state that it's conviction represents cowardice on the part of the Conservative government. I had more respect for them when they said we would do these things because they are right, but to suggest that they are doing them because they have a \$12 million per year expenditure which they did not know about them, is false, Mr. Speaker, demonstrably false.

Why is it false? They gave up \$7 million to succession duties, they gave up \$15 million in income taxes. That's 22; that's more than the \$12 million that they say they have as a lodestone around their necks. And they are collecting \$7 million in gas taxes, Mr. Speaker — they have given up \$22 million in revenue that could have . . . \$15 million that, if they are asking for alternatives, could have been used — and they are collecting \$7 million in gas tax which is an increase over what was collected before. So we are at the figure of \$29 million on which they have adjusted the revenues in spite of the fact that \$12 is their shortfall.

Well, Mr. Speaker, let there be no misunderstanding. Yes, the Conservatives have a new direction. Yes, at one time they had the confidence in the substance of that direction to be willing to sell it. They have lost that confidence, Mr. Speaker. They have abandoned the notion that they can sell Conservatism in this province and what they have decided, Mr. Speaker, is the only way that they can sell Conservatism is to invent horror stories, that they are no longer prepared to fight for their position. What they will do is invent horror stories and the Conservative administration will now be known as the administration of Edgar Allan Poe, Mr. Speaker, because that is the way in which they seek to pursue their position.

Well, Mr. Speaker, let's look at this business of whether you budget by budgeting separately for your operational expenses and your capital expenses. Mr. Roblin, I thought, convinced you. He said it is ridiculous to include in operational expenses the building of the Norquay Building or the building of the Woodsworth Building. Why should the citizens of 1978 pay for the building of the Norquay Building? We can understand them paying the salary of a deputy minister, but the building of the Norquay Building should be built over a period of time and should be paid for year by year by the citizens who get the benefit of it. For that reason, Mr. Speaker, and for another reason; the other reason is that you cannot compare departmental expenses from one year to the other if you put the capital into those departmental expenses, because you may have \$20 million in one year, \$4 million in the next year, and it's not because of any reduction in expenses, it's because in one year you built a \$16 million building, and to show it as a regular operational expense is just not valid.

But, Mr. Speaker, if you don't believe Mr. Roblin, if you don't believe me — and I wouldn't expect you to believe me — and I know that you are trying to discredit Mr. Roblin, I could see it in the last years of your administration; that is, when D.L. Campbell spoke, the members of that side listened with awe and reverence. And Weir was supposed to be the rejection of the Roblin type of politics. But if you don't believe Roblin, and if you don't believe me, will you believe your Task Force and your income tax man? Because, Mr. Speaker, if you try to lump capital into your expenses for your income tax, and you persisted in doing so when the department told you you couldn't do so, you would go to jail for budgeting the way you are budgeting now. It would not be accepted, Mr. Speaker. Ask any member of your Task Force whether that can be done. Would you do it? Would you, Mr. Speaker, be able to get away with the fact that a capital expense is going to be used to offset your income for income tax purposes? You can try it, Mr. Speaker; eventually it will be looked at, eventually you will be told to stop, and if you tried to pay income tax on that basis, you could go to jail. So if you don't believe Roblin, if you don't believe us, at least believe what your Task Force will tell you.

But your Task Force won't tell you that, Mr. Speaker, because they have different rules for public expenditure, and for their own expenditures. They want the public to be shown to be as inefficient and as incapable and as incompetent as possible, and what your Task Force will tell you is to try to keep the public looking that way. That's what information you will get from your Task Force. So they will tell you to budget in a way that makes you look like damn fools, because they want you to look like

damn fools. When it's told to me by the former Minister of Finance that most governments do it this way, it's because, Mr. Speaker, most governments have been told that they should budget in that way so that they could look as ridiculous as possible.

Now, what was the history of the New Democratic Party administration? I said on television that we provided seven balanced budgets in a row. I said, and I hope I used the word "virtually," because they were virtually balanced. If we used the system which Mr. Roblin and the income tax advocates, in 1970, Mr. Speaker, we had an \$825,000 surplus; in 1971, we had a \$953,000 surplus; in 1972, we had a \$2.8 million surplus; in 1973, we had a \$53 million surplus; in 1974 — and these figures were given to me, Mr. Speaker, yesterday; I have not been able to verify them, if I'm wrong I want my honourable friends to correct me and this one seems high, but nevertheless it was given to me — 1974, a \$74 million surplus. Now, it looks high to me; I know we had a surplus because I know that we didn't have any deficit budgets. In 1975, a \$49 million surplus; in 1976, Mr. Speaker, and this is why I said "virtually balanced budgets" we had an \$11 million deficit, and I said at the time that I consider that to be within the margin of error and therefore we have a balanced budget, because \$11 million on a billion is one percent, and a mere juxtaposition of figures of wrong estimates of income or underestimates of expenditure could change that. So we had an \$11 million deficit, and in 1977 a \$12 million deficit, which is virtually the same when one takes into account the total income.

Now, those were operating budgets and that, Mr. Speaker, indicates that when I said that we had seven out of eight years that we had virtually balanced budgets, what I was doing was telling the truth, as I understood it then and as I understand it now.

