

**LEGISLATIVE ASSEMBLY OF MANITOBA**  
**Thursday, 23 April, 1981**

Time — 2:00 p.m.

**OPENING PRAYER by Mr. Speaker.**

**MR. SPEAKER, Hon. Harry E. Graham (Birtle-Russell):** Presenting Petitions . . . Reading and Receiving Petitions . . . Presenting Reports by Standing and Special Committees.

**MINISTERIAL STATEMENTS  
AND TABLING OF REPORTS**

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

**HON. DONALD W. CRAIK (Riel):** Mr. Speaker, I want to table with the House the Financial Statements for Flyer Industries Limited for the year ending December 31st, 1980.

**MR. SPEAKER:** Notices of Motion . . .

**INTRODUCTION OF BILLS**

**MR. SPEAKER:** The Honourable Member for Winnipeg Centre.

**MR. J.R. (Bud) BOYCE** on behalf of Mr. Sidney Green, introduced Bill No. 53, An Act to amend The Elections Finances Act.

**INTRODUCTION OF GUESTS**

**MR. SPEAKER:** At this particular time, I would like to draw the honourable members' attention to the gallery, where we have some very distinguished visitors. We have the team that represented Canada, in the Men's Curling, the Skip, Kerry Burtnyk, his mother is here in his place; Third, Mark Olson; Second, Jim Spencer; and Lead, Ron Kammerlock.

We also have the Junior Men's Pepsi Cola Champions from the Assiniboia Memorial Club as well. Skip, Mert Thompsett; Third, Bill McTavish; Second, Joel Gagne; and Lead, Mike Friesen.

We also have the Junior Ladies Canadian Champions: Skip, Karen Fallis, from the Winnipeg Winter Club; Third, Karen Tresoor; Second, Caroline Hunter; and Lead, Lynn Fallis.

We also have 18 students of Grade 8 and 9 standing from General Wolfe School under the direction of Mr. Winsky. This school is in the constituency of the Honourable Member for Wellington.

We have 80 students from the Fosston High School Choir from Minnesota, United States, under the direction of Miss Linda Coggan.

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

We also have the John Taylor High School Band, who played earlier on the steps, who are in the gallery today, and we also welcome you.

**ORAL QUESTIONS**

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

**MR. HOWARD PAWLEY (Selkirk):** Mr. Speaker, my question is to the Minister responsible for Manitoba Hydro. Can the Minister advise whether he has yet taken the opportunity to read the letter which was referred to him some week ago by the Member for St. Vital for his perusal and advice to this Chamber?

**MR. CRAIK:** Mr. Speaker, I have read it, or them, or whatever they are.

**MR. PAWLEY:** Mr. Speaker, then further by way of supplementary to the Minister. If the Minister has now read the letter, does the letter in some small way bring back to his memory some recollection of the discussion which the former Vice-Chairman of the Manitoba Hydro Board had with him pertaining to the receipt of the Vice-Chairman of the Manitoba Hydro Board of legal opinion from the Chief Legal Counsel in which the Vice-Chairman has now advised that he indeed did discuss those matters with the Minister responsible for Hydro. Does he now have some recollection of the original facts outlined to him some two years ago by the former Vice-Chairman of the Manitoba Hydro?

**MR. CRAIK:** Mr. Speaker, I have answered that question a number of times. I can answer it again for the Leader of the Opposition although I gather by some of the things he was saying in the Legislature yesterday, which I didn't have the opportunity to hear, that he certainly hasn't paid any attention to any of the answers that were given to him in the past, either in the Committee or in this House. If the member wants me to, I can read the answers back to him that are contained on the record and perhaps he'll feel inclined to withdraw some of his comments, such as "misleading remarks" and the other references that he made in his statements in this House yesterday which I find, Mr. Speaker, exceedingly objectionable.

**MR. PAWLEY:** Mr. Speaker, the Minister has not seen fit to answer the question. Let me inform the Minister that from our side of the Chamber, we find . . .

**MR. SPEAKER:** Order please. May I point out to the honourable member that he can ask a question; he can expect an answer. He cannot dictate what type of answer he receives. It is the prerogative of anyone answering a question to answer it, to refuse to answer it, or to provide whatever information he deems necessary.

**MR. PAWLEY:** Further, by way of supplementary to the Minister, and certainly I am not disappointed in the non-response, because I didn't really expect an answer from the Minister in view of his past record, Mr. Speaker, can the Minister advise whether or not he has received advice from Manitoba Hydro pertaining to the referral by the Minister of his comments from Hansard of some week ago in which he indicated endorsement for any move on the part of Manitoba Hydro to release Chief Legal Counsel from solicitor-client relationship?

**MR. CRAIK:** Mr. Speaker, I have had a reply today from Manitoba Hydro with regard to their enquiry by the law firm of Aikins, MacAulay, and once I have had a chance to finish reading it, which I have just received, I will attempt to make it available to the House as rapidly as possible.

**MR. PAWLEY:** Mr. Speaker, my question, and I require leave at this point dealing with the matters just raised, is now to the First Minister. Can the First Minister, who was not present yesterday when a Matter of Privilege was raised in this House and had to be raised yesterday because of certain information coming to our attention, and under the rules, Mr. Speaker, having to be raised at the first available opportunity, has the First Minister undertaken, or if not, will the First Minister undertake to investigate the matters that were raised in this Chamber yesterday, minutes of Hydro which earlier it had been denied that those minutes even existed — (Interjection)

Yes, Mr. Speaker, will the First Minister now undertake to investigate the answers and responses that members on this side of the Chamber have been receiving repeatedly, answers which have been demonstrated again and again to be misleading by the Minister responsible for Hydro as well as the officials of Manitoba Hydro?

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

**HON. STERLING R. LYON (Charleswood):** Mr. Speaker, the short answer to my honourable friend's declamation as he gets himself all flustered like a wet chicken, is to . . . you know, my honourable friend by putting on a visage of seriousness thinks that somehow or other that adds credibility to his case. I wish he would get over his posturing and start reading some of the evidence in the alleged case that he has; the alleged case that he has, Mr. Speaker. I have looked at Hansard. I have seen that the Member for St. Vital asked if there was a legal opinion. I have seen the answer from Hydro which was that there was no legal opinion. I looked at the minute that my honourable friend made so much of yesterday. It said nothing about a legal opinion. So there is no question of anybody misleading anyone except the Leader of the Opposition.

**MR. SPEAKER:** The Honourable Leader of the Opposition with a further question.

**MR. PAWLEY:** Mr. Speaker, by way of further supplementary, and talk about acting like a wet hen, that was pretty evident on the part of the First Minister; is the First Minister then joining forces with the Minister of Hydro in denying that Chief Legal Counsel for Manitoba Hydro presented to the Board of Manitoba Hydro a letter containing a legal opinion and recommendations? By way of the First Minister's response, is the First Minister now joining forces with the Minister responsible for Hydro to make such a denial?

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

**MR. LYON:** Mr. Speaker, the evidence on the record is quite clear. I think the media and the members of this House who use reason as a test are beginning to

find that it's quite clear; it seems to be only my honourable friend who has some preoccupation with trying to trump up an issue who isn't clear on the topic at all, and before he raises another, if I may say so, trumped-up issue of personal privilege, may I say to my honourable friend that he's not going to get anywhere with this continual playing with the rules of the House in order to enable him to go on some kind of a wild socialist fishing expedition.

**MR. PAWLEY:** Mr. Speaker, then further to the First Minister. Since the First Minister again has repeated the charges that he had earlier withdrawn this past Monday, that members on this side including myself have engaged in trumped-up charges, trumping up of charges, is the First Minister now prepared, under those circumstances, to permit our alleged conduct to be referred to a Committee on Privileges and Elections so that we can indeed ascertain whether or not the charges that we have levelled in this House are indeed trumped up or are they truthful?

**MR. LYON:** Mr. Speaker, I can guarantee my honourable friend that his alleged conduct, not only with respect to this issue but with respect to his leadership of his party and his own ideology, is going to face the biggest jury of all, the electorate of Manitoba, within a year or so and he will have an opportunity then.

**MR. SPEAKER:** Order please.

The Honourable Leader of the Opposition.

**MR. PAWLEY:** Mr. Speaker, I am encouraged by the First Minister's reference to an election call. If the First Minister is indicating, and I would like his response to this, if the First Minister is indicating that rather than referral of this matter to a Committee of the Legislature in order to obtain the truth, that he is prepared to refer this matter to Manitobans in an election call, then indeed we would like the First Minister to provide his response to that, Mr. Speaker. If so, we will gladly forego any further effort to refer this matter to Committee.

**MR. SPEAKER:** Order please. I find the honourable member did not ask a question and I would have to rule him out of order on that.

The Honourable Member for Fort Rouge.

**MS. JUNE WESTBURY:** Thank you, Mr. Speaker. My question is addressed to the Honourable Minister of Agriculture and refers to the Hog Producers Income Assurance Plan.

**MR. SPEAKER:** Order please.

The Honourable Member for Fort Rouge.

**MS. WESTBURY:** Thank you, Mr. Speaker. Referring to the Hog Producers Income Assurance Plan, I have been asked to enquire from the Minister, considering the fact that \$5 million is going into the program, regardless of the fact that the statement that was provided to the Legislature states that the Management Committee of the Fund will take care of details, it is assumed that there will, however, be some initial guidelines for the Management Committee to work from. Will the Minister be kind enough to table these guidelines for the information of the Legislature?

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

**HON. JAMES E. DOWNEY (Arthur):** Mr. Speaker, I don't anticipate any major guidelines will have to be drawn up. If the member reads the report or the message to the Legislature, it was up to \$5 million. I think we have to state to the public of Manitoba, Mr. Speaker, that the true place that producers should be paid for their product is through the marketplace and it would be hoped that very little of the actual moneys made available would have to be used. On the detail, Mr. Speaker, the majority of it will be worked out by the committee and I'm sure that the hog producers themselves know the amounts that have been made available to them and it would be hoped that they would work out to the best advantage within those guidelines.

While I'm on my feet, Mr. Speaker, I would like to respond to a question by the Member for Ste. Rose a short while ago, to do with the crop insurance pay-outs. There is approximately some \$55 million to be paid out to the people who are participating in crop insurance this last year and I've been informed that all the adjustments and pay-outs I believe have been made to this particular time.

**MR. SPEAKER:** The Honourable Member for Fort Rouge.

**MS. WESTBURY:** Yes, Mr. Speaker, a supplementary question on my first question to the Honourable Minister.

The Minister has stated in his information sheet that the government will take care of any deficit up to \$5 million. Assuming that for once the government might administer a program correctly, Mr. Speaker, what will happen to any possible surplus?

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

**MR. DOWNEY:** Mr. Speaker, I would have to recheck the statement that was made as far as picking up any deficit to \$5 million. I said the commitment was up to a maximum of \$5 million to put into a producers' income insurance program.

I should repeat that the objective of the government is not to direct the farm community but to have the farm community proceed and do the job of producing foods and products for the consumers of this country without an over amount of government interference such as we saw under the last administration in this province, Mr. Speaker.

**MR. SPEAKER:** The Honourable Member for Fort Rouge with a final supplementary.

**MS. WESTBURY:** Mr. Speaker, I wanted to say that I'd be glad to supply the Minister with a copy of his statement if he hasn't read it, and in view of the fact that he doesn't know what is in the statement with reference to a possible deficit situation in the fund, would the Minister now consider establishing guidelines so that the Management Committee will know from where they should be starting?

**MR. DOWNEY:** Mr. Speaker, our first responsibility and our first job will be to establish the committee

so that we can meet to get on with the work of working out more specified details, that the member is referring to.

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

**HON. KEN MacMASTER (Thompson):** Mr. Speaker, a few days ago the Member for Brandon East asked a question in my absence as it related to the number of civil servants at the end of 1979 versus 1980. The member didn't give his specific source of information but I'd like to refer him if I could, seeing as he's asking for general information, to the Civil Service Commission booklet, that report that I tabled, which in itself outlines the increases or if he wishes to refer to pages in Hansard, 1479 and 1480, this particular item was discussed quite thoroughly through my Estimates and the precise answers are detailed on those pages.

In general terms, if it was generally a request as to why there was an increase, there were 80-some-odd, and I don't have the numbers, but 80-some-odd involved with the Agriculture Department as it related to their Hay Program last year and there was a surge of increased employment at two of the mental institutes in Manitoba during that particular period of time.

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

**MR. LEONARD S. EVANS:** I thank the Honourable Minister for that information and indicate by way of question, I guess, the source of my information, because he asked me for that. I would ask him if his staff would care to check those figures that he has from the Civil Service Commission with data being reported by this same government to Statistics Canada, namely the Public Finance Division, and in which they report in Catalogue No. 72-007 that indeed there was an increase of over 150 civil servants as of December, 1980, compared with December, 1979.

So could the Minister ask his staff to reconcile perhaps, the data he has from the Civil Service Commission with that particular source of information from Statistics Canada?

**MR. MacMASTER:** Yes, I can, Mr. Speaker. I think we will find that the numbers are maybe not identical, but they are close. When I said that there were 80 within the Department of Agriculture and there were two mental institutions that had a substantial influx in help, I think Brandon and Selkirk were the two institutions, so I think we'll end up with generally the same figures.

**MR. EVANS:** I wonder if I could ask a question of the Minister of Economic Development, Mr. Speaker. It relates to . . .

**MR. SPEAKER:** Order please. There was another member that had risen to ask a question.

The Honourable Member for St. Johns.

**MR. SAUL CHERNIACK:** Thank you, Mr. Speaker. I would like to address a question to the Deputy Premier reporting for Hydro. Now that he has been able to tear himself away from his addiction to the

Gong Show and read the letter which had been sent over to him, is he prepared to confirm that the document which he has now read is substantially in conformance with the letter which was discussed with him by Mr. Wedepohl, which he felt was inappropriate to be sent on?

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

**MR. CRAIK:** I can't confirm that, Mr. Speaker.

**MR. CHERNIACK:** Mr. Speaker, I wonder if the Honourable Minister would clarify whether he can't confirm it because he can't remember what was originally discussed with him or whether the contents have no resemblance and therefore do not appear to him to have been the same letter.

**MR. CRAIK:** Mr. Speaker, I answered that question on day one or day two of the committee hearings and I have answered it in the House. The record is complete. I said that what had been presented to me at that time by the Acting Chairman of Manitoba Hydro were the grievances that had been given to him by the Legal Counsel and that my interpretation, the recollection of it, was that the Legal Counsel, by the information that was given to me by the Chairman of that time, that he was in a disturbed state of mind about the matters and affairs that he was dealing with, on behalf of Hydro, with the Commission. That is what, Mr. Speaker, I said on day one, day two, day three, day four, and I still say it. If the members opposite find that misleading then they are searching pretty deep.

**MR. SPEAKER:** The Honourable Member for St. Johns with a final supplementary.

**MR. CHERNIACK:** Mr. Speaker, may I ask the Honourable Minister that since long after Day One, apparently quite recently, he read this seven-page draft copy of a letter, not earlier than that, whether or not he can confirm that the contents of the letter are very very similar to the letter which was discussed with him by Mr. Wedepohl, which he agreed would be inappropriate to send, and I am quoting the words of the minutes of Hydro in relation to a specific letter which was discussed with the Honourable Minister; I want to know whether he will confirm that the contents appear to be of the same nature? In saying so, Mr. Speaker, I want to ask the Minister, does he really want to leave the impression that Mr. Steward Martin had a "disturbed state of mind?" Those are the words he used.

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

**MR. CRAIK:** Mr. Speaker, I said before, when I first answered this question, my recollection of it was, as I was told at that time, that I used the word "disturbed," disturbed about his relationship with the Commission. (Interjection)— Well, Mr. Speaker, the Member for St. Johns has defined a disturbed state of mind as being "a little bit nuts." Mr. Speaker, those were his words; those were his words. I did not mean that by using the word "disturbed" the Counsel was disturbed —(Interjection)— Well, you

know, he can put his own interpretation on it; I'll put my own interpretation on it. I don't need him to put words in my mouth, Mr. Speaker. I have to suggest that he's about as good a Gong Show as we have got around this place.

**MR. SPEAKER:** The Honourable Member for Rock Lake.

**MR. HENRY J. EINARSON:** Mr. Speaker, I wish to direct this question to the Minister of Agriculture. It relates to whether or not compensation will be received from the Federal Government in payment to farmers of Western Canada because of the announced embargo on grains by the United States going to Russia. Mr. Speaker, in view of the comments made by a Mr. Weber at a Canada Grains Council meeting a week or so ago in Winnipeg where the question was asked what they were going to do in the United States, the response was, Mr. Weber said that they were going to be compensated in the United States. I wonder if the Minister of Agriculture could inform the members of this House whether he has received information from the Federal Government as to what they are going to do in regard to compensating the farmers of Western Canada for the millions of dollars that they have lost because of the embargo placed on farmers because of food being used as a weapon to protect the western world against Russia.

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

**MR. DOWNEY:** First, Mr. Speaker, I have to say that it's very difficult to hear my honourable colleague over all the noise from across the way. The members opposite are carrying on their usual concern for the farm community of Western Canada.

Mr. Speaker, the member should be aware of the fact that last July when we met at our annual meeting of Ministers of Agriculture, there was a commitment from the Federal Government to, after researching and reviewing the amount of money that was considered lost by the farmers, that they would report and make the farm community aware of what they were planning to pay to the farmers because of the losses incurred because of the embargo placed on the grain shipments to Russia. To this point, we have not heard what that commitment is or when they may pay it out, Mr. Speaker.

**MR. EINARSON:** Mr. Speaker, I pose a supplementary question to the Minister of Agriculture and I narrow this matter down to the farmers of Manitoba and I would ask the Minister if he would use his good offices in way of giving us information whether or not he could use his good office to request the Minister in Ottawa responsible for this matter to see whether something can't be done to alleviate this serious problem?

**MR. DOWNEY:** Yes, Mr. Speaker, the member has an excellent suggestion and I will communicate to the Federal Government the concerns of the members of our party to do with the shortfall that they may have incurred because of the embargo.

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

**MR. HARVEY BOSTROM:** Thank you, Mr. Speaker. My question is to the Minister who would be responsible for signing the Federal-Provincial Northlands Agreement, and I would ask him if the Federal-Provincial Northlands Agreement has been signed for the fiscal year 1981-82, and are projects under this program now receiving funding?

**MR. SPEAKER:** The Honourable Minister of Northern Affairs.

**HON. DOUG GOURLAY (Swan River):** At the present time they're not, Mr. Speaker.

**MR. BOSTROM:** I take it, Mr. Speaker, that that was negative to both questions that I asked. I would ask therefore then, Mr. Speaker, why the Provincial Government through the Labour Minister has announced provision of a Federal-Provincial grant of \$65,000 to help finance local support services in Thompson? It's referred in the News Service release that this is for the current fiscal year and that the grant is provided through the Federal-Provincial Northlands Agreement which is cost-shared on a 60-40 basis.

**MR. GOURLAY:** Mr. Speaker, some of the items in the previous Northlands Agreement were extended. There were a number of specific projects, the Norway House bridge and other items as well and perhaps, I can't say specifically if it covers the items that you mentioned but there were a number of items that were extended under the previous Northlands Agreement.

**MR. BOSTROM:** Well, Mr. Speaker, in view of the fact that the communities are reporting that they're being informed by the Provincial Government that their projects are being held back because of the Northlands Agreement not being signed, can the Minister give the communities any assurance as to when that agreement will be signed and when the projects that are budgeted under that agreement will be able to be funded?

**MR. GOURLAY:** Well, Mr. Speaker, as I had answered questions previously on this same question, that it takes two people to complete this Agreement and the Province of Manitoba has indicated their willingness to sign this Agreement, and at the present time it's in the hands of the federal people to complete the Agreement with respect to second signature.

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

**MR. RUSSELL DOERN:** Mr. Speaker, I'd like to direct a question to the Attorney-General and ask him whether he is considering raising the drinking age in Manitoba to 19; a measure which was rejected by all parties in this Legislature a couple of years ago as proposed by the Honourable Member for Emerson, and along with that, is the government also giving consideration to raising the voting age to 19 to be consistent?

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

**HON. GERALD W.J. MERCIER (Osborne):** Mr. Speaker, the report of the Ministerial Advisory

Committee on the Liquor Control Commission Act and Regulations is at the printers. When it is completed printing, Mr. Speaker, it will be made available.

**MR. DOERN:** Mr. Speaker, I would ask the Minister, since someone on the government side has already leaked the report to the media, will the Minister now release the Mitchener Commission Report to the Manitoba Legislature where it could have been or should have been weeks or months ago?

**MR. MERCIER:** Mr. Speaker, I don't know how the radio station that the Member for Elmwood is referring to got their information. I regret that if that information is accurate that it was released without being first made available to members of this Legislature. Mr. Speaker, as I've indicated, it is at the printers. My intention is to make it available to members of the Legislature as soon as printing is completed.

**MR. SPEAKER:** The Honourable Member for Elmwood with a final supplementary.

**MR. DOERN:** Mr. Speaker, I would ask the Attorney-General whether it's within the report or not, whether the Attorney-General is interested in the establishment of private wine stores in Manitoba and/or the sale of beer through corner grocery stores? Would he be inclined to support such a proposal?

**MR. MERCIER:** Well, Mr. Speaker, I believe that was one of many issues that were under consideration by the Review Committee. The report will be making recommendations. I point out, Mr. Speaker, no matter what recommendations they make, they are not binding on the government, certainly not on this Legislature, they will be considered and in due course the government will proceed with the changes that we decide as a government and consideration of the public interest should be made.

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

**MR. WILSON PARASIUK:** Mr. Speaker, my question is directed to the Minister of Municipal Affairs who will be signing the Western Northlands Agreement. Can the Minister assure the members of this House and especially the people of Northern Manitoba that neither the province nor the Federal Government intend to divert funds away from the north which were supposed to go into the Northlands Agreement in order to free up some types of funds so that both the province and the Federal Government can provide the necessary moneys to get the Core Initiatives Program under way?

**MR. SPEAKER:** The Honourable Minister of Northern Affairs.

**MR. GOURLAY:** Certainly not, Mr. Speaker.

**MR. PARASIUK:** My supplementary is to the Minister of Urban Affairs. Can he then explain why it is that the Core Initiatives Agreement and projects which were supposed to be announced recently have

in fact been delayed? Is this because the Federal Government has a cash shortfall in this present fiscal year with respect to funding Core Initiatives Program, and is at present trying to get the Treasury Board in Ottawa to divert funds away from the Northlands Agreement to meet their commitment in the core area?

**MR. SPEAKER:** The Honourable Minister of Urban Affairs.

**MR. MERCIER:** Mr. Speaker, I can only indicate in response to that question that the Federal Minister of Immigration from Manitoba, Mr. Axworthy, has indicated that there are certain steps he has to take within the Federal Government that will take approximately a month to complete. But I want to assure, Mr. Speaker, the Member for Transcona and other members that at my meeting last week with the Mayor and with Mr. Axworthy, in response to concerns expressed by the Minister of Northern Affairs and the Minister of Finance, I brought again to the attention of the representatives of DREE and the Federal Minister the concern that we have as a government that the Northlands Agreement be approved, Mr. Speaker. I know the Minister of the Finance and the Minister of Northern Affairs have expressed that same concern, and I brought that same concern to them last week.

**MR. SPEAKER:** The Honourable Member for Transcona with a final supplementary.

**MR. PARASIUk:** My supplementary then is to the Minister of Finance who is responsible for interacting with the Federal Government with respect to overall Manitoba DREE negotiations. Can he give the members of the House and the people of Northern Manitoba the assurance that they will not allow the Federal Government to divert funds from the proposed Northlands Agreement in order for the Federal Government to free up sufficient funds to meet their supposed obligations under the proposed Core Initiatives Program, that instead if the Federal Government is going to make announcements with respect to the Core Initiatives Program that will be the product of new money injected into Manitoba by the Federal Government?

**MR. RANSOM:** Mr. Speaker, to the extent that the province has any control over the Federal Government, yes. We have voted money in our estimates to deal with the Northern Development Agreement in an expanded fashion and to deal with the Core Area Initiatives, and we want to see both those agreements signed as soon as possible and to be made retroactive to the 1st of April in order that we may benefit from cost-sharing in those agreements now under discussion.

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

**MR. D. JAMES WALDING:** My question is to the Minister reporting for Manitoba Hydro. I would like to ask the Minister whether the Board of Manitoba Hydro has struck its operating budget for the 1981-82 year?

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

**MR. CRAIK:** Mr. Speaker, no, I don't know whether they have or not. I can take the question as notice if he likes.

**MR. WALDING:** As a supplementary, Mr. Speaker, I wonder if the Minister would also take as notice as to whether that budget shows a surplus or deficit for the year, and if so, for how much?

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

**MR. EVANS:** Thank you, Mr. Speaker. I would like to address a question to the Minister of Economic Development about a matter which he took as notice two or three weeks ago, and ask the Minister whether he can now report on whether Edson Manufacturers of Rivers will go out of business in May, namely next month, putting 70 employees out of work.

**MR. SPEAKER:** The Honourable Minister of Economic Development.

**HON. J. FRANK JOHNSTON (Sturgeon Creek):** Mr. Speaker, I cannot report that definitely today. I hope to have the answer for the member fairly soon.

**MR. EVANS:** By way of supplementary, Mr. Speaker, can the Minister indicate whether it is possible for his department to do anything to help this particular firm? Is it now actively working with the firm to assist it in any which way in merchandising or whatever way?

**MR. JOHNSTON:** Mr. Speaker, the firm the member refers to has probably one of the best merchandising and sales organizations in North America as far as the product that they are manufacturing is concerned. We have been working with them to see if we can be of any help to them whatsoever, but I assure you, Mr. Speaker, we do not intend to buy the business.

**MR. SPEAKER:** The Honourable Member for Brandon East with a final supplementary.

**MR. EVANS:** A supplementary question, Mr. Speaker, regarding the condition of the recreational vehicle manufacturing industry in Manitoba. Can the Minister comment on what is the general state, what is the general health of that recreational vehicle industry? The last thing I would suggest to the Honourable Minister is that the government buy any of those industries.

**MR. JOHNSTON:** Well, it's refreshing to hear that statement, Mr. Speaker. Mr. Speaker, the recreational vehicle business is not in good shape generally in Canada and it's not in that good a shape in the Province of Manitoba, but there are other manufacturing industries that are doing much better, Mr. Speaker. We had the highest increase in manufacturing, February over January, than any province in the country.

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

**MR. JAY COWAN:** Thank you, Mr. Speaker. My question is to the Minister of Northern Affairs and

follows on questioning by the Member for Rupertsland and the Member for Transcona earlier on in the question period. The Minister on several occasions has indicated that the province has sent the Northlands Agreement to the Federal Government. I would ask the Minister if he can indicate now how long that agreement has been in the possession of the Federal Government, and to what does he attribute the delay in signing that particular agreement on the part of the Federal Government?

**MR. SPEAKER:** The Honourable Minister of Northern Affairs.

**MR. GOURLAY:** Mr. Speaker, the package has been in the hands of the Federal people for several days, perhaps weeks. I have no way of knowing how long they may take to complete this.

**MR. COWAN:** Mr. Speaker, as it's been some time since the Minister has indicated previously in this House that the package was in the hands of the Federal Government, I would ask him if during that period of time, the period of time between when he first indicated, which was several weeks ago and now, has he had any consultations or contact with the Federal Government in respect to their acceptance or their non-acceptance of that particular package that was put forward on the part of the province.

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

**MR. RANSOM:** Mr. Speaker, perhaps I can provide some information for the honourable member. It came to our attention approximately the beginning of March that there might be some delay in getting the agreement signed. In terms of the content of the agreements we knew what aspects we wanted within those agreements. There were one or two items that were still open to discussion, but there was, I think, general agreement as to what would be included. Because of the concern that had been expressed that they might be delayed, I then contacted the Federal Minister with a telex and asked for his assurance that the agreements would be concluded as soon as possible and that they would be made retroactive to the 1st of April. Some three weeks later, I sent a further telex to the Federal Minister because I had not received an answer to the first, pointing out the urgency of concluding these agreements and again suggesting that they be made or asking that they be made retroactive to April 1st. I have not as yet received a response from the Federal Minister. I intend to be trying to contact him by phone either today or tomorrow to try and find out what the delay is. We want to get on with these agreements, Mr. Speaker.

**MR. SPEAKER:** The Honourable Member for Churchill with a final supplementary.

**MR. COWAN:** We certainly want the government to get on with these agreements and encourage them to get on with those agreements but the answer from the Minister has raised a number of other questions. He indicated that they have sent two telexes and did

not provide information as to when the second telex was sent. I wonder if he could provide that information as to how long ago that was sent and as well, if he could provide some insight as to why there was a delay as he indicated that he was informed quite some time ago, around the first of March, that there would be a delay. At that time did he ask the Federal Government why they expected that delay to take place, and if so, can he indicate what the response was to him at that time or in any further conversations which have taken place since that time?

**MR. RANSOM:** Mr. Speaker, perhaps the honourable member didn't hear the answer that I gave. I told the House that the first telex was sent close to the beginning of March, perhaps the end of the first week, and that the second telex was sent approximately three weeks later. We were at that time urging the Federal Government to sign the agreements as soon as possible and in any case to make them retroactive to the first of April because were we to be given that assurance then we would be able to proceed with some of the new programs that would be included within the agreements.

In the absence of assurance from the Federal Government that they will sign the agreements at a specified funding level and that they will be made retroactive to April 1st, then we are unable to proceed with the new programs that might be included in the agreement and are only able to proceed with those that would be considered continuing programs.

I'm afraid I cannot answer to the honourable member why the Federal Government has not proceeded, because we had been lead to believe that money was available and that the agreements could be signed at an early date, and in fact that the Federal Government wanted to conclude two or three agreements at the same time.

**MR. SPEAKER:** Order please. The time for question period having expired, we'll proceed with Orders of the Day.

### **ORDERS OF THE DAY ADJOURNED DEBATE — BUDGET**

**MR. SPEAKER:** On the proposed motion of the Honourable Minister of Finance, the amendment and sub-amendment thereto — the Honourable Member for Point Douglas.

**MR. DONALD MALINOWSKI:** Thank you, Mr. Speaker. Mr. Speaker, I may assure you that I won't debate the Hydro matter today, maybe some other time, so I would like to come right to the debate on Budget speech.

Mr. Speaker, I have listened to the Honourable Finance Minister present his first Budget and I have also read his Budget Speech in its published form, which actually looks very nice, but the only thing is there's nothing in it.

Mr. Speaker, in its published form the Minister's Budget Speech makes a big book, but it reads more like an election pamphlet than a Budget Speech. On almost every page the Finance Minister had occasion to contribute and to criticize the policies of the NDP. Nothing else, he's just criticizing, but, Mr. Speaker, he didn't find any solution.

**MR. SPEAKER:** Order, order please.

**MR. MALINOWSKI:** Mr. Speaker, throughout his Speech . . .

**MR. SPEAKER:** Order please. We can only allow one speaker in this Chamber at a time and at the present time, that speaker is the Honourable Member for Point Douglas.

**MR. MALINOWSKI:** Thank you very much. Thank you.

As I said, Mr. Speaker, throughout his speech he kept insinuating that the policies of the former NDP Government and accuses the Conservative — no, rather that causes, he's accusing us, but causes the Conservative Government difficulties.

Surely, Mr. Speaker, after almost three-and-one-half years in office, the Conservatives should dare to stand on their own record and on their own performance, but they don't know how. That's why they are criticizing former governments.

Of course, the Finance Minister in his speech did not make clear that he is proud of the government's performance. Two words appeared often in the Minister's speech: "Prudent" and "proud". He kept on repeating that the government's policies have been very "prudent" and that as a result the people of Manitoba have reason to be proud of their province.

Mr. Speaker, the people who have lived in this province have had many reasons to be proud of this province, even before there existed Conservative or NDP Parties in this country. This has always been a beautiful province, Mr. Speaker, and rich in natural resources. It has always had a great potential for a good life for all its people, but opinion is far from unanimous that the people can be proud of the record of the Conservative Government.