Now, in the same year, Mr. Speaker, we had capital expenditures, and the Leader of the Opposition has already indicated that even when one includes capital and current and lumps them, which is a style of accounting — I don't care what the Auditor says — I still don't agree with.

MR. SPEAKER: The honourable member has four minutes left.

MR. GREEN: But even with those, Mr. Speaker, the amount of our budgetary lodestone is one-fifteenth of that which exists in the province of Ontario.

So, Mr. Speaker, why not admit, why not profess your positions; why try to hang your existing policy on a legacy when it's exactly what you want to do, and you should be proud of? Mr. Speaker, even my own colleagues are annoyed with me because I say, look, I don't agree with them' but surely they are trying to govern in accordance with their principles, but I have to take that back. They're not, Mr. Speaker, they don't believe in their principles, they are governing in this way because they believe what we say, but they regret, with utmost pain, with a flow of crocodile tears — we have to cut back — and will you tell us how to do otherwise?

Well, I will tell the member how to do otherwise. In 1966 and 1967 we had evidence of mismanagement. I'll show you the evidence of mismanagement: from 1958 to 1966 the provincial government of that day, a Conservative government, governed in such a way, Mr. Speaker, that they came to a result which was a horror story. What would these people say if they now had to levy taxes in one fell swoop to collect \$200 million? \$200 million. Do you know, that that's what the Roblin administration had to do? In one year, as a result of mismanagement, as result of horror stories, as a result of its own legacy to itself, it had to levy, in one year, not an increase of one percent on the sales tax, but a new 5 percent sales tax.

Well, my honourable friends will say, "Aren't you exaggerating a bit? Wasn't a 5 percent sales tax merely picking up \$60 million?" And that's something that my honourable friends have never been able to understand, that when you have a budget of \$80 million and you have an \$8 million deficit, it's equivalent to having an \$80 million deficit on a \$100 million budget. But if you were in the shoes today, that you had to levy 5 percent of sales tax because of mismanagement, you would have to find \$200 million in taxes in one fell swoop; that's a horror story, that would cause somebody to shriek, and that's what was done by a Conservative administration, Mr. Speaker.

So when, and we will have numerous opportunities, when I said that, Mr. Speaker, when I said it in 1966 I said that the Roblin government was proceeding without any plans whatsoever, it was spending in such a way that it did not — (Interjection) — No, I wouldn't use those terms. I merely said that it was spending without rhyme or reason, it did not have a plan, if it had a plan it would have a one percent sales tax, then a 2 percent sales tax to take care of its incremental spending, but a 5 percent sales tax in one year meant that what they had done is run out their string, that they had proceeded and run out the string and were desperate, and had no choice but to levy a 5 percent sales tax.

Mr. Speaker, the difference between the Roblin administration and this administration, is that this administration doesn't even have a string. From the very beginning, Mr. Speaker, it is proceeding with no plan in mind; it is proceeding on the basis that it is desperate, and has said so. It has come to this House and said, "Please help us, you opposition people whom we have called incompetent for eight years. Give us a suggestion as to how we can get out of this bind. We tell you that you do not know how to administer, but please help us, because we don't know what to do." Well, you knew what to do up until October 11, 1977. You have a \$10 million problem; you've given up \$24 million in taxes, and then you say, "We're at the end of our string," even before the roll has started.

Well, Mr. Speaker, I can suggest to you that we're not going to tell you what to do; we're going to get rid of you and then we're going to do it, and we're going to do it . . .

MR. SPEAKER: Order please. The Honourable Member for St. James.

MR. GEORGE MINAKER: Thank you, Mr. Speaker. This is the first opportunity that I have had to speak in this sitting of the session, and I would like to commend you for your important position in this arena, or Legislature, and also would like to congratulate the newly-appointed deputies, the Honourable Member for Radisson and the Honourable Member for Crescentwood, and I wish them the best of luck in their new positions; I am sure they will find it trying at times, but I am sure that they will be able to handle the situations which they may be confronted with from time to time.

Mr. Speaker, it's very interesting; I've always listened with very great interest to the Honourable Member for Inkster, and I particularly enjoyed his story, during the last sitting, with regard to the three envelopes. The way the story went, as he put it, the way government, when they take office, they have three envelopes. The first envelope, when they open it, says "Blame the old government." — (Interjection)— I guess really, as the Honourable Minister without Portfolio from Morris said, it was his story originally, which is correct, and the Honourable Member for Inkster used it to his advantage, which is his opportunity. But he went on to say, the Honourable Member for Inkster, that you open the second envelope — and I believe I'm correct, I forget the exact line — you blame the feds. And you open the third envelope and you see the consequences.

Well, Mr. Speaker, it would appear that the Honourable Member for Inkster has got his three envelopes now, and his three envelopes, I suggest, after listening to him in both sessions are that, No. 1 envelope — and these are the envelopes he feels are their way to power, back into power — the first envelope says "Blame the other governments," and this is basically what a lot of the members on the other side are saying. Why, look at Ontario; they are a PC government. Look at Alberta; they are worse off than we are — they're worse than we are, that's what they were saying. Blame the other governments, they're worse than we are, this is what they claim. The other envelope, I suggest to you, the opposition are now opening up is, "Blame the new government." Blame them for everything. Blame the new government for this problem of unemployment; they're five months old; blame the new government for all the unemployment. And I suggest, Mr. Speaker, that with great anticipation, they're expecting to open the third envelope and say, "You'll be elected to be the government." Well, I suggest, Mr. Speaker, that when they open that third envelope, it will say, "Blame the new government" again, because you're in opposition. Blame the new government."