Mr. Speaker, I thought that the Honourable Minister of Finance, being taller than his Leader, that he can see more farther than his Leader, but, Mr. Speaker, I was making a mistake and I do apologize for it.

In his opening statement, Mr. Speaker, the Finance Minister said, and I'm going to quote his own words: "The prudent policies and management of this government have combined to ensure that our standard of living is not threatened and that our quality of life remains among the highest available anywhere in the world."

Mr. Speaker, he must be dreaming and I would like to suggest to him, let him wake up and come back on the earth. Come down my friend. That statement sounds good, Mr. Speaker, but we all know that great differences exist in the living standards of people in this province. The people in the core area of Winnipeg do not come anywhere near having the same standard of living as those living in Tuxedo or in River Heights. We know that many are shut out from this high standard of living through unemployment or lack of proper training opportunities and other factors.

Unemployment is surely one of the most serious problems in this country and in this province. It is a fact that unemployment has increased in this province under the present administration. The unemployment figure would, in fact, be even greater if a larger number of unemployed hadn't left the

province in search of jobs in other areas and in other provinces.

It is in my view one of the most serious omissions in the Budget that there is hardly any mention of this problem, nor anything to improve unemployment opportunities.

In case the First Minister has forgotten his main election promise, I want to remind him again. He had a vision that under a Conservative Government, all the young people would be fully employed, but we know, of course, that after four years, or not exactly four but three and one-half years of Tory rule there are more unemployed than before, both young and old.

Of course, in his Budget Speech, the Member for Killarney said that there are opportunities here for those who will reach out for them. Mr. Speaker, there are hundreds of young people looking and reaching out and not finding these opportunities the Minister speaks of.

Mr. Speaker, Canada has the highest unemployment rate among the western countries. For the past 20 years, the jobless figure has remained around the million mark. Because the problem has been with us for so long, many Conservatives would just like to forget about it. But many of those affected by it will not let us forget about it.

Recently in the news was the case of a northern community with 90 percent unemployment. Imagine, 90 percent. In many areas, 50 percent of the young people are unemployed. Judges, law enforcement officers, social workers and others concerned are agreed that prolonged periods of unemployment cause frustration and bitterness.

You have young people hanging around in communities without a proper outlet for their youthful energies. No chance for them to get jobs to earn money. In many cases, the parents can't afford to give them the kind of money young people need in these times. So what alternative is there, Mr. Speaker? In their frustration and bitterness against society, many of these young people resort to crime. Vandalism in all forms has sharply increased, so have crimes of violence.

For instance, in Miami and other cities in the United States, the crime rate is so high that many people are afraid to go out after dark and the situation is getting pretty bad right here in Winnipeg. We are coming closer to that way.

Mr. Speaker, in his Budget Speech, the Finance Minister repeats the very silly statement so often made about those who hold the view of my party. I don't know why, but his inclination is just to come and criticize our party, not for the administration, but he is looking for something else. Naturally if you want to look, you will find.

Mr. Speaker, he said the Socialists on this side seemed to think that the Government in Manitoba knew better what is best for the people than people themselves. That is his belief. He said, Mr. Speaker, that the NDP "increasingly interfered with the efforts of Manitobans to live their own lives, make their own ways, raise their own families." —(Interjection)— All right, I will give you some more. Just wait; be patient.

I had too much respect for the Honourable Finance Minister to believe he would ever utter such complete nonsense. I don't know how it happened, but he is repeating . . .

It is surely the responsibility of governments at all levels to create the kind of conditions in which people can lead their own lives. Leading their own lives without the opportunity to get jobs is not easy, Mr. Speaker; nor is it easy to raise families under those circumstances.

Would the government be interfering in the lives of the people if it created conditions of full employment? Did the establishment of old age pensions interfere with the lives of our senior citizens? Would it have been better to leave the elderly struggle in this dog-eat-dog society without any help or protection? Is Medicare such a serious interference in the lives of the sick? Should governments have remained unconcerned whether or not all the sick are able to get medical care? This is the question, this is the interference? I would be interested to know just what the Minister had in mind when he made this very silly statement about interference.

What about Autopac, Mr. Speaker? It is one of the few things the Finance Minister commented on favorably, only one point. He considered that as one among the things introduced by the NDP Government that is working out well. But, Mr. Speaker, in establishing government car insurance, we did interfere with the business of the private insurance companies. But as a result, Manitoba motorists are getting cheaper insurance. I am glad that the Finance Minister agrees with this, at least, but it contradicts his silly statement about the NDP wanting to interfere with the lives of the people.

Mr. Speaker, I am sure if this, or any other government succeeded in bringing the cost of food down, the majority of the people would be happy about it, like anything else. They wouldn't mind this kind of interference in their lives at all; they would be glad. But if this interfered with the profits of the food chains, they would certainly resent such interference. To serve the best interests of the majority, governments, even Conservative governments, must often interfere with the affairs of a minority. Policemen on their beats are always interfering in the lives of the minority of the criminal element; they have to. Is the Finance Minister opposed to that kind of interference in the lives of those people?

I now come to what I consider the main point in the Budget Speech.

Mr. Speaker, during the last election campaign, and many times since, the First Minister and others on that side have promised all sorts of economic miracles by leaving all economic development to private enterprise. That was the main thing for them, the main goal, the main aim. We'll do a miracle, just vote for us. Over and over the First Minister repeated in the election campaign that he would get the government out of business and give private enterprise a free hand. They did, of course they did. This he said would give us full employment and prosperity in short order. We know of course, it didn't happen and, Mr. Speaker, it won't happen, as a fact. We know from history and history repeats itself.

But despite this failure the Finance Minister in his Budget Address repeats the statement about encouraging the private sector. He still believes private initiative should have the key role in keeping the economy going up; he still believes. He sees the results are opposite, but still he believes.

Mr. Speaker, the phrase "Encouraging Private Enterprise" has long been a Conservative panacea for all economic ills. But what have been the results? How effective has such encouragement been during the last three-and-one-half years of this government? We'll find out.

You have encouraged quite a few big enterprises to go out of business. This is the first step. You have encouraged some to move out of the province. This is the second step. You have encouraged many private businesses to go bankrupt. The bankruptcy rate has sharply increased, Mr. Speaker, recently; not only in Winnipeg but in the other small cities outside of Winnipeg.

Private enterprise has also been encouraged to overbuild. Mr. Speaker, I believe I heard the First Minister say on several occasions, although he didn't say it too loud, that there is a role for the government to play in the economy. Very quietly he said that, he mentioned it, but not so loud, when he was speaking about free enterprise. The difference between our parties is the kind of role and the extent of such a role.

Mr. Speaker, we on this side get pretty tired of hearing the same old anti-socialist charges thrown at us at every occasion. Probably they don't have anything else to say; nothing else to offer to the people of Manitoba, but they are just starting to criticize. You know why this is such a bad economy? Because we have a bunch of socialists here. This is the only excuse for them. They are not saying about their own favour; no way.

Mr. Speaker, I want you to accept once and for all that we are not opposed to private enterprise. We never were, we aren't now, and we will never be. As a Social Democratic Party we are committed to a mixed economy. There is a place for private enterprise; no doubt in my mind — it is. There is a place for cooperative enterprises and there is also an importance place for public enterprise, Mr. Speaker. Some public enterprises have in fact been established by Conservative governments, so what's all the shouting about? For instance if I will take, Mr. Speaker, Hydro, if I will take the telephone company, the Manitoba Telephone System; they were established by the Conservatives. (Interjection) — That's right, many of them, but right now they are shouting.

I believe the main differences between our two sides is the extent to which governments must interfere in the economy if the many problems we face are to be solved. I think we must face the fact that private enterprise, left to its own devices, will never end unemployment or create a healthier economic and social climate; never. It didn't before for hundreds of years and I doubt it very much — not doubt it, I am more than sure it won't. The Finance Minister in his Budget Address said, it takes a long time before the beneficial effects of Conservative policies are felt, if ever it happens. What's the dreamer?

But the Conservatives have been in power in this province, not only for the past three-and-one-half years, or four years, they have been in power off and on ever since this province existed, and private enterprise has been with us for the same length of time, and Mr. Speaker, what's the result? Waiting — just wait for miracles again. It won't happen, it will — (Interjection) — just be patient, be patient.

There has been plenty of time to test the policies of the Conservative Party and the record of private enterprise. Repeated depressions of the past and the present conditions should convince us that leaving it to the private enterprise is not the answer. We have to mix. We have to put the public into it also. Public enterprise, we should put it, then we can build a good healthy and wealthy society.

**A MEMBER:** That's what Alberta is doing.

**MR. MALINOWSKI:** Well, Alberta is different for them; they have their own policy.

Mr. Speaker, in a review of the western world, we find those countries where the government plays the most dominant role in the economy, there exists the greatest economic stability. In those countries there is the lowest unemployment and the highest living standards. The Scandinavian countries and West Germany could be mentioned as examples. Social Democrats, Socialists, but look at that; they are doing a good job. We don't find perfection there but they have certainly succeeded in establishing more favourable economic and social conditions than those prevailing on this continent.

I sincerely hope that members opposite will take note of this. Maybe they will learn something — (Interjection)— it's too dangerous for them probably. My colleague from Ste. Rose said it's too dangerous for them to take anything from us.

I also hope, Mr. Speaker, the First Minister will desist from pointing his finger at our side and telling us to go to hell. Mr. Speaker, we don't have to go to hell, he's creating hell right here. Since he just took the office here in 1977, Mr. Speaker, he started to create the hell that — they are laughing, let them laugh again, let them laugh — but, Mr. Speaker, because the Premier with his Ministers, with his Cabinet, he creates such a hell, as a result that over, I believe, 40,000 young well-educated people left the province, because they are scared of their paradise, which they think is a paradise, but this is hell, and now, Mr. Speaker, he wants to send us to hell. We don't have to. Oh, wait a minute. We would like to prevent people going to hell. We don't need your assistance, and especially, Mr. Speaker, in my profession I like to do whatever I can to prevent people from going to hell.

Mr. Speaker, I believe that this Budget was presented at least 13 days too late. If the Honourable Minister of Finance would have presented this Budget on the first day of April, then the people of Manitoba would call instead of April Fool, Budget Fool, and it is.

Mr. Speaker, my party's position was clearly demonstrated by my Leader in his reply speech to the Budget, in that the government has ignored the serious problems faced by the small businesses, farmers, northerners, working men and women, and all other Manitobans struggling in an stagnant economy with the high prices and high interest rates, offering instead a dismal apology for inaction, and, Mr. Speaker, the government has broken faith with Manitobans by projecting the largest ever Manitoba deficit and by rejecting the government's own pledge to reduce public debts.

Mr. Speaker, therefore I find it very difficult to support that kind of a Budget which doesn't bring anything to my people of Point Douglas or people from Manitoba.

Thank you.

**MR. DEPUTY SPEAKER, Abe Kovnats (Radisson):**  
The Honourable Minister responsible for Hydro.

**MR. CRAIK:** Not quite, Mr. Chairman, but close. Mr. Speaker, let me first of all offer my well wishes to the Minister of Finance and congratulate him on the presentation of a Budget that has been well directed towards the current requirements of the province, a Budget that is a very complete and thorough document that has addressed the many areas that require attention in the province, particularly during a period of time where there has been concern coming out of 1980 with the affects of drought and other problems and a requirement in Canada generally to address the question of economic matters and the problems that really follow the whole western world and particularly perhaps the North American continent at the present time with regards to an economy that is not providing the sort of real return that we have historically expected from it.

Mr. Speaker, the size of the deficit is one that has to cause concern if it were carried on on a continual basis. The position of the government has always been that a balanced budget was certainly a desirable goal and one that should be pursued as consistently as possible, but we have always recognized the fact that deficits of varying sizes are going to be required from time to time. I believe this is perhaps the first time that the size of the deficit in the last four Budgets has exceeded the size of the capital commitment of the province, and has in fact brought about some deficit with regards to the traditional so-called current account side or operating side of financing.

Mr. Speaker, with those comments, again, I know that the financial affairs of the province are in good hands and I congratulate the Minister of Finance on a very fine Budget.

Mr. Speaker, I know that time is a little limited, and I almost apologize for taking any more time of this House in dealing with what I consider to be a relatively unimportant matter in the affairs of the province, but one nevertheless that has brought about a high degree of personal attack by the members of the Opposition against my own personal activities or association with what they deem to be an affair that they feel that they can bring to, I suppose, public attention and try and make some cheap political marks in so doing.

I want to go back over this, Mr. Speaker. I wasn't here yesterday but I did read some of the whereas comments contained in a motion. When I say I was exceedingly concerned about the tack that was being taken by the Opposition, I think perhaps I can indicate why. One of them said that "WHEREAS there is evidence now in the hands of Members of the Legislative Assembly which shows that the Deputy Premier knew about and expressed his views about the letter prepared by Special Counsel for Manitoba Hydro expressing concerns about the Tritschler Commission, and WHEREAS the Chairman of Hydro, General Manager, and Deputy Premier stated before a Committee of the House that the minutes of the Manitoba Hydro Board did not indicate any evidence that the Special Counsel had communicated his opinion regarding the Tritschler Commission, and WHEREAS the Deputy Premier has

stated that he had no knowledge of a letter prepared by the Special Counsel and that he did not interfere in Manitoba Hydro's legal affairs, and WHEREAS there is need for evidence from the former Special Counsel to Manitoba Hydro, Mr. Steward Martin, and from the former members of the Manitoba Hydro Board to explain the misleading statements made by the Deputy Premier." Misleading statements made by the Deputy Premier, Mr. Speaker. You know, if there is a Matter of Privilege in this House, I think I ought to be entitled to one.

Mr. Speaker, let's go back over the history of this thing beginning in the Committee, and we start out early on in the Committee, page 102, we see the questions that are coming forth from the Member for St. Vital where he says, "I would like to ask whether Hydro received a legal opinion from any of those gentlemen giving a legal opinion that the Tritschler Commission was exceeding its Terms of Reference?" and it goes on and again the same person repeats, "Can I then further ask that if in the event that there was a legal opinion to that effect, would that be made available to the committee?" It goes on again and says, "But what I am asking of Mr. Kristjanson is, would he produce that paper, that legal opinion, if it does in fact exist?" Mr. Kristjanson then goes on and says, "As Chairman, I would be happy to take this question under advisement and see whether this internal document does in fact exist and consider it with the Board."

It carries on, Mr. Speaker, to the same committee meeting. Again the Member for St. Vital said, "My question has to do specifically with a legal opinion from legal counsel to Hydro's Board stating that the Tritschler Commission was exceeding its Terms of Reference. I would also like to know, Mr. Kristjanson might also want to make note of, as to whether that legal opinion recommended that the Hydro Board apply to the court to prevent the Tritschler Commission from proceeding beyond the stated Terms of Reference and if that is the case why didn't Hydro do so, or perhaps it did so, and it didn't come to my notice, but I would be interested to know how that legal opinion was dealt with by the Board?"

Then I think that we went on to the following episode in this great adventure and we find again on the first of the next day the question is repeated, "I asked whether the Board," this is again, the Member for St. Vital, "had received a legal opinion from its legal advisors at the time of the Tritschler Commission? I am waiting for an answer to the question."

Then there was a question by the Leader of the Opposition, "Did Hydro receive a legal opinion that the Tritschler Commission was exceeding its Terms of Reference?" That's number six, Mr. Speaker. The member is asking whether a legal opinion had been received. And then there was some question about the interpretation of the question from the former day and I said, "Mr. Chairman, again I think that the interpretation that the Leader of the Opposition has put on it is the one I went away with as well at the end of the last week. Mr. Walding was not asking for minutes specifically, he was asking as to whether or not the Board had been advised formally by a lawyer or their legal counsel with regard to certain procedures that should be followed in regard to the

Tritschler Commission." The Chairman said, "Mr. Walding is that your understanding then?" And the Member for St. Vital said on page 108, "Yes, it is, Mr. Chairman, substantially as Mr. Craik has said." Still wants a legal opinion, legal opinions all the way down the line.

Then Mr. Blachford said — concerning Mr. Walding's question, "Did Manitoba Hydro lawyers give an opinion that Judge Tritschler was exceeding his Terms of Reference?" — "We looked into this and no request for an opinion was asked of Manitoba" — presumably Hydro — "lawyers nor did they give an opinion in this respect." Now he went and he indicated, "Where did that come from?" The answer was, "It came from the General Counsel of Manitoba Hydro and the former Secretary, I presume, Mr. Funnell."

Mr. Speaker, then following on in the same area on page 113, there's some question from the Leader of the Opposition about my awareness of all these matters of the legal counsel, and I said, "Mr. Chairman, I can tell the Leader of the Opposition directly that the former Legal Counsel certainly did not in any direct way advise me of his feelings in this regard. I am quite aware of the fact from the former Chairman of Manitoba Hydro," — I'm referring to Dean Wedepohl — "that Mr. Martin left under a high degree of disturbance over the affairs with regard to representing Hydro on the work of the Commission and so on. So if that's any help to him, that's about as much help as I can give him." And I go on in the same statement and say, and this is based on the answers that are given by Manitoba Hydro, which I said I thought were complete, "But there was no formal, as you can see, just so the record is complete, there is no evidence in Hydro of at least a formal concern being expressed about the Terms of Reference of the Commission although it's quite possible he may have on a personal basis expressed those concerns." Now is this is referring to their legal counsel. This was my comment, my statement in the committee, this is on Day Two of the committee, Mr. Speaker.

Mr. Speaker, let me register a complaint here as well against the reporting of one John Sullivan in the Free Press, who said on the 11th of April 1981, "Craik insisted repeatedly that Hydro never received a legal opinion from Martin written or verbal."

Mr. Speaker, that kind of licence, that kind of liberty being taken is not honest. How would I be in any position to know whether Hydro got a verbal advice on legal matters. In fact, I presume that they were getting advice through the full period of the Tritschler Inquiry Commission. I would be utterly — it would be utterly ridiculous to make a comment like that. How could I be in a position to know? As I said in this House before, Hydro engaged their lawyers without reference to me, all of them that were involved, and I believe they were all from the Aikins, MacAulay firm, and there were three. I had no direct communication at the start, through the piece, at the end, still haven't, Mr. Speaker. Hydro engaged them.

Mr. Speaker, let me say, I spoke to Mr. Sullivan about this and he carefully doesn't put quotation marks around it when he says, "Craik insisted repeatedly that Hydro never received a legal opinion from Martin, written or verbal." Mr. Speaker, I have no way of knowing about any host of things that

could have gone on between the Legal Counsel and the Utility. I asked him to retract that and he did not. It has not been withdrawn. (Interjection)

Then the Leader of the Opposition says, "By the Minister indicating it was not brought to his attention that Legal Counsel then for Manitoba Hydro recommended that proceedings be initiated within the court in order to quash the proceedings of the Tritschler Commission?"

I answered, "Mr. Chairman, certainly not in any formal way, not either directly by that Legal Counsel nor directly by the Hydro Board. But as I say, there is no doubt about the question that he was disturbed about his work, Hydro's position, some of the things that were occurring as a result of the inquiry. Whether or not the Terms of Reference of the Tritschler Inquiry Commission were his concern, I can't tell you. It may well have been wrapped up in his entire concerns about it. It may well have been one of his reasons for leaving."

Mr. Speaker, the member opposite says, "Why didn't he check into it?" I wonder if the member has read the former Vice-Chairman's letter to the editor. He felt compelled to write a letter to the Free Press. He reports that he got a call from the Free Press and the Free Press asked him, "Did the Minister bring pressure to bear to cause certain actions be taken by the Board?" The Vice-Chairman says in his reply to the letter to him that the recommendation was his, that he brought the recommendation in and asked that I be advised of it and that he could go on to the Board, which is what . . .

**MR. SPEAKER, Harry E. Graham:** Order please. I find it rather difficult to hear the remarks of the honourable member if members keep interrupting in the debate. I would ask that honourable members, if they have private conversations to carry on, that they remove themselves from the Chamber and carry them on some other place.

The Honourable Minister of Mines and Energy.

**MR. CRAIK:** Mr. Speaker, that gives you pretty much the intent as it has gone on at that point in time. I am still having this great difficulty finding out where this misleading comes from. It seems to me that what is happening is that the Leader of the Opposition is trying to mislead his own audience in these matters and I certainly don't intend to listen any further, Mr. Speaker, to that kind of nonsense go forward at my expense because it has been going on long enough and there is just no substance to what the members opposite are trying to do.

Mr. Speaker, there was also about this stage in time — let me ask this question again, and I asked it before — With all of that lead-up and this preoccupation and this concentration on this matter, the Hydro Chairman said, well, can you help me look for this document? The Member for St. Vital said he only had hearsay, or something to that effect. "We hear a lot of rumours," he said. The Chairman said, "Well, can you be more specific? Do you have any direct knowledge of this document?" The Member for St. Vital said, "No, I have no personal knowledge of it, Mr. Chairman." Those were his comments, after all of these days of lead-up and here are the Hydro people, both Mr. Kristjanson and Mr. Blachford, who were not in Hydro when all of this occurred, who were not even present and are being quizzed on

these matters and they have to go back and ask their general counsel, who was there at the time, for this information, to dig it up.

Well, Mr. Speaker, I guess yesterday the point of privilege that was raised was raised with regard to a minute that was contained in the Hydro minutes and the minutes said that a letter had been examined by the Board. The Vice-Chairman had said that he had discussed the matter with me. Mr. Speaker, there is very little doubt about the fact that the matters contained at the time, the grievances and so on that were contained, very likely were the same ones that were contained in the seven pages of paper that were used — I'll put it that way — used by the Member for St. Vital.

Mr. Speaker, I think the actual minute, which I have says that the Vice-Chairman stated that he had had a meeting with the Corporation's Special Counsel, Mr. Martin, Q.C. Mr. Martin had indicated that there was a number of aspects of the Commission's work which caused him concern." Well, it's hardly anything new there. "In this connection, he had drafted a letter which, if the Board concurred, he would forward to the Commissioner. The Vice-Chairman stated that he had discussed the letter with the Honourable D. W. Craik, the Minister responsible for Manitoba Hydro, and they had agreed that it would be inappropriate for such a letter to be sent, particularly as it could result in a delay in the proceedings. After discussion, the Board concurred.

Now my understand was that whether it was at that Board meeting or some other, I think the Counsel himself was at that Board meeting. I think he made personal representation. I think that was indicated by a member of the Board who was there at the time.

But is there anything new there that I didn't say in day one or day two, Mr. Speaker? Is there anything today? I would like to really know. We have now talked about all of the matter.

I want to read into the record too, if I can find it, the reply which Dean Wedepohl made to an article in the Winnipeg Free Press. He said, "I wish to refer to the recent controversy relating to the Tritschler Inquiry into the affairs of Manitoba Hydro. Early in January of 1979, I became aware of Mr. Steward Martin's proposal to challenge the Commission of Inquiry because of his grievances associated with the Commission in his role as Legal Counsel for Manitoba Hydro. I myself was shocked at his proposed course of action, namely to challenge the Terms of Reference of the Commission in the Manitoba courts. The morale of Manitoba Hydro was at that time very low and declining. It was my considered opinion that the best thing for us to do was to cooperate with the Commission of Inquiry, which was a properly constituted body, in order to bring this phase of the Corporation's history to a steady conclusion without compromising the integrity of the Corporation or its staff.

"In my opinion, the intervention proposed by Mr. Martin would have had no effect other than to protract the inquiry and would not serve the best interests of the Utility. With hindsight, I believe that I was right and if called on to consider the situation today, I would not find any reason to change my then reaction.

"I informed the Minister about my viewpoint and my intent to so recommend to the Board. I also informed him of the general nature of Mr. Martin's grievances contained in his submission to the Board," which I have to presume is what now seems to be referred to as a letter but perhaps it's a legal opinion.

"Subsequently, at a special meeting of the Board, my recommendation was ratified. The proposal was taken no further and that; as far as I was concerned, was the end of the matter.

"I am therefore very puzzled by the suggestion that there were threats by the Minister since the course of action taken was in accordance with my recommendation in the first place. Furthermore, I told this to Mr. Sullivan of the Free Press when he telephoned me about this early in April."

I am told, Mr. Speaker, that telephone conversation occurred in advance of the article coming out in the Free Press which quoted another member of the Board as saying that I pressured the Board.

Just to complete it: "On a minor point, the Winnipeg Sun reported me as saying that the Minister was 'very enthusiastic' about the proposal by Mr. Martin. Your paper correctly quoted me as saying 'not very enthusiastic'."

I said, Mr. Speaker, from day one that that was a pretty apt description of my reaction to the verbal briefing, as I recall it, more than two years ago, by Dean Wedepohl when all of this occurred.

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

**MR. WALDING:** Mr. Speaker, I have a point of order and that is that the Minister was giving a background of this whole affair and I presume giving it in the order in which it happened. The Minister quoted me just a few minutes ago and I have now found the quote that I wish to correct for his interest and the interest of other members.

The Minister said that when Hydro came back to report on their search of the Minutes and the statements that they made and the statements that the Minister made and he quoted them back. He said that after that, I had been asked about my knowledge of the particular document and where I said I had no personal knowledge of it. Mr. Speaker, that was not made at the end of that meeting.

**MR. SPEAKER:** Order please. May I suggest to the honourable member that there is an opportunity for him to enter the debate. A difference of opinion on sequence is not a point of order at this particular time. The honourable member has a point of order?

**MR. WALDING:** I believe so, Mr. Speaker. I do intend to take part in the debate if I get the opportunity. It is not a matter of a difference of opinion, Mr. Speaker, it's a difference of fact and it will be found factually on Page 105 of Hansard, where it is clear that I made that remark at the meeting before the meeting commented upon by the Minister. That is the fact, Mr. Speaker.

**MR. SPEAKER:** The Honourable Mines of Mines and Energy.

**MR. CRAIK:** Mr. Speaker, I am not going to question the page number on which it is on but it

was after the questioning had gone on for some great distance that this was introduced. Mr. Speaker, it had gone on for some great distance.

**MR. SPEAKER:** Order please.  
The honourable member on a point of order.

**MR. WALDING:** Mr. Speaker, I rose just two minutes on a point of order to correct the statement that was made by the Minister. When I sat down, the Minister then stands up and disputes the fact. The fact is clear . . .

**MR. SPEAKER:** Order please. A dispute as to fact is not a point of order. It is a difference of opinion and is not a point of order.

The Honourable Minister.

**MR. CRAIK:** Mr. Speaker, I have numbered the occasions on which it was raised by the Member for St. Vital. They number one, two, three, four times before that question was asked of him; four times, Mr. Speaker. Mr. Kristjanson says, "My simple question was, are you aware of that opinion?" and the answer by the Member for St. Vital, "I have no personal knowledge of it, Mr. Chairman." I'm not saying he did but I just find it passing strange that all of this, when Hydro Board was trying to be helpful, to go back and find out information for him, that we had what would appear to be this cat-and-mouse game going on where they simply are not terribly interested in being very helpful but simply trying to carry on, as I say, with that kind of an approach.

Mr. Speaker, I would still like to know where the misleading statements came from because they have not been substantiated, they have not been made. They have used innuendo and they have used every possible devious tactic they could think of to try to make a case that will not bear up.

Mr. Speaker, furthermore, subsequent to discussion in the House, I said that I would contact Hydro and ask them, after this seven-page paper became available, I would ask Hydro if they would search internally to see if they could find it and, secondly, give consideration to contacting their Legal Counsel, Aikins, MacAulay, to see if they could provide them with any more information.

Mr. Speaker, I want to read to you the reaction that — well, the formality of it. It says, and this is from Manitoba Hydro to Aikins, MacAulay and Thorvaldson, barristers and solicitors: "Gentlemen: During Manitoba Hydro's recent annual appearance before the Standing Committee on Public Utilities and Natural Resources of the Legislature, a number of questions were asked enquiring whether Hydro had ever received a legal opinion from its solicitors to the effect that the Tritschler Commission exceeded its jurisdiction and that court proceedings should be taken. A search by Hydro staff revealed no such opinion.

"Therefore" — keeping in mind, Mr. Speaker, that there are legal lawyers on their staff too — "this question was unanswered in the negative."

**MR. SPEAKER:** Order please. We can only have one speaker at a time in the Chamber, and this time it's the Honourable Minister of Energy and Mines.

**MR. CRAIK:** "Therefore, this question was unanswered in the negative, whereupon a lengthy,

unsigned, undated letter was disclosed by a member of the Legislature and read into the record.

"It was further suggested that this unsigned letter was a legal opinion prepared by you and presented for consideration to the Board of Manitoba Hydro. A copy of the paper was provided to me by the Honourable D. W. Craik, and I enclose a copy for your information.

"We wish to know all the facts involving this matter and would appreciate receiving a full and complete report respecting any opinion given or discussions held with the then Board of Manitoba Hydro, any of its members or members of staff respecting either the jurisdiction of the Tritschler Commission or the commencement of court proceedings. In particular, we would like to know if the paper referred to was in fact prepared by you, and, if so, the circumstances surrounding it, with whom within Hydro, if anyone, it was discussed or presented to, and whether the view expressed, or course of action proposed, represented the considered legal opinion of Aikins, MacAulay, and Thorvaldson? Your earlier attention to this request will be greatly appreciated." And, it's signed by K. Kristjanson, Chairman.

The seven pages of paper were attached to it and transmitted to the legal firm.

**MR. SPEAKER:** Order please. Order please. Order please. We can only have one speaker in the Chamber at a time. The Honourable Minister of Mines and Energy.

**MR. CRAIK:** Mr. Speaker, the firm of Aikins, MacAulay replied in a letter dated April 21st, to the Chairman of Manitoba Hydro saying:

"Dear Mr. Kristjanson: This will acknowledge receipt of your letter, dated April 16th, 1981, addressed to our firm concerning Manitoba Hydro's recent appearance before a Committee of the Manitoba Legislature.

"With your letter you enclosed a seven-page document provided to you by the Honourable D.W. Craik. Our file copy of that document consists of eight pages. Enclosed is a copy of the eight-page document.

"This document was prepared by Mr. W.S. Martin, Q.C., of this firm whose recollections is that it was prepared shortly before the Tritschler Commission resumed its hearings in January 1979. It was Mr. Martin's submission to be presented to the Commission if the Board of Hydro approved it.

"Mr. Martin was appointed by the Board of Hydro as counsel for the purpose of representing it before the Commission. He was assisted by Mr. Archie Smellie, Q.C. of this firm. The document itself is not a legal opinion."

**MR. SPEAKER:** Order please.

**MR. CRAIK:** The document itself is not a legal opinion.

"However, the legal conclusions expressed there and reflected of you of Mr. Martin, who advised board members of his opinion. Other than Mr. Martin no member of this firm considered such legal aspect.

"The course of action indicated in the submission was disagreed with by Mr. Smellie who so advised board members. It was his view that regardless of legal technicalities it was in Hydro's overall . . .

**MR. SPEAKER:** Order please. Order please. Order please. If honourable members want to carry on private conversations, I suggest they leave this Chamber and carry them on outside. The Honourable Minister of Mines and Natural Resources.

Order please. The Honourable Minister of Mines and Natural Resources.

**MR. CRAIK:** "It was his view that regardless of legal technicalities, it was in Hydro's overall interest to cooperate with the Commission and bring its proceedings to an early conclusion. Our firm continued to act for Hydro after Mr. Martin ceased to be involved as counsel and the course of action was followed that was contrary to that suggested by Mr. Martin in his submission. Mr. Martin has personal knowledge of the matters raised in your letter such as discussions held. He is presently out of the country and is expected back on April 28th. We suggest that if you require further information, you contact him directly."

Mr. Speaker, attached to that is an eight-page document, and one more page than the seven-page document, or whatever the proper terminology is for it. It appears to be the same with the exception that it has an eighth page added.