Mr. Speaker, I have been fascinated with the approach the honourable members on the opposite side are taking with their horror story approach, their bedtime story approach, which I kind of anticipate the Honourable Member for Inkster was trying to present today with the description of how he would like to have presented the \$100 million deficit this year, if they were the government, by reading what the Ontario government has presented in their particular presentation of their problems.

Well, Mr. Speaker, when I listened with interest to the Honourable Member from Inkster describe in his opinion the problem with a \$100 million deficit — what was his bedtime story answer? Why it's only a dollar one instead of a dollar. It is a hundred million dollars that we have to pay for every child and every person in this province. We are going to find \$100, not a dollar and one cent, and he talks about \$12 million that it would cost us for this debt. It is \$112 per person now that we are committed to pay, somewhere down the line \$112 will have to be found. When the day comes, when the settling comes it is still \$100 million that has been spent by this province. — (Interjection)— \$12 carrying debt charge

Mr. Speaker, but this former government has had the attitude — it doesn't matter if we go over every year because we can always just put it in deficit financing and somebody else will pay it. The future generation will have to pay it somewhere along the line. Mr. Speaker, this is where we become different than the former government, because as I sat and listened to the honourable members debate this Session, they are all talking about one thing that they all believe in, and that is a government-created economy. That is exactly what they have been telling us. It doesn't matter if we have got \$100 million deficit, spend more money, spend it on the Saunders Aircraft and create jobs, spend another \$40 million, it doesn't matter. And the basic difference between the government of today and the government of yesterday was that they believed in a government-created economy.

An example of it was the other day when there was a question from the Honourable Member from Churchill with regard to the problems that they are having with the log cabin plant up at Wabowden. What did he stand up and ask the Honourable Minister of Northern Affairs? He said, "Are you closing down this plant? Are you cutting off funds?" The Minister got up and said, "There is no market for the product. We would like to have a market for the product so that we could keep that place going and we are trying to find a market." What did the next question come from the Honourable Member from Churchill: "Well, Mr. Minister, with your legislative authority or with your authoritative position can you not create a demand?" That was his exact words or questions. What was the exact example of

MR. GREEN: I wonder if the honourable member would permit a question.

MR. MINAKER: Mr. Speaker, I think the Honourable Member for Inkster knows that my part in the Chamber through the four and one-half years that I have been here is not to interrupt speakers with questions while they are presenting, but to ask them afterwards. I think that the government at that time and I believe the Opposition at this time would give me the same respect.

Mr. Speaker, to give a further example of the government-created economy that the honourable

members on the other side believe in, was very typically given yesterday by the Honourable Member for Seven Oaks. Generally in his address in this particular debate it is centred around government-created economy, government-created demand, and I think the best example of it was when he dealt with the problem of the transit deficit in the City of Winnipeg. What did he say in the same breath; he said, "If we legislated that cars couldn't travel in downtown Winnipeg or if we legislated and made such a spread and difference between the cost of running a car and taking a bus, then the people would take the bus and they would have a better quality of life in Manitoba or in Winnipeg". They would legislate it. They would legislate the demand. But on the other hand he said, "I will continue to drive my car until that occurs". So what is the quality of life.

To the Honourable Member from Seven Oaks, a good quality of life today is to drive your car, and I would suggest to the honourable members on the opposite side if they ever want to go to the people of Winnipeg on the basis, or in Manitoba, that they are going to legislate cars off the roads or streets so that we can take buses, I would gladly go for re-election any day on that particular policy. But no, they stand up and make these wild-eyed statements that if the government did this, if they legislated this demand, that there would be a need for it.

Well, Mr. Speaker, that is what the former government has done for the past eight years, tried to legislate a government created economy in Manitoba. Things were going great because what did the Federal Government do? It pumped money down here; and when the Government of Canada ran short, what did it do? Why it printed more money. So what happens now? The Federal Government has recognized the situation on the World Markets, putting the brakes on, trying to put the economy back into order so they say, so the moneys from the Federal Government is being cut off. And this is where I cannot buy the debate arguments of the Honourable Member from Inkster when he said, "We knew where the shortfalls were coming". That is, the now present government knew where they were coming. Well, I charge Mr. Speaker, that the former government knew they were coming. But did it matter? No. Because they have the philosophy, why we will just deficit finance. We will spend more money and we will hopefully get re-elected and then that will be our worry. It won't matter. We'll just say, well it's a dollar and one cent. Tell the bedtime story.

Well, Mr. Speaker, I suggest that they knew the pitfall was coming and the shortfall was coming. But it wouldn't matter to them. It wouldn't matter to them, Mr. Speaker, because the future generation would pay. And how were they going to handle that? How were they going to educate our young people and say, "Hey, you have to pay for these mistakes that we made five years ago or six years ago". How are they going to do it? How were they going to stop the transition of these people out of Manitoba? How were they going to legislate against transition of people who say, "To heck with this noise, I am not staying here". The investment that we would have in those students, those young people — they would try and get around it I would suggest at some future time if they would have had control. Because that is eventually what you have to do. If you live within an economy where you are surrounded by an ocean of free enterprise system and you want to work in the social system, then eventually the day comes that the people who don't want to have any part of that will leave. They will leave your island. They will leave your island. And then what will you do, then what would you do?