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

**MR. WALDING:** Mr. Speaker, I would request that the Minister table the document he has just read from.

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

**MR. CRAIK:** I believe it to be a official document, Mr. Speaker, and so it should be tabled. In the one case, it's signed by the Chairman of the Manitoba Hydro, and in the second case, it's signed, Yours truly, Aikins, MacAulay and Thorvaldson. So, Mr. Speaker, the documents will be tabled.

I want to say in conclusion, in this matter, that I think that the Hydro Utility is trying to be helpful. I think that they've taken steps as expeditiously as possible to try and clarify the matters, and I think they've gone about it in a very methodical and responsible manner. I think that they're doing their best to try and bring what light they can to this matter. There is no evidence of this document being available within the Utility itself. It has come from the law firm and has been identified with Mr. Martin's writing. Although, I must advise you, Mr. Speaker, that the attached document is not signed either. There is no signature on it either. Well, I'm presuming that the covering letter that makes reference to it as an appendage is adequate for the purposes of the House. So, I'm quite pleased to be able to file it.

I do want to come back and I still take personal exception to the charges that there has been any misleading. You've had very consistent answers from Day One on this matter. I've told you consistently that I was briefed by the then Chairman on the matters with respect to the relationship, if you like, between Mr. Martin and himself and Manitoba hydro at the time. He advised me of the course of action that he intended to take, Mr. Speaker. I would think,

as a matter of fact, if I had taken any other course of action; if I had interferred with his recommendations to go and proceed on his intended course of action, then, I may have been open to criticism. Let's, supposing that I had stepped in and said that I want to impose my will on you in the opposite direction, then I could very well have been open for criticism for having moved in and advised the Chairman what course of action that he ought to take.

So, Mr. Speaker, before I finish I do want to take just one moment to say that this thing has gone so far that I think that there are some perhaps in the media who are putting an interpretation on it that ought not to be. I notice that one of the columnists has written an article saying to the effect that "Craik should regret that this entire furor began because he denied ever hearing about Martin's displeasure."

Well, Mr. Speaker, I repeated over and over again in the record that there was displeasure on the part of Mr. Martin. But, what they're attempting to do in all of this is try and say that they had a legal opinion here that was somehow thwarted by Ministerial action that was contrary to the Board's direction and the Board's interest and nothing could be further from the truth, Mr. Speaker, nothing could be further from the truth.

The fact of the matter was that the conditions that led up to the problem reflected themselves in this set of circumstances where the Legal Counsel did represent his grievances. They were passed on to me verbally by the then Acting Chairman of Manitoba Hydro, who indicated to me his recommended course of action and he went ahead and followed that through. I believe that furthermore that perhaps Mr. Martin briefed the Board directly. Now, at this point in time what we've got is a document here that obviously, if you look at it, you know it's still in draft form because of the grammatical errors and the type of errors that are in it; an uncorrected, unsigned document that is being alternatively referred to either as a legal opinion or as a letter, depending on what kind of story you want to make, depending on what kind of attack the Opposition wants to take.

The plain fact of the matter is that it's certainly not regarded by the law firm as being a legal opinion. This does not —(Interjection)— does not discount the fact, again, and I repeat, and say, again, and again as I said from Square One that there were difficulties; the legal counsel had grievances; he made those grievances known; there was a parting of the ways with the Board; and that was what happened, Mr. Speaker. All of this that has taken place is coming to light some two years later and a lot of it being based on really, still pretty unsubstantiated documentation, Mr. Speaker. We still don't have, at this point in time, any signed document that you could call it either a legal opinion or any sort of a formal letter, although, I do believe from what has been said that there was a verbal report given to the Board at that time and the Board made its decision.

So, Mr. Speaker, I would like the Leader of the Opposition to have enough intestinal fortitude and courage and stand up and say where I mislead the Committee, where I mislead the Committee? This has gone on for days and days on end. I've read the Hansards. I've read all the Hansards records.

**MR. SPEAKER:** Order please. Order please. We can only have one speaker at a time. The Honourable Minister of Mines and Energy.

**MR. CRAIK:** I don't think I take any more heavily or lightly what I consider to be reasonably slanderous comments being made in the media about myself as an individual and I think that any Member of the Legislature has a right to object when that happens. When this first occurred, the first thing I did was I got hold of the Hansard records, I read them through in their entirety and I couldn't believe what I was reading as it was being reported, because it's not in the records. The Committee was not mislead. No Members of this House were mislead. They were stated the facts all the way down the line. I don't blame them for being particularly sensitive with what the Tritschler Inquiry Report came up with. It's a tale of misery of that former government and their waste and mismanagement in their operations of Manitoba Hydro. I don't blame them, but I don't think that they can take a spurious kind of a case like they're trying to develop here and in any way cover up the mistakes that they made during that period of time when they had the responsibility.

I'm willing to say, Mr. Speaker, if they had shown one-quarter, one fraction, small fraction of the interest in Manitoba Hydro affairs when they were in government for those eight years that they're appearing to be trying to show now, they wouldn't have gotten the Hydro Utility into the trouble that it is in. There wasn't a soul over there that knew, when they were in government what was going on, with the exception, I must admit, the former Premier was reporting for it and did have an abiding interest in the affairs of Manitoba Hydro. I can still recall the former MLA member on the Board being asked a question one time, as to why they built Jenpeg, and he said it's because it's cheaper to build two plants than one. Mr. Speaker, that was the depth of their understanding of what was going on in Manitoba Hydro. That was what was going on, Mr. Speaker. There is a tale of despair that they're trying to cover up by going after the spurious comments that they can now dig up out of verbal conversations that may or may not have occurred some two years ago.

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

**MR. PAWLEY:** Mr. Speaker, prior to commencing my remarks, I would appreciate if the Minister responsible for Hydro, the Deputy Premier . . .

**MR. SPEAKER:** Order please. Before I recognize the Honourable Leader of the Opposition, the Honourable Minister promised to table certain documents. I would ask the Honourable Minister to do so now.

The Honourable Leader of the Opposition.

**MR. PAWLEY:** Mr. Speaker, I have found the commentary by the Deputy Premier to be most intriguing and interesting because, Mr. Speaker, the Deputy Premier has finally come clean, finally come clean after close to three weeks, close to three weeks because, Mr. Speaker, I intend to deal with Hansard and intend to deal with the comments that were made in committee and in the House, Mr. Speaker. Then honourable members can determine whether or not the truth was spoken in the committee, whether the truth was spoken in the House and, Mr. Speaker, honourable members can

ask themselves, why has the government been afraid to permit the matter to proceed to committee. Mr. Speaker, I want to deal as well with the letter that the Honourable Minister has tabled in this House which, Mr. Speaker, as far as I can determine in general, confirms all that the Opposition has been saying for the past three weeks, despite protests, despite denials across the way.

Mr. Speaker, what the Minister has done this afternoon has confirmed, confirmed in near entirety what the Opposition has been saying for the past three weeks.

Mr. Speaker, Mr. Speaker, I would like to refer members to the Hansard of April 7th, April 9th, subsequent statements that were made by the Minister, the Minister who sat in on those hearings, who participated in the answers that were provided and on April 7th when Mr. Kristjanson responded to questions that were posed by the Member for St. Vital, commencing the discussions that occurred, when Mr. Kristjanson says that members had researched the minutes, consulted with people that were involved at the time and the answer has been given by Mr. Blachford and I thought the answer had been complete and the answer had been, that there had been no legal opinion given or received. And throughout, the Minister indicated that the answer had been provided totally and adequately by officials of Hydro, Mr. Speaker, and again and the Minister indicated on page 113 of Hansard, "His question has been fully and formerly answered by hydro and there's really little more to be said, that we're going to open the Committee up."

The Minister further said, "There was no request for that kind of opinion, no request was rendered, there's no recollection by a Board member, who was the only person who was on the Board at the time of such having taken place, but what more can be done."

The Minister further said, "I'm quite aware of the fact from the former Chairman of Manitoba Hydro, that Mr. Martin left under a high degree of disturbance over the affairs with respect to representing Hydro on the work of Commission."

The Minister did acknowledge that Mr. Martin had left over a high degree of disturbance. Yes, he did acknowledge that and then further on, "There is no evidence in Hydro," said the Minister, "in Hydro of at least a formal concern being expressed about the Terms of Reference of the Commission, although it is quite possible he may have on a personal basis expressed those concerns. Personal basis, personal basis, Mr. Speaker, may have on a personal basis.

Mr. Speaker, the Minister I suggest was playing hide-and-go-seek with the truth; hide-and-go-seek with the truth.

The Minister further states that, "A question was posed by myself, by the Minister, indicating that it was not brought to his attention that Chief Legal Counsel then for Manitoba Hydro, recommended that proceedings be initiated within the court, in order to quash the proceedings of the Tritschler Commission. Specific, in reference to action in the courts to quash the proceedings. The Minister responds, "Mr. Chairman, certainly not in any formal way, not either directly by Legal Counsel nor directly by the Hydro Board."

Mr. Speaker, I ask what is the Chairman of Manitoba Hydro, but a representative of the

Manitoba Hydro Board, yet the Minister states, "not formally, not formally by the Hydro Board." That's what the Minister said. Let the Minister cease playing hide-and-go-seek with the truth, Mr. Speaker. And then he proceeds to state, "There is no doubt about the question that he was disturbed about his work." Hydro's position, some of the things — disturbed.

Mr. Speaker, throughout we were left with the impression that there was no legal opinion or procedure that was outlined, outlined, Mr. Speaker, by the Chief Legal Counsel for Manitoba Hydro, to the Manitoba Hydro Board, that the Chief Legal Counsel had left as a result of a high degree of disturbance. Mr. Speaker, it's interesting that on the 24-hour program, the Minister made reference to the document that the Member for St. Vital had attempted to table in this House, Mr. Speaker, as being half a hoax. The First Minister referred to it as a fabrication in this House. The First Minister suggested that we were dealing with trumped-up charges.

Mr. Speaker, I have not had opportunity to compare word for word the document that the Minister responsible for Hydro, the Deputy Premier of the Province of Manitoba has brought into this Chamber this afternoon. But, Mr. Speaker, I strongly suspect that it's the very same document that the Member for St. Vital brought into this Chamber some one week ago, that the Minister responsible for Hydro declared to be — well, he expected it would turn out to be half a hoax.

Mr. Speaker, has that document turned out to be half a hoax? Has that document turned out to be a fabrication as the First Minister suggested it would? Mr. Speaker, the document has turned out to be as the Member for St. Vital read into the records of this Chamber and, Mr. Speaker, the Minister attempts to split some hair about legal opinion and, Mr. Speaker, I read these words to members of the Chamber and then I want members of the Chamber to tell me if indeed Chief Legal Counsel for Manitoba Hydro did not deliver legal opinion and did not make recommendations for legal action in the courts and if a member can still tell me, still tell me and I don't care whether Mr. Smellie of Aikins, MacAulay suggest it's not an opinion, but some other sort of presentation. Mr. Speaker, I suggest these words are legal opinion, legal procedure, legal recommendations, "In light of the clear fact that the youthfulness and credibility remaining to your Commission is effectively undermined as evidence by the intervention of government on issues that you are charged with the responsibility to report on, this Commission can no longer serve any useful purpose and therefore, I respectfully request that you terminate these proceedings.

"In the alternative, if you do not agree with my submission in this regard, I hereby pursuant to Section 97(1) of The Manitoba Evidence Act, request reference to the Court of Appeal; Section 97(1) 1 provides as follows: 'Where the validity of the Commission issued under this part or the jurisdiction of a Commissioner appointed thereby, or the validity of any decision, order, direction, or other act of the Commission appointed under this part, is called into question by any person affected, the Commissioner upon the request of that person shall state a case in writing to the Court of Appeal, setting forth the

material, facts and the decision of a court thereon, is final the binding'." End of quote, end of quote, and the Deputy Premier says that's as a result of some letter that he reads from Mr. Smellie from Aikins, MacAulay, that the Manitoba Hydro Board never received a legal opinion, never received recommendations as to legal steps that could be undertaken and should be undertaken — by whom? By Chief Legal Counsel for Manitoba Hydro at the time, Steward Martin.

The Deputy Premier has the audacity to stand in his place and to suggest that the Board of Manitoba Hydro did not receive legal advice, that they did not receive a recommended course of action, that the Manitoba Hydro Board could receive within the courts, that the Manitoba Hydro Board did not receive a legal opinion?

Mr. Speaker, this is a whopper — this is a whopper of the past two-and-one-half months in this House. The Minister says, Mr. Speaker, that he has not misrepresented. Mr. Speaker, the Member for St. Vital, only a few moments ago, demonstrated that as the Deputy Premier was outlining his comments, that he indeed had misrepresented.

Mr. Speaker, the words that I have just issued in respect to the document that was prepared by Mr. Steward Martin indicates clearly that indeed the Deputy Premier, although he's coming clean today on some facts, he's acknowledging what the Opposition has been saying for the past three weeks, is still trying to twist and wiggle and turn and, Mr. Speaker, what we would like to hear, what we would like to hear, is from the author of this document, not from Mr. Smellie, not from Mr. Smellie, and I'm not going to be as the Deputy Premier, and I could refer to Mr. Smellie, having been once a desk-mate of the Deputy Premier, sat in Cabinet with the Deputy Premier in 1966 and 1969, or earlier. Well, Mr. Speaker, I . . .

**MR. CRAIK:** . . . another untruth on the record. The untruth, Mr. Speaker, is that I sat in Cabinet with Mr. Smellie. I was never even an MLA with Mr. Smellie.

**MR. PAWLEY:** Mr. Speaker, then I concede that back. Mr. Smellie was Minister of Municipal Affairs, was Minister of Municipal Affairs in the Roblin Government but, Mr. Speaker, unlike the Deputy Premier that suggested that a Mr. Dennis Scott was the campaign manager for Len Evans, when in fact that wasn't so.

Mr. Speaker, I suggest that comment is very close to the mark and, Mr. Speaker, who was it that said that Dennis Scott was the campaign manager for Len Evans in the last campaign?

Mr. Speaker, what has been demonstrated yesterday and today is that the Deputy Premier did mislead the committee, did mislead the committee; the words are recorded in Hansard. I'm sure now, to the concern of the Deputy Premier, Mr. Speaker, we submit that the Deputy Premier by his admission this afternoon has indeed acknowledged that the document which was suggested to be half a hoax a week ago, indeed is the legitimate document that was presented to the Board of Directors of Manitoba Hydro. Mr. Speaker, and if it is suggested by any member across the way that it was not — call a committee, call Mr. Steward Martin to that committee. We'll find out then if that document was

presented to the Board of Directors of Manitoba Hydro.

Mr. Speaker, the minute as well, it was read into the Chamber yesterday, indicated that Mr. Wedepohl indeed formally, formally, unlike what the Deputy Premier had suggested, did discuss this matter with the Deputy Premier, the Minister responsible for Hydro and they had agreed, they had agreed that any action would be inappropriate.

It's not us on this side of the Chamber that are making that statement, Mr. Speaker, it is the recorded minutes of Manitoba Hydro that Mr. Blachford and Mr. Kristjanson and the Deputy Premier confirmed didn't exist; didn't exist. So, Mr. Speaker, what has happened this afternoon is, the Deputy Premier has confirmed that there was a legal opinion, that that legal opinion did recommend a course of action, did outline a course of action, always had been denied up till this afternoon, Mr. Speaker. So finally we have the Deputy Premier coming straight in this Chamber, straight in this Chamber, after three weeks, after three weeks of pressure, after three weeks of tussling with the government across the way, the Deputy Premier has come straight with the facts.

But, Mr. Speaker, we are still not satisfied, we are still not satisfied because by inference, there has been an attempt to play some hide-and-go-seek still, with the truth. Mr. Speaker, we again call upon the Deputy Premier to ensure that he retains some credibility, to concur with the calling of a Committee of the Legislature that can receive the legal opinion that indeed — and I suggest it was a legal opinion — to receive Mr. Steward Martin, who is a material witness, to receive all the former directors . . .

**MR. SPEAKER:** Order please. May I suggest to the Honourable Member for Minnedosa that there is an opportunity for debate and I welcome his chance to make his comments.

The Honourable Leader of the Opposition.