But, Mr. Speaker, this government has said, "No, we are not going to do this kind of deficit financing. We are not going to put the burden on our future generations. We recognize the problem in Canada. We recognize the value of the Canadian dollar on the World Market. We also recognize the problems that we have as an exporting province with the resources that we have." And the argument will probably come back, "Yeah, but with an 88 cent dollar. Just think if they buy with American dollars or other dollars that will mean they will buy more goods."

But where does it stop? Where does it stop, Mr. Speaker? Somebody has to put the brakes on. The Honourable Member from Inkster suggested now, he has hopped over to other bedtime stories, that we are dinosaurs. Well, Mr. Speaker, dinosaurs maybe, but not Liberals. I, at least, would thank the Honourable Member from Inkster for not calling us Liberals.

I was not here at the time when the former First Minister, Mr. Campbell, was here. I have had a chance to meet the gentleman since I have been elected and talked with him. He is, in my opinion, a very good common-sense individual and an outstanding Manitoban, and one that I am proud to know. I don't see that by charging this particular government as being dinosaurs and so forth, that you are going to prove to the people of Manitoba that the approach that we are taking now is not a correct one. Because it is a correct one with the conditions that we are now existing in and we have to recognize that.

I don't appreciate being part of a government that has to cut back and do things. I don't think you would appreciate either being part of that government. But someone has to do it! We can't continually spend money because we are one million people and we can't forget that. We can't just shrug it off and say that it is a dollar and one cent instead of a dollar, because it is a hundred dollars of debt that has to be found somewhere, \$100 per person. How long can we keep going in this route? Because we don't have the power to print money. But what did the former government think we had? Well, we have the power to deficit finance. We can't print money like the Federal Government, but we can always deficit finance and pass it on to somebody else.

Well, Mr. Speaker, I suggest that that is the wrong approach, but that is the approach you have to take if you believe in a government created economy, one that will legislate the demand. We saw what happened last year when the government, and I respect them for their efforts and their interest of trying to keep the economy going or trying to create employment with their program. But, it was a short term program, it wasn't the answer.

Mr. Speaker, the Province of Manitoba became so lulled into expecting a government created

economy to some degree, to give you examples of what occurred: In the steel industry in Manitoba for a number of years 50 percent of the production in the steel industry was for Manitoba Hydro projects. Well, Mr. Speaker, I would love to see another Hydro plant built up north, but you can't just legislate the demand. You have got to go out and get it. Mr. Speaker, when the Honourable Member from Inkster talked about self-sustaining debts versus dead-weight debts, he made the statement that, "Self-sustaining debts are not a burden on the people", or something to that effect. I suggest, Mr. Speaker, that they weren't a burden on the government basically or directly a burden. But, I suggest, Mr. Speaker, that the self-sustaining debts on Manitoba Hydro are a burden to the people of Manitoba directly. —(Interjections)— But it is still a burden, Mr. Speaker. In a government created economy you just can't say, "Well, we are going to build another Hydro station". You just can't say, "Well, we are going to go out and build another Saunders Aircraft". And when the Honourable Member from Inkster gave notice in the debate on the Throne Speech that if any competition came into the province with Autopac he would send them down the road to Toronto if they got back in power.

What the Minister was saying, Mr. Speaker, "When we get back in power we are going to build Saunders. We are going to build King Choy." This is what he has said. Give warning not just to the insurance people, give warning to free enterprise that if we get back into power we are going to have a government created economy. And that is exactly what he said, that is what he was implying. You know, threaten the free enterprise system, don't let the Conservative Government prove that they are right that people will come into Manitoba, and support the principles of a free enterprise system that will take the risk. No, I am going to stand up and give warning to the insurance companies because maybe the other companies will think, "Hey, you know, just possibly the NDP government might get back in".

But that is exactly what he is trying to do, Mr. Speaker, to try and play down the approach that we are taking. Not only that, he throws out lines like, as the Honourable Member from Morris or the Honourable Minister without Portfolio used to imply, he will set up those strawmen and knock them down with a statement like trying to imply that if we lumped capital expenses and operating expenses together, to use for tax purposes, we would be thrown in jail. Who is using them for tax purposes? But he implied that with a line like that, that what we are doing is illegal. Sure it is illegal if you are going to operate and try and write it off as an expense in a taxing company. —(Interjection)— Exactly what the honourable member said — that if they used it for tax purposes they'd be thrown in jail. Who's using it for tax purposes? —(Interjection)— That's right, and I'm suggesting — who's using it for income tax purposes? But that's exactly what the Honourable Member for Inkster does. He'll throw out those lines implying that it's illegal — if it was used in that manner it would be illegal. But that's his approach that he tries. He throws out these one liners to try and imply things, Mr. Speaker. And that's his prerogative, that's his privilege as a member of the Legislature.

Mr. Speaker, the other interesting line that's been thrown out by the honourable members from the other side was — I think it was from the Honourable Member for Seven Oaks — he said they believed, the former government believed in the redistribution of wealth within our social network — (Interjection)— and the Honourable Member for St. Boniface is saying, I would imagine, the same thing too. He says that we believe in redistribution of wealth because we did a 2 percent tax reduction both for corporate and personal income. What they're saying is that we don't take the money, we're redistributing it. That's what he's saying, Mr. Speaker. Exactly. Now you tell me, if we don't take the money how are we redistributing it? But that's what they're implying.

I would ask you, Mr. Speaker, and I realize you cannot reply, if you don't take something, how are you going to redistribute it? Our government has decided, in the best interests of the people of Manitoba, that a government created economy is not the best approach to the operation of Manitoba, but a private approach, one where we give the individual a chance to decide and to try and to build, not the government, not the government, Mr. Speaker.

Mr. Speaker, as I indicated earlier, what had happened to governments in my opinion was that in the past few years they had been lulled into thinking that they could just continually merrily go along and continually increase services, continually hand out money, because the Federal Government was giving out doles of dollars; they were printing the money; they were handing out doles of dollars and the revenues were increasing. I suggest, Mr. Speaker, that the former government knew there was going to be a hundred million dollar deficit or more but did not care, and it's obvious now that they don't care by the presentation from the Honourable Member for Inkster. He doesn't think that a hundred million dollar deficit is any great shakes. From the presentation they're giving now — let's build it higher. Let's go further, we have to go further. And that's what they've been saying. All relating to a government created controlled economy. The people of Manitoba last year said, "Hey, hold it, we've had it. We don't want this government created economy. We don't want to keep getting these taxes thrown at us either directly or indirectly. We're tired of it. We want something left in our pockets."

And believe me, I would have loved to have been able to stand up and say that we're increasing our spending by 10 or 15 percent if the money was there — which you people appreciated when you were government to be able to do that, because as the economy of Canada had gone so the inflation came up.

Mr. Speaker, what had happened with that lull by the governments, not only here in Manitoba, I'll give them credit, it happened across Canada. It was in that growth period. Our Federal Government

was to blame too. They didn't recognize it — kept printing that money because, well, things are going to be okay.

Mr. Speaker, what had happened was our growth of employees or labor force didn't grow that great, really, when you think of it. I forget the exact figure. I think it was about 15 percent it grew. The period of time the provincial government was in power, the former provincial government, the employed forces grew by some 15 percent. But what happened to the province itself, its growth? Its employees grew something like 65 or 70 percent in the same period of time. You look at the figures. I've taken them from your MBS that you people put out. There were somewhere around eight or nine thousand people — nine thousand people in 1969, and right here out of STATs Canada 7207 they went up to in the order of 16,000, and those aren't, I don't believe, the ones that were on contract. That's a 70 percent growth. That's the growth, Mr. Speaker.

But not only that, when you talk about the growth, when you relate the growth of the gross provincial product to the number of dollars spent and so forth; to give you an idea, the growth of the expenditure of the former government in the period that it was in office to 1977 was something like 270 percent, and the growth of the gross provincial product was about 220 percent. It was out-pacing the growth of the provincial product. —(Interjection)— You look up the figures. They're there. They were taken right from your budget books. They're there. No, Mr. Speaker, I deducted the \$100 million that was in rebate from the expenditure in the 1977 year. They were taken out. But the spending grew by 270 percent. —(Interjection)—

But, Mr. Speaker, talking about Great-West Life, the honourable member is a shareholder, he says. Some of the things that the honourable member probably doesn't say is that their operating expenses went up but how did their dollar sales go up? Mr. Speaker, how did their dollar sales go up? How did their profit figure go up? Mr. Speaker, what we're talking about is that you and I pay for their services — you and I and the citizens of Manitoba pay for that spending, and you people decided that you were going to spend at a greater rate than the provincial product was growing at — 270 percent as to 220 percent.

Mr. Speaker, the people of Manitoba said, "We're tired of a government created economy." They said, "We're tired of it." Mr. Speaker, we would love to have been able to say we could increase it, but the money isn't there. Mr. Speaker, the money isn't there. If you're running a company and you start to spend money and money and money and it's not there eventually you reach what they call bankruptcy, and I know the Honourable Member for St. Johns is quite familiar with bankruptcies from being — not in his own personal experience but being in the legal profession.

Mr. Speaker, I suggest to you that a government also has to look at its spending because it just can't continually spend money, but this opposition would have us continue to spend money. They would continue to have us spending the public dollar. Mr. Speaker, I suggest that that is not the answer. It was given to us on October 11th last year that the people said hey, let's stop, and we're here to try and put the province back to where people will stay, people will come in and invest, people will try to earn a dollar and have a chance to earn a dollar, and have a chance to spend. And if the Honourable Member for Elmwood had listened earlier I had suggested to you that I respected your efforts as a government to try and create employment last year with your million dollars of infusion into the economy, but how long did it last? Short term, and that's not the answer. Because your answer to short term employment was to put them on the staff of the government so they'd be there all year. That was your answer, but you could only go so far. Mr. Speaker, that was one of your answers then.

Mr. Speaker, I think I answered the Honourable Member for Inkster on that, that I've never interrupted people in the four and a half years that I've been here with questions until they're finished so I would hope that he would do the same.