**MR. PAWLEY:** . . . to receive all of the evidence of the former directors of Manitoba Hydro so that we can find, Mr. Speaker, the extent of the Deputy Premier's involvement with this entire matter. Did the Deputy Premier have no involvement at all? Was he requested for his concurrence and he gave his concurrence that legal action would be inappropriate? Did the Deputy Premier threaten, by way of the Vice-Chairman of the Manitoba Hydro, that Hydro Board members would be fired? That has been claimed by one Board member.

Mr. Speaker, if there is any doubt, then let's remove that doubt. Let's remove that doubt. That's all that we have been asking for. Is that a great request? Is that an unreasonable suggestion? Is there something outrageous about that, Mr. Speaker? Now we have evidence submitted by the Deputy Premier himself that that which he described would likely turn out to be half a hoax, and that the First Minister had said was a fabrication, and that the First Minister said was part of trumped-up charges and triple hearsay, is in fact, Mr. Speaker, a legitimate, credible document.

The First Minister had asked for us to bring evidence. We brought evidence yesterday by way of a Minute of Manitoba Hydro. The Deputy Premier has acknowledged this afternoon, as they made

important acknowledgments and concessions this afternoon, that the Opposition has been right, Mr. Speaker. In view of that, is there any longer any excuse for not calling into existence a committee to get to the bottom of this, Mr. Speaker? Is there any longer any excuse?

Mr. Speaker, what we have heard was another area that I found despicable and sad, despicable and sad. I remember in the days of Richard Nixon that Nixon and those around him attacked the Washington Post, attacked two young reporters, Bernstein and Woodward, and they attempted to put the Washington Post on trial, tried to place the reporters on trial. Mr. Speaker, what we had to day was an attempt to put the Winnipeg Free Press on trial, an attempt to put on trial one, John Sullivan, and Arlene Billinkoff. Mr. Speaker, what a despicable, weak performance on the part of the Deputy Premier. The Deputy Premier ought to come straight in this Chamber and acknowledge, on the basis of what is in Hansard, what are in the committee records, what is now so by way of his own acknowledged . . .

**MR. SPEAKER:** Order please. The Honourable Minister of Mines on a point of order.

**MR. CRAIK:** On a point of order. Let the record show that the Leader of the Opposition named a reporter that I did not.

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

**MR. PAWLEY:** All that I know is that the Deputy Premier referred to an article, which was written by Arlene Billinkoff, Mr. Speaker, and if the Deputy Premier again wants to be cute, let him continue to be cute. That's what he has been doing for the past three weeks. If the Deputy Premier wants to say that he was not reading from and commenting on an article written by Arlene Billinkoff, let him say so. Let him say so and I'll withdraw my comments, but let him say if indeed he was not reading from an article that was written by Arlene Billinkoff. If that is the case, then I withdraw my remarks.

Mr. Speaker, let the record demonstrate that the Deputy Premier has not stood in his place and denied that he was reading and making reference to the article that was written by Arlene Billinkoff.

Mr. Speaker, the Deputy Premier may not be happy, but I am pleased that there are those in the media that are prepared to do a little extra effort in order to get to the bottom of matters, whether it involves the Opposition or the Government of the Day. That's what a free press, Mr. Speaker, is all about, and as far as the Opposition is concerned, Mr. Speaker, we appreciate a press that is prepared to search out facts and divulge information that should be divulged to the public at large and we regret any personal attacks in respect thereto.

Mr. Speaker, I wanted to read a quote which I didn't have in front of me last night, but in conclusion, the words of Shakespeare, the words of Scott — "Oh what a tangled web we weave when first we practise to deceive." What a tangled web we weave. What a tangled web the Deputy Premier of this province has weaved for himself in the past three weeks when first he practised to deceive.

Mr. Speaker, I would like to deal briefly with the amendment that is before us by the Member for Inkster. Mr. Speaker, I want to indicate that we in the Opposition intend to support the amendment that has been introduced by the Member for Inkster and in so doing, it is necessary for me to indicate some areas that we have concerns in respect to the amendment that was introduced by the Member for Inkster but, in general, we can add our support to the sub-amendment.

Mr. Speaker, in respect to the first clause of the sub-amendment, the Member for Inkster made reference to the government failing to facilitate the betterment of the human condition by making post-secondary vocational, academic and professional education available at social rather than individual expense. Mr. Speaker, our party has always supported the principle that every individual ought to be given the opportunity to maximize their educational advancement regardless of funds. That has been a longstanding principle of the New Democratic Party, Mr. Speaker, and we have also favored the gradual elimination of tuition fees as being an obstacle insofar as many students without ability to pay in order to achieve educational opportunity.

Mr. Speaker, it will take some time to achieve that objective and if we have any reservation about the sub-amendment it was suggesting that the government be faulted for not doing it at once. Mr. Speaker, we recognize that it will take some time in arriving at that objective.

Mr. Speaker, the New Democratic Party is prepared to arrive at that objective in government. It recognizes that it cannot be done in one year but over a period of time it can.

The present government is rightly being faulted by the Member for Inkster for having failed completely to move towards achieving this objective, Mr. Speaker. In fact, it has been sliding back the other way. Ever since they were first elected in 1977, they have been pushing up tuition fees; they have been increasing the burden upon the students of this province, 44 percent in the past four years. So I understand and I appreciate and I support the sentiment in the sub-amendment. It will take time to achieve. We support the first paragraph on the basis of the sentiment expressed therein.

On the second clause of the sub-amendment, "The Government has failed to maintain an option for the public of Manitoba to participate to the extent of at least 50 percent in the exploration and development of the mineral resources belonging to the people of Manitoba."

Mr. Speaker, we support increased public participation in the mineral development of the Province of Manitoba, unlike the present Conservative Government. This Conservative Government, Mr. Speaker, has given away public assets, public option in Tantum, Trout Lake, the proposed potash development in St. Lazare. This Conservative Government has given away millions of dollars of the public heritage in the Province of Manitoba. So that we concur that indeed this Conservative Government ought to be faulted for withdrawing public interest in mineral development and exploration in the Province of Manitoba.

Mr. Speaker, we will increase the amount of public participation and development in the Province of

Manitoba and a good example of what can be done is described in the Northern Miner, April 9, 1981, Volume 67, No. 5, where it is mentioned that over a 12-year lifespan, the Saskatchewan Government will be realizing \$500 million to \$600 million dollars because of its participation, because of its receipt of royalties in a mine which is a uranium mining and milling operation at Cluff Lake in Saskatchewan. Mr. Speaker, that is the kind of leadership that is required in the Province of Manitoba, a government in the Province of Manitoba like that government in the Province of Saskatchewan that is prepared to ensure that there is maximum return to the public of the mineral wealth of the province rather than that mineral wealth be drained from the Province of Manitoba to interests outside this province. So, Mr. Speaker, we support paragraph number two of the sub-amendment.

Mr. Speaker, in respect to paragraph number three, "The Government has failed to exercise fiscal responsibility by seeing to it that its revenues keep pace with its expenditures." Mr. Speaker, we have had four deficits in a row; four deficits in a row. Mr. Speaker, this Government ought to be condemned for the fact that indeed they did give away valuable tax revenues in 1977 when indeed they weren't increasing social programs, when indeed we did increase the deficit in the public debt in the Province of Manitoba. Mr. Speaker, they said they were fiscal conservatives. They suggested they were competent, efficient managers of the treasury of the Province of Manitoba. They suggested the previous Government were arsonists. Mr. Speaker, and I said only a few days ago, there appears to be some fire bugs loose in the present Conservative Government in the Province of Manitoba with its whopping, not \$219 million deficit, as they have suggested, but as the Member for Brandon East indicated, because of the Municipal Loan Reserve Fund, closer to \$240 million or \$250 million.

So, Mr. Speaker, we do want to say this, that we do have exception to one part of paragraph three in that we do accept the fact that in any particular year a deficit may be necessary; that it may be necessary indeed to stimulate the economy of a province such as Manitoba by encountering a deficit. The long-term objective should be towards balanced and fiscal responsibility but, Mr. Speaker, the problem with this government is that we have a whopping deficit — (Interjection) — A deficit by default, as mentioned here, and we have given up revenues and what do we have to show for it? What do Manitobans have to show for it, Mr. Speaker? Zilch! Zilch! And for that reason, Mr. Speaker, they are properly being faulted in the sub-amendment before us.

Mr. Speaker, paragraphs four and five, we have no difficulty in respect to. So, Mr. Speaker, we will be supporting the subamendment, and I want to also indicate that tomorrow, Mr. Speaker, I will be on my way to Churchill by way of a long-standing commitment which was made some two to three months ago and, Mr. Speaker, I am requesting that the Deputy Premier arrange for the First Minister to pair with me tomorrow, and I would appreciate if the Deputy Premier would undertake to take that message to the Premier for tomorrow's . . .

**MR. SPEAKER:** Order please, order please. May I point out to the honourable member that pairing is

not a matter for discussion openly on the floor of this Legislature at all. It's a practise that as far as the House is concerned does not even exist.

**MR. PAWLEY:** Mr. Speaker, I am not attempting to negotiate, it was only a reference.

So, Mr. Speaker, what we have had this afternoon is admission by the Deputy Premier that indeed that which has been alleged over the past three weeks, that statements that had been made were in fact of a misleading nature and, Mr. Speaker, we will intend to press for a forming of committee to further get to the truth of the Hydro matter. Tomorrow the members of the Opposition will be supporting the subamendment and at the same time of course, Mr. Speaker, will be voting in support of their own amendment to the Budget introduced by the government.

**MR. SPEAKER:** The Honourable Minister of Fitness and Amateur Sport . . . The Honourable Member for Burrows on a point of order.

**MR. BEN HANUSCHAK:** Yes, Mr. Speaker, I rise on a point of order. As you have frequently reminded us on previous occasions that documents that are tabled ought to be signed and dated, and this afternoon the Deputy Premier tabled a document, a letter from a firm known as Aikins, MacAulay and Thorvaldson, consisting of 40 lawyers, and I would suggest to you, Mr. Speaker, that this document is not signed. (Interjection) — No, it's not signed. It's unlikely that it was written by 40 lawyers. It does not give the name of the author of the letter, Mr. Speaker, so therefore I suggest that it is not signed properly and hence it ought not be tabled for the same reasons as the government has presented on many an occasion opposing to the tabling of documents.

**MR. SPEAKER:** Order please, order please. The Honourable Government House Leader on a point of order.

**MR. MERCIER:** Well, Mr. Speaker, I would have thought that the member who raised this point, as I understand a graduate of the law school, Mr. Speaker, would have been aware that letters such as this are very commonly signed in this manner.

**MR. HANUSCHAK:** Mr. Speaker, I rise on the same point of order. I would suggest to you that you take the matter under advisement and the Honourable Attorney-General, who is also a graduate at law, and I am sure that if he would check his notes from law school he would come to the same conclusion as I, that simply writing the name of the firm and not indicating the name of the author of the letter does not constitute a signature, and I am sure that the Honourable Attorney-General, never in all his years of practise of law has seen a letter from a law firm simply signed by the name of the firm without showing the name of the author of the letter.

So therefore again I suggest to you, Mr. Speaker, that the letter is not properly signed in accordance with your requirement as you've laid down to the House.

**MR. SPEAKER:** Order please. The Honourable Member for Minnedosa on a point of order.

**MR. DAVID BLAKE:** Yes, Mr. Speaker, if it may be of any assistance, I haven't seen the document, I don't know what's on it by way of signature, but some time a few years back I attempted to table a letter that wasn't signed but the name had been typed on there and the legal opinion at that time was that if it could be established that the name that was typed on there had been typed by the other of the letter then it constituted a signature, but I haven't seen that document so it may in this case be of similar incidence and it may it prevail.

**MR. SPEAKER:** Order please. May I point out to honourable members, and I would like to refer them to Citation 362 of Beauchesne's Fifth Edition, "Reading telegrams, letters, or extracts from newspapers, as an opening to an oral question is an abuse of the rules of the House. It is not good parliamentary practise to communicate written allegations to the House and then to ask Ministers either to confirm or deny them. It is the member's duty to ascertain the truth of any statement before he brings it to the attention of the Parliament." If the Honourable Minister of Energy and Mines has made that ascertainment and brings it before he brought to this Chamber, I would accept that; if the honourable member can ascertain that the truth of the statement that was before us. I have not seen the letter itself.

The Honourable Minister of Energy and Mines.

**MR. CRAIK:** Mr. Speaker, I can I suppose. I received it with the instruction that goes along with the other signed letter that says it is the legal opinion submitted to Manitoba Hydro by Aikins, MacAulay and Thorvaldson, and therefore they are endorsing the signature as being valid as far as they are concerned.

**MR. SPEAKER:** The Honourable Minister of Fitness and Amateur Sport.

**HON. ROBERT (Bob) BANMAN (La Verendrye):** Thank you, Mr. Speaker, I rise at this point in the Budget Debate to make several comments with regards to a number of matters not only affecting my constituency but I believe the people of Manitoba in general and I welcome the opportunity to do so.

Mr. Speaker, sitting through this House the last couple of weeks and listening to the final sort of summation to the end of the death rattle of what the Leader of the Opposition thought was the biggest issue that he had going, I really had to sit back and say, oh, how soon we forget. We heard the Leader of the Opposition here coming to the defense of the Free Press. Well, Mr. Speaker, it didn't take too many years ago when there was a certain reporter at the Free Press that was writing stories about Hydro, and I remember vividly, Mr. Speaker, sitting in the seat where the Member for Ste. Rose is sitting today, listening to the First Minister of this province at that time, ranting and raving. The Member for Inkster who started all kinds of name calling and name assassinations on people who were writing editorials saying that it was totally out of whack.

Mr. Speaker, today we sit here listening to the Leader of the Opposition accusing the Deputy Premier of the province of running down the press, and he of course is licking at the bootstraps of the media hoping to conjure some favour in that respect.

Well, Mr. Speaker, I tell you that won't work, because of all us who are politicians have at one time or another, said something, have been misquoted on something, and have learned over the years to live with that. I have never gotten up in the Legislature and tried to hide something that I have said by claiming it has been misquote, or even getting up and chastising the media at great length for something that I knew was wrong and knew that they should not have printed. But, Mr. Speaker, for the Leader of the Opposition to get up and go ahead and chastise us for saying something about an inaccurate statement that some reporter might have made is the height of lunacy, Mr. Speaker.

Mr. Speaker, all of us in this Chamber I hope agree to the freedom of the press, but what has happened in the last little while, Mr. Speaker, in some instances realizes that they are not always right either. Mr. Speaker, all we have to do, refer — we talk about Watergate and the people that uncovered it, namely the Washington Post, but what have we been reading the last little while about the Washington Post, Mr. Speaker? Even the hallowed Washington Post that uncovered the Nixon scandal are totally embroiled in another one, and I think the frightening thing is that the media today which shape public opinion has the power to put that type of distortion in there.

Mr. Speaker, let not the Leader of the Opposition get up here in a pious manner and start licking at the bootstraps of the media and saying that they are totally right because, Mr. Speaker, I tell you that type of thing will not be appreciated by the media and is not appreciated by the people of Manitoba.

Mr. Speaker, what has happened in the last couple of weeks here is something that I believe is an example of how something can be distorted and an issue whipped up with the help of one or two people in the media to bring about this type of a thing.

Mr. Speaker, we had a clear delineation of what happened in a sequential manner today, and that's what happened, and really how this thing started out was the fact that the Deputy Premier was being accused of interfering with the board of directors, threatening them to resign, but what has happened, Mr. Speaker, and the Member for Inkster knows this very well. There is a certain relationship between the Minister and the Board and not necessarily always does the Minister agree with the Board. Now what are the members opposite saying? That a Minister that is responsible in the Legislature, responsible to the people of Manitoba and, Mr. Speaker, somebody, the Hydro Board, the MDC Board, the MTS Board, have to be responsible to the people of Manitoba, because if they are out there and don't have any public input as far as the people are concerned, I tell you that's a sad and sorry day, and if I was . . . the Minister of any particular Crown organization, and they are doing something which is not in the public interest, I am going to get up here, I am going to get up in front of them and tell them, this is not what the people want, you are the servant of the people, and you will do what the government of the day tells you to do.