Mr. Speaker, I suggest that the present opposition, and that's their right, are doing everything within their power, and again that's their right, to try and discourage the growth of the private enterprise here with their brash statements. But that's fair game. The Honourable Member for Inkster, when he was Minister of MDC said that we were attempting to do the same thing with government-owned facilities, and that was his opinion, and we listened and either accepted it or rejected it, and I have my opinion that I'm expressing here and that's what I firmly believe.

When the Honourable Minister for Inkster stands up and gives warning, "If anybody comes in from Toronto to try and get into the insurance business I'm sending him back down the road. If anybody comes in to try and set up a mine in Manitoba when I get into power I'm sending him back down the road. When anybody comes in and builds an oil well in Manitoba beware, because I'm going to tax him to the hilt until he has to go down the road." That's exactly what he's implying, Mr. Speaker, exactly. Exactly, and that's what he would like. He didn't deny it last year when he was in the Cabinet. He would love to see the Government of Manitoba run everything, particularly in the mining industry. This is what I admire about the Honourable Member for Inkster, Mr. Speaker. At least he and I know which side we stand on. And there are others that we have question marks on. And this is why I was glad that when he accused us of being dinosaurs at least he didn't accuse us of being Liberals, because then, Mr. Speaker, I might have become offensive.

Mr. Speaker, we also heard about wild statements of lack of convictions, lack of convictions. We were originally cutting government expenses by conviction but now we weren't. And again, Mr. Speaker, that's the Honourable Member for Inkster's opinion, Mr. Speaker, that now we regret it. Mr. Speaker, as I had indicated earlier, nobody likes saying we can't use you any more because the program has been discontinued or it ended, and we ran into this problem, Mr. Speaker, when we were on council, and I'm sure that the honourable members that were on council for the City of Winnipeg

or Metro knew the problem I'm talking about. We would get grants from the province to introduce a type of service to a facility, or we'd get winter works programs, so we would build the facility or we would put in the program. Then all of a sudden there was no more money from the provincial government and all of a sudden we were caught with an operating expense. And what did we do? We either continued with it and in most cases we did, and we put more tax onto the property owner or on to the business tax.

I suggest, Mr. Speaker, that's exactly the same situation that we've got ourselves as a province into. We accepted moneys from the Federal Government either in grants or in shared taxes and now they're not there any more but our operating expenses are continuing, or the capital expense part of it is still there. How long can we continue to do this? —(Interjection)— On which one now? —(Interjection)— Well, we've listened and heard and we know that our shared moneys that we're getting from Ottawa are being cut back.

MR. SPEAKER: Order please. The honourable member has five minutes.

MR. MINAKER: Mr. Speaker, if the Honourable Member for St. Boniface would listen, I said I suggested this is what's happening and I'm confident that it is happening.

The very reason why there was \$100 million deficit as the Honourable Member for Inkster claims, a \$50 million shortfall from the government which I suggest as the former government you knew was coming. But it didn't matter to you; you knew there was a shortfall coming in your revenues and so forth—(Interjection)— Well, Mr. Speaker, the same assumptions that the Honourable Member for Inkster made when he said that we knew. Surely, Mr. Speaker, if the opposition knew, is the Honourable Member for Inkster saying that they didn't know, as the Government? Well, that's what I am saying — that you knew the shortfall was coming but it didn't make any difference to you people.

So, Mr. Speaker, the government has a decision to make — do we go into further deficit financing? Do we go further into the government created economy? That is the basic debate that's going on. Mr. Speaker, the decision has been made that we do not go further into a government created economy. At the present time, the Province of Manitoba cannot afford it, Mr. Speaker, and the people of Manitoba on October 11th last year indicated, I think clearly, that they had said, "Enough's enough." And we still have these convictions, Mr. Speaker, regardless. If the \$100 million deficit that you know is going to occur is carried on in the attitude as well, it doesn't matter. I suggest, Mr. Speaker, that is mismanagement and that again is our opinion.

And then the Honourable Member for Inkster is reading his first letter — blame the other governments. They are worse than we were — that is what he is basically saying. Every time the honourable members on the other side stand up and defend and say, "Look over there; they're worse than we were. Two wrongs make a right." That is what the honourable members are saying. So, Mr. Speaker, the Honourable Member for Inkster as I indicated earlier, read from the Ontario Report what he would have liked to have been able to see read by their government if they were still in power. But I suggest, Mr. Speaker, that the Province of Manitoba and the people of Manitoba didn't want to hear that read; and as the Honourable Member for Inkster has indicated, we'll see what they want and that's fair game.

Mr. Speaker, one thing that I am confident in saying, is that I know, and this is why I was starting to question my confidence, but I still think it's there — that the Honourable Member for Inkster, I respect and know his convictions, he believes in them. I always thought that he thought that I had my convictions and I believed in them and I stood up for them, and that's one thing that I am confident in. I am confident that our government is taking the right approach and that Manitoba will be better for it, and I am confident that the Honourable Member for Inkster knows that he is trying to do what he thinks right for the Manitoba people and he knows that I think I am trying to do the right thing for them. And, Mr. Speaker, I hope that we will be correct. Thank you, Mr. Speaker.

MR. SPEAKER: The Honourable Member for The Pas.

MR. RONALD McBRYDE: Thank you very much, Mr. Speaker. Since this is the first time I've had a chance to make a speech, I would like to congratulate you again on occupying the position as Speaker.

I was going to talk briefly about inefficiency of this government, about bungling, about wrong-headed economic policies, and about dishonesty — I would like, though, Mr. Speaker, to comment briefly on the comments just made by the Member for St. James. I think that what happened, Mr. Speaker, is that basically he stood up and confirmed what the Member for Inkster had been saying, although I am not sure, because he wasn't very clear. At one point he was saying, "Well, we're very sorry that we have to make cuts and nobody likes to make cuts, and we don't want to make cuts," and then he was almost coming to the point, "Well, that's our policy to make cuts," and as the Member for Inkster was saying, he's not clear, he won't say exactly what he means. But I think he did get to the stage, Mr. Speaker, where he said, "We believe; we believe," and I think that's the basis, that they do believe that that's the way to run an economy, that's the way to run the government. But they won't accept the responsibility and this is what the Member for Inkster was saying — they will not accept the responsibility for that belief.

So maybe, Mr. Speaker, it would be worthwhile to explain to the members opposite that they are

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now the government of the Province of Manitoba, because I haven't heard anything this session that indicates that they have come to that realization yet; that they are now the government of Manitoba and have responsibility for making certain decisions. So maybe, Mr. Speaker, you could let them know, "You guys have won the election; you are now the government." Let them know that that's the situation. Let the Ministers of the government know.

Maybe, Mr. Speaker, the Clerk of the House could go get the election results and distribute them to the members opposite, so they could realize that they did win the election, that they are now the government of the Province of Manitoba, because I don't think they quite accept that responsibility yet. They are not willing to say, "We are the government; here is our policy and here are our programs." Mr. Speaker, the speaker before me for Inkster called this cowardliness — I thought maybe it was just unawareness, maybe they didn't realize it, even though they had a very elaborate ceremony to swear in new Ministers and that should have brought the message home to them that they are now the government and that they have to accept some responsibility for being the government of Manitoba. I think maybe one of the problems is that the Member for Inkster told them what was in the third envelope, and he shouldn't have told them that — it would have been better if he hadn't told them what was in the third envelope, because what they have to do is go back to the first envelope and use it again and again and again and again and again, and not accept any responsibility for being the government of the Province of Manitoba.

This is what I think we have to do this session as Her Majesty's loyal opposition, to help them to understand that they are now the government, to help them to learn that. It might not be a long experience, but I think we have to get it across this session, since they may not be there that long, that they are the government, so they can start acting like a government, taking responsibility for being the government, and stating clearly exactly where they stand as a government. I think that we saw this last session a little bit, and now it's carried to its extreme this session.

I see that one of the few Ministers in his seat today is the Minister of Mines, and he started last session where he talked about cuts in one program, the New Careers Program. He said: Well, you guys didn't leave it in the Budget, so therefore it's not my fault, it's not my responsibility; I'm not the Minister responsible, it's you guys' fault somehow. And that was a good indication of the whole approach. Yesterday, Mr. Speaker, when we were talking about day care, the members opposite said, "Well, no member of the government said we were going to reduce day care."

Mr. Speaker, the Task Force that was set up was not set up by this government; the Task Force was not there at their wish and their request; it was not a major part of their government thrust of their new policy, their new program. No, no, we don't take any responsibility for anything the Task Force says or does. We will divorce ourselves from the Task Force — it is not our responsibility for what the Task Force recommends. We didn't appoint those people to office. Mr. Speaker, they are the government, and I wish there were a few more Ministers here so they could learn that lesson, that to accept the responsibility, when you refuse to accept the fact that you are the government.

Mr. Speaker, there has been a little bit of talk and there was some hollering a minute ago when I was trying to speak back and forth, about the election, and I think that what is happening now and why this government cannot accept the responsibility for being the government for the Province of Manitoba, is because they are trapped in their own rhetoric, their own rhetoric of the election campaign. There will be no reduction in programs, we will not reduce programs, we will only cut that path that is obviously there, we will only . . . in the mismanagement, trim, make things more lean, but we will not cut programs. And now they are trapped in that situation, they are trapped by their own rhetoric, which I am not sure if they believed or didn't believe, you know, that rhetoric that they gave — I think the rhetoric was provided them by persons outside saying this is what the public is prepared to buy at this time, use this approach. I don't know whether they believed that or whether they just said what Great-West Life wanted them to repeat during the election campaign, as a result of their extensive surveys as to what the people would buy and wouldn't buy in the province.

But, Mr. Speaker, then they had to take the responsibility for their statements during the election campaign that they would cut back. So what did they find? Mr. Speaker, they found very little fat, and that was an embarrassing situation for them — it was not like they had said it would be. Then what did they have to do? What was their option? What was their choice? Their choice was to cut programs and pretend that that was the fat. We will not cut programs, we will only trim the fat. We are now cutting programs but we are not really cutting programs. I don't know. So being trapped as they were by what they had said during the election campaign, that they have no option now but to try and sort of try to weasel out — they're not going to, I think, stand up and say, "Look, during the election campaign we weren't completely honest with people, that we said there was fat and mismanagement, and there is not, and therefore we have to cut programs," so now they have to attempt to use device that there are horror stories, that there was mismanagement, that there is an unreasonable deficit.