Mr. Speaker, the fact of the matter is he never was involved to that extent with the thing, which has been pointed out in the letter we received from Hydro's Legal Counsel today. It was Mr. Martin's submission

to be presented to the Commission if the Board of Hydro approved it. Mr. Speaker, Mr. Wedepohl has written to the paper saying that he has discussed it with the Minister and that his opinion was that what has happened was a proper process and the Minister concurred with him. The Minister has never hidden that. But, Mr. Speaker, there are times, and the Member for Inkster will remember this, back in 1976 I believe it was, the Flyer Board, the MDC Board, came to the Minister of that day and said we want to shut down Flyer. The Minister then said, no, you will keep it open, and the government will assume the losses if there are any.

**MR. SPEAKER:** The Honourable Member for Inkster on a point of privilege.

**MR. SIDNEY GREEN:** Mr. Speaker, on a point of privilege, at no time to my recollection, and I'm trying to recall, was there definite instructions that they wanted to shut down Flyer. What they said is that the government was not prepared to announce a possible \$3 million a year loss, they would have to shut it down. The \$3 million a year loss was announced and they didn't shut it down.

**MR. BANMAN:** Mr. Speaker, here we have this debate that's gone on time and time again. That is what the Member for Inkster recalls. He was Minister in charge of MDC but, Mr. Speaker, let me read the minute to you. We are talking about minutes here and this will point out the problem that a Minister responsible for a Crown corporation has, because in all the Ministerial duties that you have, you don't know what goes on in every minute. But let me read the minute, Mr. Speaker, and the minutes are signed, they are signed by Mr. Parsons and Mr. Kuhnle, and you know, interestingly enough one of the members who voted on this particular motion is the same gentlemen that's in the center of controversy here, representing the Hydro at the time. But after discussion it was moved by Allan Shnier, seconded by A. J. Thiesen, that the Board recommend to the Minister that Flyer Industries Limited discontinue the manufacturing of buses upon the completion of the present orders including, if possible, the City of Winnipeg orders for 80 buses, in order to utilize the existing inventory. They told you to wind that company down. (Interjection)—Mr. Speaker, that's what the minute says. But, Mr. Speaker, what have we been arguing about?

**MR. SPEAKER:** Order please.

**MR. GREEN:** Mr. Speaker, On a point of privilege, I am still of the clear recollection that they may have had such a minute, that they came and discussed it with me and made an entirely different recommendation.

**MR. SPEAKER:** Order please, order please. May I point out our own rules which state, "A dispute arising between two members as to allegation of fact does not fulfill the conditions of parliamentary privilege," and therefore the honourable member was not — his point of privilege was not a matter of privilege.

The Honourable Minister of Fitness and Amateur Sport.

**MR. BANMAN:** Well, Mr. Speaker, that is what is the minutes read. That's what the minutes read, Mr. Speaker, and I think subsequent to that, the Board of Flyer sat down with the First Minister of that day and the member, and the member then said that he would cover losses if there were any, you guys keep operating. —(Interjection)

Well, Mr. Speaker, what I'm saying is that the then Minister in charge of the Manitoba Development Corporation interfered with the operations of MDC. —(Interjection)— Sure he did. If you want to drag this analogy forward, then let's talk about it. Well, Mr. Speaker, that's the fact, but all I'm pointing out here, Mr. Speaker, all we're doing here is that we see where the government has taken a Crown corporation, not Manitoba Hydro in this instance, but the Manitoba Development Corporation and instructed the Board what to do.

Mr. Speaker, isn't that what the whole argument has been about here all the time? And it finds out that the argument isn't even substantiated now, Mr. Speaker. One individual who had some notes and a file, preparing for possible use for a Hydro board. But what has happened, Mr. Speaker, in all the news articles, "Craik denies Hydro board firing threat.". Well I think we've discontinued that sort of attack because the members opposite realize, after receiving Dean Wedepohl's letter and a few others, now they're taking another tack and trying to say there was a cover-up.

Mr. Speaker, I have never accused — Mr. Speaker, I've was Minister in charge of MDC for three years — I never got up in a cheap political ploy and accused the Member for Inkster with tampering with the board, because I believe that's his right. I believe that's his right. —(Interjection)— Well, Mr. Speaker, we won't argue, the minutes speak for itself.

But, Mr. Speaker, what are we dealing with? Mr. Speaker, what are we dealing with here today? I have to come back to a little quotation which the Leader of the Opposition used and I think this just really hits the nail on the head. It appeared in the Winnipeg Free Press; it was a letter to the editor and it said, and I think this sort of sums the whole thing up, "This policy was forced through the convention by union spokesmen; they're camp followers and gutless politicians who privately admitted it was sheer lunacy but lacked the courage to say that to the convention. Obviously the current crop of leaders of the NDP learned nothing from their eight years in office, fine, but let them not pretend all NDP members are as naive and misguided as they are."

Well, Mr. Speaker, that was Herbie Schulz; we all know who Herbie Schulz is. But I think this sort of puts a little touch on and typifies what the Leader of the Opposition is all about these days.

Mr. Speaker, they trumped up an issue here and they thought they had a real good one going. Mr. Speaker, I say to you that if we want to dig back into minutes and go through minute after minute, we'll find that what has happened here is that everything has been done properly and in proper order.

Now, Mr. Speaker, I want to deal with another matter and I'm sorry the Member for Brandon East isn't here because I think after having fought the McKenzie Seed fight with him for a number of years now, something has come to light which I have to share with the House.

Mr. Speaker, when the Member for Brandon East started shooting off his mouth about all the different problems and about the sale of McKenzie Seeds, I got up once or twice and said that he had attempted the same thing. Well, Mr. Speaker, then back when this was fought, being bandied back and forth, on March 7, the Member for Brandon East said that, "At no time did I, as a Minister responsible for McKenzie Seeds, from 1970 to 1977, solicit or cause to be solicited a potential buyer for McKenzie Seeds." This was put on a press release under his signature on March 7, 1980.

Mr. Speaker, I produced several months ago, or last session, some documents which indicated that the newspaper at that time had carried several quotes with regard to his involvement and he got up in this House and again vehemently denied that there had been any solicitation.

Well, Mr. Speaker, I have spent a lot of time searching the records and the minutes and the memos that have passed back and forth and interestingly enough, Mr. Speaker, if you want to go back and you want to talk about misleading the people of Manitoba and misleading the people, I know, Mr. Speaker, we're not allowed to use the word liar in this particular Chamber but, Mr. Speaker, the people of Manitoba, after I have shown you the evidence that I have, will realize that the Member for Brandon East was what I said previously.

Mr. Speaker, the memos and the correspondence show clearly that the Member for Brandon East asked members of his staff to try and search out or find a buyer for that particular company when the government changed in 1969. The Member for Brandon East has denied that in public statements and everywhere and has been getting up and running this particular government down for trying to strengthen that operation out there by trying to possibly find a buyer. Mr. Speaker, the Member for Brandon East tried to find one himself and I think, Mr. Speaker, that if we're talking about misleading statements here, and this has been brought up time and time again, here is a case where if anybody wants to do a little bit of soul-searching, I think the Member for Brandon East did.

He has been using this particular trumped-up issue the last three or four years out in Brandon. He has gone ahead and worked everybody into a feverish pitch in Brandon and, Mr. Speaker, he had done exactly the same thing, in a limited way, that this particular government is doing.

So, Mr. Speaker, if the members of the Opposition feel so self-righteous about any of the causes that they have, I suggest to them that they be very careful because their past contains some very, very interesting documentation and some interesting files.

Mr. Speaker, I have referred to McKenzie Seeds. I referred to Flyer, Mr. Speaker, and I believe that I had indicated to all the members here that there is a certain amount of documentation on file from any Minister that he can't remember what happened four, five, six years ago. —(Interjection)— Mr. Speaker, the Member for Inkster says he remembered. I just read him back a minute which he wasn't too happy about; he wasn't too happy about it, Mr. Speaker. But, Mr. Speaker, I have always indicated that that is the Minister's responsibility. He is responsible to the people for the operations of that particular Crown

corporation and anybody to think, you know, and this is so laughable when the Federal Government is changing the post office from a government department to a Crown Agency and everybody is expecting all kinds of miraculous things to happen. The government is finally responsible as the principal shareholder of that Crown corporation and should always have the right to dictate policy to that particular Crown corporation. Mr. Speaker, this is the problem with — the growth in this sector is something I believe is the problem with PetroCan and other organizations like that. What happens is the Crown corporations get so big that it's virtually impossible for any politician to make them heel and, Mr. Speaker, because they can, by leaking a few documents, doing a few things, virtually destroy a Minister in a week.

Mr. Speaker, I'll deal with the PetroCan thing. I put it to you this way. If during an election time, PetroCan, which would own almost all the resources in Canada, would decide to destroy a government of the day, could announce two weeks before an election, Mr. Speaker, a 30 percent increase in gas. Mr. Speaker, that would ruin that government of the day because the people do not separate a Crown corporation from the people and I don't think they should, but let us as politicians never forget that we are responsible to the people and the Crown corporations are responsible to the Ministers who they report to, because the minute we lose that, they become giants, not reporting to anybody, and I think and I am convinced that the Member for Inkster agrees with me on this because that's the way he handled the MDC, precisely that way, Mr. Speaker. Mr. Speaker, that is how he handled it, because, and if he did anything else I want to tell him, he was wrong — he was wrong, because there is no way that the shareholder, who is responsible to the people in our democratic system, is going to be left out of the decision-making or policy-making of any large corporation when you're dealing with — I'm not talking about the day-to-day routine matters and that but when it comes to major changes in direction, Mr. Speaker, and I want to clarify that. I'm talking about a major —(Interjection)— I'm not talking about Flyer, if they're going to build 325 or 337 buses, Mr. Speaker; that's why you have a Board of Directors. But if there's a policy matter, Mr. Speaker, that is left up to the government and I don't ever want to be part of a government where we just leave the Crown corporations do what they want to do with their Board of Directors, because that is not being responsible to the people.

Now, Mr. Speaker, I want to say again, as I've said before, you have the Leader of the Opposition, who is now tearing through the countryside trying to conjure up some favour with the press, trying to make all kinds of statements about different areas of concern in the province, and you have got him coming up with articles and with statements like he made a few months ago saying that it was the Conservative Government that closed down Hydro and blaming a lot of the problems for the closing down of Hydro on the Conservative Government. Mr. Speaker, I've spoken about that before, but he seems to persist in those misguiding statements to the public.

Mr. Speaker, the Member for Inkster, and I'm referring to him too much today, because I don't

want to get tied in with him, Mr. Speaker, but he has in this House admitted when he was a senior member of that particular Cabinet, he has said yes, it was the previous, under the previous administration, the Board of Hydro shut down Limestone.

Now I want to know — Mr. Speaker, I want to know — he was a member of the Treasury Bench. Was there any correspondence or any dialogue, just a call, a telephone call, or maybe just somebody sitting down, the Chairman of Hydro, with any governmental officials, with the Premier or anybody, saying that we might have to close down Limestone? —(Interjection)— Mr. Speaker, that's what I want to know; the member said I expect so. In other words, on the major decisions there was some contact between government, either in written form or in verbal form or a telephone call, because if there wasn't, Mr. Speaker, then I would accuse that previous administration of leaving the major decisions, which should have an input by the people, in the hands of the board, which I don't think is right.

Mr. Speaker, so on an item like that, which now, Mr. Speaker, the Leader of the Opposition is going around and saying the Conservatives did it, we didn't do it, they closed down Limestone, we didn't. Mr. Speaker, that type of hand-wringing and misleading statements to the people of Manitoba are not going to go over because, Mr. Speaker, the truth will out and if I didn't believe that, despite some of the errors and some of the reporting that goes on, which happens to both sides of the House — it happened when they were government, it's going to happen to us when we're government and no amount of getting up here and condemning the press is going to solve that problem, because the Member for Inkster and the former First Minister went through that time and time again, Mr. Speaker. They had a running battle going with the Free Press, boy, I'll tell you. It was something to behold.

Well, Mr. Speaker, they will be the first to agree that just because we have freedom of the press doesn't mean that the press is always printing the right thing. We're going to live with that. I think that it's a responsibility of ourselves from time to time to write to the editor and point out the mistakes and we have done that and I'm sure all members of the House have done that, but I don't think, by anybody getting up and saying they're all right or they're all wrong, there's going to be anything accomplished. As I pointed out before, the Washington Post article that won a Pulitzer prize, Mr. Speaker, was a total hoax, so the media is not totally lily-white on this particular thing either.

Mr. Speaker, the Leader of the Opposition said today in what I would imagine is sort of a summation of this particular Hydro deal that they've been going through the last little while, he says that the Minister has come clean with the facts and the truth. Well, Mr. Speaker, all the Minister did today was read Hansard back into the record. Mr. Speaker, that's all he did, read Hansard into the record and tabled a few letters from Hydro and from a legal firm. Mr. Speaker, that's all he did. And the Leader of the Opposition has been so disturbed with this, he says, "He has come clean with the facts and the truth."

Well, Mr. Speaker, all he did, and I guess this sort of shows the mentality of the Leader of the Opposition, he arranged it in a nice chronological

order and provided a little more correspondence, Mr. Speaker, that's all he did. He didn't come up here and reveal some dramatic new thing. He just went ahead and revealed exactly, in a chronological sequence of events, what had happened.

So, Mr. Speaker, I want to say to the members opposite that having been in charge of Crown corporations, there are certain things that I have come to believe in dealing with them, certain things which the government has to deal with. I believe that the Minister in this particular instance sat down — there weren't all kinds of written letters or anything but that doesn't happen every day. I'm sure members who were responsible for a Crown corporation got a call every once in a while from the director or from the chairperson asking for some opinion on something. Well, Mr. Speaker, Dean Wedepohl has indicated that's what happened here. Dean Wedepohl has not, Mr. Speaker, gotten up and written a letter saying that the Deputy Premier threatened to fire the whole board, as members of the Opposition would have us believe.

Mr. Speaker, I want to again, and boy, I'm doing too much of this today — but the Member for Inkster said that what happens, and what his policy was, was that when something went wrong or the board consistently did something wrong or the corporation wasn't functioning properly, what did you do? You removed the whole Board of Directors. That's his words, not mine. Mr. Speaker, I have just gone through that. I won't repeat myself but I want to say to you, you have the Leader of the Opposition who is going through the province, going ahead and distorting all kinds of different facts and figures, Mr. Speaker, and here we are in a position where what has happened has been fully open, fully in the open, Mr. Speaker, and I believe the Deputy Premier has dealt with the case very very adequately.

I predict to you, Mr. Speaker, that the Deputy Premier will be facing some other charges and counter-charges and accusations with regard to some of the other projects that he is dealing with, Mr. Speaker, because one of the things that I have learned, and I guess this is one of the benefits from being in the Opposition for four years years or a certain length of time, is that you have a feeling for the Opposition mentality, Mr. Speaker, you know what their next move will be. Their job in this Legislature is to try to discredit the government and they are going to try to pick holes in the Alcan agreement; if we come up with a potash agreement, Mr. Speaker, let me just predict they are going to say the Royalty rates are too low, we should have owned the whole thing instead of a different arrangement that could be possible. Mr. Speaker, they will say it's not enough and the Member for Inkster will get up and say the road to Toronto is the same road leading back and I want to, as he mentioned during the Tantalum debate, he will say that, "I say to you that when this government or when this party takes power, we will," —(Interjection)— No, this was when he was still a member of the New Democrats. "That they will pay Hudson Bay Mining and Smelting what they paid for it plus interest and expenses," Mr. Speaker, "and send them packing." That's what he said.

Now, in light of that type of statement, Mr. Speaker, in light of that type of mentality and the

type of statements that we are going to hear on potash development and on Alcan development, Mr. Speaker, because they are going to go after us because nothing is going to be good enough, nothing is going to be good enough. But I'll tell you, we are labouring under some distinct handicaps, Mr. Speaker. You try to deal with people when you have got members like the Member for Inkster getting up and saying they want to nationalize everything and everytime we do something, you get up and say, "I want to tell you right now that if I am in government I'm going to take you guys over and I'm going to give you back what you paid for it, plus a little bit of interest."