Mr. Speaker, I don't think I will go into all the details of that again, but the member who spoke last, the Member for St. James, didn't even realize when he was speaking about deficit, that the \$12 million figure included in fact the principal and interest on that debt and on repayment of that debt. He assumed that somehow that was only the interest on the particular debt.

Mr. Speaker, so they have had to refuse to accept responsibility for being government, they have had to attempt to find a scapegoat for actions that they want to take, but won't admit they want to take, and that is what they are attempting to do. But the most serious problem is, Mr. Speaker, is not that they were misled people or that they haven't been completely honest in terms of their approach in what they really want to do and take responsibility for what they want to do, the basic problem, I think, is their wrong-headed economic policy, that they are in fact wrong, at this time in Canada, in

terms of how to get the economy moving again.

We have talked about the approach of Hoover and the approach of Bennett, which is basically the approach that members opposite are now using to think that they are going to stimulate the economy of Manitoba, to think that they are going to turn things around and get things moving again.

The other night during some of the exchanges from people's seats, they threw out the name of an economist, Milton Freidman. Well, Mr. Speaker, that shows that they are not completely relying upon the 1930s economist because that is an 1930 economist who is still speaking today. So maybe they do have a little bit of economic support of some economists or other. But I think that what you have to do then is look at the record of the approach, the approach that they are using, the approach that Mr. Freidman recommends, was used. It was used; it was used during the depression; it was used in the 1930s and is it still going to be used here today? And it is still being used with Mr. Freidman as an adviser in some countries of the world.

And what has been the record of that approach? What has been the record of that approach to economic development that this government is following where it's been tried in other countries? The record has been that what has happened when they attempted to adopt an economic development policy on the backs of working people of protracted economic restraint as opposed to attempt to get the economy moving again, has been one of two things. Either there's been an overthrow of the government in office or there's been violent repression by the government in office to try and proceed with these economic policies. What has happened, Mr. Speaker, is a realization by the majority of people, by the working people, by the middle-class people in these countries, that they are the ones who are being hit by this approach and that the theory was that economic development would take place on their backs with a few well-to-do, with a few rich starting to reproduce economic development.

In no case has there been a turn-around; in no case has economic development taken place where their approach has been used. It just hasn't happened. There has not been an improvement in the economic conditions. What there has been though in order to try and carry out a policy that has been shown time and time again not to work is a violent and vicious repression of all those who oppose the policy. And that's the only way they can attempt to implement the policy even though the policy doesn't work.

So where is Mr. Freidman now? Where is he now giving advice to countries how to adopt this system? He could be in Manitoba because that's the approach they're using but it's more appropriate that he's in Chile right now advising the government of Chile on their economic policy because there they have the facilities of oppression to keep people from complaining, to keep people from opposing the government's approach. That is the type of economic development approach that they're using that is not going to cause development, is in fact going to lead to increased economic stagnation. That is what their policy is going to lead to. It's going to lead to increased economic stagnation and it's really unfortunate, Mr. Speaker, that the worst example of that we're already starting to see in Northern Manitoba, of the approach of this government who will not accept responsibility for what's happening.

Mr. Speaker, they recognize this a little bit because where in the budget did they show an increase, where in the Estimates do they show an increase? In the area of a police force. So they are aware, Mr. Speaker, that their policy is going to cause social problems, is going to cause a number of problems that are going to require greater police service in the Province of Manitoba.

Where they failed and where their Estimates are going to be away out is that they didn't increase the welfare spending and that is going to go up very rapidly and their Estimates are going to be off more than 3 percent, far more than 3 percent in terms of the welfare costs that are going to hit this province, in terms of the court costs, in terms of the other social dislocation costs that are coming about because of their economic policy which has been shown not to work, which is based on a 1930s approach to economic development and has been proven everywhere it's been tried not to be workable. So they're making a mistake in their Estimates by not recognizing the increase in welfare costs.

I think that maybe a very small local example, Mr. Speaker, is one of the environmental workers of New Careers laid off by the Department of Mines, by the Minister of Mines. A person working in that program was a sole-support mother with five children and now that person is no longer paid by the province, no longer providing a service to the community in which she worked. But, Mr. Speaker, her welfare payments are now \$3.75 less than her salary so they've saved, Mr. Speaker, \$3.75 and cut a program that provided service to the community. Mr. Speaker, that's not quite fair to say \$3.75 because half of that is cost-shared with the Federal Government so they didn't quite save \$3.75 but before that, 60 percent of her salary was paid by the Federal Government, therefore, I'm not sure, Mr. Speaker, exactly how much money they're saving by their program, their policy of protracted restraint. —(Interjection)— Well, maybe they saved \$1.75, Mr. Speaker, in order to deprive people of a service that was being provided in their community.

So the problem, Mr. Speaker, with these Estimates is that they are based in a wrong-headed economic development philosophy or in terms of how the economy works, and the members I think should have some awareness of that. I mean, the problem is not one of stimulating industrial capacity because only 80 percent of the industrial capacity in Manitoba — and this was confirmed by the First Minister last night . . .

MR. SPEAKER: Order please. The hour being 12:30, I'm leaving the Chair to return at 2:30.