Mr. Speaker, that does not breed investor confidence. Mr. Speaker, that does not breed investor confidence. Then they get up, the Leader of the Opposition then gets up and says he is for small business; he's for small private enterprise. Mr. Speaker, he's for small private enterprise if the government can be the small private enterprise. Mr. Speaker, I want to tell you that having, again referring back to running of different Crown corporations, with all due respect to all the good people we have got there, I want to tell you that the bottom line and the type of checks and guidelines that deal with particular companies just isn't there and the government just cannot in no way, shape or form, run a business the way a private group can. Mr. Speaker, I adhere to that philosophy, after having been in government now for three years and being responsible for a few things, I tell you that the decision-making process in the whole chain is much too slow. If you make a decision, it becomes a public one. What happens is that you just have to lay a few people off because the production line is a little slower and right away you have got a big story in the paper. Mr. Speaker, the atmosphere just doesn't make for good competent business management.

So, Mr. Speaker, I want to say in conclusion that I am confident that the Deputy Premier has acted responsibly. I am confident that this government has acted responsibly. I don't want to see any government come up and say that they are doing a good for me by going ahead and taxing me on the one hand, like we are doing for PetroCan now and then using my money to buy something which will in the final analysis, Mr. Speaker, I believe, become such a big giant that none of us will be able to control it because on a small scale we see that happening right here in Manitoba.

Mr. Speaker, I want to encourage the Deputy Premier; I want to see that Alcan plant and, Mr. Speaker, I would love to see it out in eastern Manitoba. Mr. Speaker, I would love to see that plant there. You know, it's an interesting — I'll just mention, as an aside here — I was listening to CBC, driving in the other day, and they had this guy on the line from somewhere up in B.C. and he was telling the reporter how all the salmon were dying in B.C. and what a terrible thing had happened with Alcan and the salmon. Well, Mr. Speaker, where they are building, they are not even building close to a river. And, Mr. Speaker, there's no salmon. But, Mr. Speaker, the whole thing is being whipped up already and what we are going to have is we are going to have a lot of distortion. I would urge the members on the opposite side not to just sit down

with these guys with the wire-rimmed glasses and beards and worry about what is going to happen to those guys, because what is happening is that you are going to have these guys whip this whole thing up. I understand we had some Greenpeace guys in Steinbach already and we haven't even seen the plaint.

I want to say that I hope we see that. I hope that maximum protection is put in place for the environment because I think none of us want to see it polluted, but I want to see the major projects like the potash; I'd like to see Limestone started up, Mr. Speaker, and I believe that is what's going to happen in the next little while and we will, under the competent leadership of the Deputy Premier here, be able to make that happen and make those announcements.

Thank you, Mr. Speaker.

**MR. DEPUTY SPEAKER:** The Honourable Minister of the Environment.

The Honourable Member for Inkster on a point of order.

**MR. GREEN:** Yes, Mr. Speaker. I was prevented from raising the matter on a question of privilege. Mr. Speaker has indicated that where a member has made remarks which are adverse, that the member about whom they are made can get up and shortly clarify them. I wish to clarify remarks that have been made by the member who just spoke, with his suggestion that I interfered with the decision of the Manitoba Development Corporation.

Mr. Speaker, if the member will go back into his records, he will find, Mr. Speaker, that there were a set of guidelines published in this House which guided the affairs as between the Minister and the Development Corporation; that one of those guidelines was that the Development Corporation could not sell a corporation which was owned by the government unless they made a recommendation to the government. The minute that he is reading is a recommendation that it be terminated. When the recommendation was made and came to me, it was discussed, following which, Mr. Speaker, a joint statement was made by the Manitoba Development Corporation and myself relative to the continuance of that business. I can tell you, Mr. Speaker, without any hesitation whatsoever, that the honourable member will not find one board member through the entire years in which I was involved who would whisper or suggest that I in any way interfered with the activities of the Manitoba Development Corporation or their decisions on any questions.

**MR. DEPUTY SPEAKER:** I have acknowledged the Honourable Minister of Consumer and Corporate Affairs and Environment as the next speaker.

The Honourable Minister of Recreation and Sport, on a point of order?

**MR. BANMAN:** Mr. Speaker, so the record is very clear, I indicated a minute that are on the minutes of the MDC board and I indicated to the honourable member that I think, I believe that he indicated to the Board of Directors that he wanted the plant to continue.

**MR. DEPUTY SPEAKER:** The Honourable Member for Inkster on the same point of order?

**MR. GREEN:** Yes. The honourable member has suggested that I somehow used my Ministerial authority to intervene in their decisions. The minute that he has read is a recommendation to the Minister. The reason that there is a recommendation to the Minister — there was no recommendation to the Minister with respect to this legal opinion and the reason that there was a recommendation to the Minister is that guidelines, Mr. Speaker, were published in this House and made public to everybody that as between the MDC and the Minister, if they were going to sell a Crown-owned corporation, they couldn't do it without a recommendation to the Minister and a discussion. Following that discussion, my recollection is very correct, they asked me to make a statement in the House relative to the continuance of the industry and that's what I did.

**MR. DEPUTY SPEAKER:** To the honourable members, I think we are getting into a debate. Differences of opinion do not constitute points of order.

The Honourable Minister of Consumer and Corporate Affairs.

**HON. GARY FILMON (River Heights):** Mr. Speaker, I am prepared to yield the floor to the Member for Lac du Bonnet to keep the alternating order.

**MR. DEPUTY SPEAKER:** The Honourable Member for Lac du Bonnet.

**MR. SAMUEL USKIW:** Mr. Speaker, I first of all want to extend my appreciation to the member for having yielded the floor, having been recognized by you, Sir, while at the same recognizing, Sir, that the practice has been that we alternate as between this side and that side and it seems to me only logical that you should have noticed someone on this side. Perhaps the fact that the Member for Inkster stood up, and who had already spoken, confused the issue so I don't want to attribute any motives or faults, Mr. Speaker, but simply to put on the record what has transpired.

Mr. Speaker, the Budget Address that we have before us could not in all honesty be called a budget address. It is a document, if one is to look at it page after page, it is a document of excuses of why the Manitoba economy is not performing, after four years of Lyon economics, after four years of Conservative administration. It is a document, Mr. Speaker, of alibis, a million excuses. Excuses on what the Opposition did prior to 1977 are found in abundance. Mr. Speaker, in that document, page after page after page. The trauma of the eight years of New Democratic party government has hobbled this government for the next four, Mr. Speaker; that's what you find in those pages. The Federal Government has prevented this government from performing. The world economic conditions have prevented this government from performing, Mr. Speaker. You find all of that in those pages. The drought conditions have hobbled this government and they were unable to perform. I can go on and on and on and recite to you what is contained in two-thirds of the Budget Address. —(Interjection)— More than that, the Member for Kildonan suggests but I'll be satisfied to say that two-thirds of the Budget

Address attributes the economic flaws of this province and its problems to everyone except this Minister and except this government, Mr. Speaker.

I want to suggest to you that it is a document that is indeed an apology and can best be described as an apology to the people of Manitoba, an apology, Mr. Speaker, for having perpetrated the greatest fraud and the greatest hoax on the people of Manitoba in all of our times.

Mr. Speaker, in 1977-78, it is recognized that there was a fairly substantial budget deficit for the first time. For the first time in our history it was that substantial, Mr. Speaker. It was recognized by our government and it was recognized by this government, Mr. Speaker, but it was described by this government as something that could not be tolerated. Mr. Speaker, inexcusable, \$191 million of public debt was fiscal mismanagement as far as the Conservative party was concerned and attributed to the New Democrats who were then in government, Mr. Speaker. But we have four years of commitment to balanced budgeting, to a fiscal policy of a balanced budget, and we have the largest deficit ever recorded in the province's history announced by this government, by this Minister, only a few days ago.

So, Mr. Speaker, it is proper to describe this document, a document of the Budget Address of 1981, as an apology to the people of Manitoba for having failed. First of all, for having misled the people into believing that indeed it was possible in these times to come up with balanced budgets and maintain some sort of economic activity in the province. But secondly, Mr. Speaker, I must repeat it is a fraud, because at the time that they made those statements they knew that was not possible, and they knew that prudence would have it that you must have a degree of deficit financing unless you want to totally abscond from responsibility in terms of economic management in this province.

So a hoax it was, and a hoax it continues to be, Mr. Speaker, and the Minister now looks for a way of rationalizing his position vis-a-vis the people of Manitoba who are now asking him to account for four years of nonsense, Mr. Speaker. I am not going to say mismanagement in that sense, Mr. Speaker, mismanagement only in the sense that they were unable to deliver what they have led the people of Manitoba to believe that they can, and it took them four years to admit to that, Mr. Speaker.

The Minister now likes to describe the balanced budget as something for the future. It's a goal, Mr. Speaker, something that will happen some day. Well, Mr. Speaker, I don't know who wouldn't want to arrive at a perfect balanced budget given economic conditions were sound and the needs have been met and so on. Who would argue against motherhood, Mr. Speaker? I don't believe that any member in this Chamber would argue against that proposition, but, Mr. Speaker, members in this Chamber, at least members on this side of the House, recognize that there are fluctuations in the economic conditions which require from time to time to have surplus conditions on certain occasions and to have deficit budgets and a thrust of government spending in order to stimulate the economy on other occasions. That is the way it has been going for decades and for centuries, I would have to say — not centuries in

this country — but anywhere where government has played a role in the economy, they have had to play a role of flexibility, given the economic conditions of that particular period in time.

Mr. Speaker, I think the people of Manitoba are entitled to a review of the performance of this government. They are entitled to that review because this government is soon going to face the people at the polls, whether it's this year or a year from now, but it's within a reasonable time frame. So it is a year of accountability based on the fact that we have now had four budgets all of which have been deficit budgets and all of which have produced a negative economy, Mr. Speaker; all of which have created or aggravated already bad economic conditions.

Mr. Speaker, lest my friend opposite want to suggest to me that I am contradicting my own position, I want to tell him that I am not embarrassed about a deficit budget. I want to tell him that William Davis is not embarrassed about a deficit budget in a slow economy, like \$3 billion worth in one year. I don't think the Premier of Quebec has been embarrassed with a \$3 billion deficit, as a means of stimulating the economy, as a means of counterbalancing the conditions that exist at that particular time through public sector investment.

So, Mr. Speaker, there is no need to be apologetic, except apologetic for the fact that they have tried to make the people of Manitoba believe that there is something possible, something there could be achieved if only we had good managers at the helm. Well, we have had the so-called good managers and we have found, Mr. Speaker, that they have not been able to deliver.

Mr. Speaker, I think the people of Manitoba would like to review the position of the government from the first year right into the fourth budget. I am going to suggest to you, Mr. Speaker, that I want to help them with that task.

In the first Budget, Mr. Speaker, presented by the Minister of Energy and mega projects, etc., etc., it was presented in the spring of 1978. The Minister at that time, Mr. Speaker, described what he thought was a proper presentation of the budget and I just want to quote from page four. He says, "First, we think a budget should present a realistic, straightforward statement of the province's fiscal position and economic prospects. It should also contain a summary of the government's immediate and longer term objectives and a description of policies and programs to achieve those goals. In simple terms, it should be an honest report to the taxpayers of Manitoba, not a political manifesto," — take note, Mr. Speaker, — "not a political manifesto filled with worn out theories, misleading statistics and meaningless comparisons and promises which cannot be fulfilled", the former Minister of Finance who is now the Deputy Premier.

Now that was 1978, Mr. Speaker. Contrast that with the document that we are now discussing, Mr. Speaker, and find out whether or not we are indeed debating a bunch of political nonsense, a compilation of political, historical facts and misfacts and everything that was gathered together by the people in the department and others in order to not reflect on this government of today, but to reflect back to a previous administration that has been out of office now for near four years.

Mr. Speaker, excessive spending, massive deficits, that was the terminology that was used by the Minister of Finance of that Budget Address. Too much government; too much spending; too many deficits; onerous levels of taxation; those were the kinds of statements that were uttered at that particular time. But, Mr. Speaker, you know one thing I have to give members opposite credit for is that they have an ability to slip things in without having them noticed from time to time when it comes to taxation and at the same time have the ability to make these kinds of statements that I have just read to you, Mr. Speaker. They have that ability and we witnessed that, Mr. Speaker, by the fact that in the gasoline tax changes that were brought in a year ago, we find that we now have an increase in the provincial tax on a gallon of gas from last year, of about 5-1/2 cents a gallon.

We find that the Province of Manitoba is now yielding somewhere around \$18 million more just out of the gasoline tax without having announced that there is a new tax. (Interjection) — Yes, it is a piggyback tax. It's an inflationary tax, Mr. Speaker. It's borrowed from one fellow known as "Joe Who" and then subsequently the Prime Minister of Canada and subsequently the not Prime Minister of Canada. It was a failure for that government, Mr. Speaker, and I have to admit it has been so camouflaged by this government that to date they have been able to succeed without public reaction, but it is there and it is yielding somewhere in the order of \$18 million more today or this coming year than the previous year and each year more so. Every time the price of oil goes up, Mr. Speaker, this government gets a windfall benefit.

Mr. Speaker, a year ago I said that that was the "sleeper in the Budget" and that within a few years we will have not \$60 million of revenue, but \$120 or \$150 million of revenue from that one source. Mr. Speaker, that is taking place sure as we are here today and sure as we will be here tomorrow.

Mr. Speaker, the former Minister talked about the need for fiscal responsibility. Today this Minister talks about a prudent deficit is okay, you see. How things have changed from 1978 to 1981. Fiscal responsibility, the restoration of the principle of fiscal responsibility in the Government of Manitoba is the primary goal of this Budget, that's 1978, Mr. Speaker.

I will get to the 1981 statement later, but it talks about a prudent deficit arrangement, given the conditions of our time.

On page 7 of the 1978 Budget, the Minister goes on to suggest "We believe a balanced budget is a realistic goal." Today they are saying, "Yes, it is a goal, but we just don't know when." Sometime in the future, perhaps even not that government will be here, Mr. Speaker, when we achieve that status.

Now on public debt, Mr. Speaker, I think it's worth noting, that in 1978, the then Minister bemoaned the fact that Manitoba had the second highest per capita debt in the country. It says here, Mr. Speaker, on page 40 and I quote the Minister's own statement, "It is our contention at that time, and it was backed up by statistics produced by various investment houses" and they are referring to the contention during the 1977 election campaign "that Manitoba's combined direct and guaranteed debt was the second highest in Canada on a per capita basis."

Now, Mr. Speaker, I want you to examine the current Budget. Provincial debt direct and guaranteed, Mr. Speaker, as of 1981 \$4,127,000,000, as against \$3,231,000,000 in 1977, Mr. Speaker. Provincial debt comparison — yes, the latest statistics, Manitoba, the second highest debt per capita in the country, Mr. Speaker, after four budgets. Four budgets later, an issue that was bothering the former Minister of Finance and the Premier of this province that we would have a debt-load that was the second highest in Canada on a per capita basis. It is still, Mr. Speaker, the second highest and this government has done nothing to change that fact, Mr. Speaker. (Interjection)— As a matter of fact, yes, the Member for Kildonan is correct. They have been gradually but surely increasing the amount of the debt-load.

Mr. Speaker, on page 41 of that Address, the previous Minister of Finance, said, "As circumstances permit, it is our intention to improve our comparative position by eliminating both direct and guaranteed capital outlays to the greatest extent possible." Four years ago, they were going to change those statistics. Their comparative position was going to change. Today it is still where it was relative to the rest of the country, four years later, in the fourth Budget.

On page 46, Mr. Speaker, the former Minister indicated that with co-operation, dedication, perseverance and hard work, the people of Manitoba can and will overcome the effects of the last eight years and get our economy moving again.

Well, Mr. Speaker, that was a most interesting point, because the only thing that was moving . . .

**MR. SPEAKER:** Order please. The hour being 5:30, I'm leaving the Chair to return at 8:00 o'clock. The honourable member has 22 minutes remaining.