

THE LEGISLATIVE ASSEMBLY OF MANITOBA
2:30 o'clock, Friday, March 15, 1974

MR. SPEAKER: The Honourable Minister of Finance has 20 minutes.

TABLING OF REPORTS

HON. LEONARD S. EVANS (Minister of Industry and Commerce)(Brandon East): Mr. Speaker, I wonder if I might have leave to table a report that Members of the the Legislature may wish to use as a reference. It's the newly published Manitoba Trade Directory for the Year 1974 giving a list of manufacturing and distributing firms in the province. Copies will be made available to each member.

BILL NO. 7

MR. SPEAKER: Agreed (Agreed). The Honourable Minister of Finance.

MR. CHERNIACK: What did you say? I remember Rock Lake now what did you . . . Mr. Speaker, I was just coming to a conclusion. I'm wondering how much time I have left?

MR. SPEAKER: Twenty minutes.

MR. CHERNIACK: Oh well I wouldn't use . . . No, no, no wouldn't use any part of it.

Mr. Speaker, there were just a couple of comments I wanted yet to make. One was, coming back to the comments by the Member for Fort Rouge who talked about the fact that we are an activist government, we are an interventionist government and I think he supported the concept that something has to be done in the north, and I just mention in passing that the previous government did practically nothing in the north, and that almost anything that we have done has been active and has shown a great deal of, both courage and thoughtfulness in doing work - and the Member for Swan River says "and charity." I don't know whether he means that in criticism or not, possibly he does. Cause I don't know why else he would add the words "and charity" unless he didn't agree that charity was applicable in the north. I believe it is and I think he does too.

All right so that we are talking about the fact that our government felt it advisable to intervene in the problems of the north and try to do something about it, and as the House Leader said and as the Minister for Northern Affairs has said, and as our Premier has said, and as so many of us have said, when you go into a field of that kind you are bound to have problems of administration, management problems and you do expect that moneys invested in the north will not always be accountable to the penny. Nevertheless as the Member for Fort Rouge said, and I think supported, the concept that there are things to be done once you do them. He said there should be some form of insulation, and I have yet to see any form of insulation where it would remove from everybody the opportunity to make attacks alleged, unfounded or indeed founded on fact. I've yet to see a board or a private corporation of free enterprise doing anything that can't be misinterpreted or attacked. And when you see members of the front bench opposite, former Ministers of the Crown talking about independence and lack of - and NDP appointees, it's rather ludicrous when one knows that every government has to make appointments. Every government, whether it's insulation as referred to by the Member for Fort Rouge, or whether it be in order to separate administration and create boards for that purpose, appointments have to be made and they have to be made in the best judgment of those whose responsibility it is to make appointments to select the best people and to select those people who have the best understanding of their task that is ahead of them as outlined by the body which establishes them. They have to know their task.

And that's why, Mr. Speaker, we find that the previous government appointed a board to the Manitoba Development Corporation, highly respected people, people that were that kind of insulation, where the government stood here and said we are leaving to them so much that we not only don't know, don't want to know, but can't even find out legally what they are considering. And that was a form of insulation, and they are people as I say well respected in the community. Some names come to mind, people I know and people I respect; John MacAuley one of the leaders of the Canadian Bar, Morriss Neaman one of the industrialists of Manitoba, Rod McIsaac a leading industrialist in Canada, and one whom the Member for St. Boniface seems to support strongly, a man who was a member of the board who was also involved in that Sprague development and other things where the previous government's MDC made a loan and then made an additional loan to take care of the payments that were not made under the first loan and the interest in order to refinance it and then say there are no arrears. But I don't say that in criticism. What does amuse me is that the Member for - Pardon? (Not audible.)

BILL NO. 7

MR. SPEAKER: Order, please.

MR. CHERNIACK: I'm sure that Rod McIsaac's participation in the political arena is well known everywhere and one that he has never tried to avoid. Never. I am sure that there are others who have been on boards. I call to mind Dunc Jessiman who was a member of the Hydro Board. Whoever would pretend that he ever hid behind and tried to cover his political association. I don't think he ever did. As a matter of fact it seems to me that some of the funding of the Conservative Party came through a fund named after, dedicated in the name of I believe Walter Newman and Dunc Jessiman, but you know their politics are clearly known. So I'm just saying that it's kind of phoney to hear that kind of debate.

The only other remark I want to make in passing is that I think it was the Member for Riel who talked about a Gordie Howe being lost to Manitoba when we gleefully or gladly received the resignation of one of the top civil servants in Manitoba and he said - I think he said Gordie Howe or Bobby Hull - I think it was Gordie Howe, Gordie Howe has been lost. That was his description of one of the people who participated in the development at the CFI to such an extent that the people I've just named, members of the MDC board at that time, apparently knew nothing about, or practically nothing about what had gone on in the arrangements which the Member for Riel described where he talked about \$14 million, of extra million dollars being paid out. That's why I referred to that because he made reference to that.

Mr. Speaker, I come back to the Leader of the Opposition who has now entered the Chamber, and whom I described earlier as having lost any ability to discuss policy, philosophy and program and has therefore reverted to personality attacks and an attempt to separate and split the Civil Service I have a slight criticism to make of him. The other day when he made a broad attack on the government and the Civil Service in relation to the fish co-operatives, I asked him the question as to the basis on which he alleged, or transmitted an allegation that Cabinet Ministers were knowledgeable about this and I said, "what about that allegation" and he sort of said, "it's not my allegation, I'm just bringing an allegation to the public eye so that we are aware of what is being alleged". And I said to him, "well now who alleged it", because I thought that he would want to share all his knowledge with us. And I suspect, Mr. Speaker, that he did share all his knowledge with us, including when I asked him who it was, he said "to get a transcript of what was said on TV, read the newspapers". You know why should I do your homework for you. Go and read the Brandon Sun and the Dauphin Herald and the Winnipeg Free Press and Winnipeg Tribune and CJAY and radio and all those things, those media. Go and read em he said. Which made me feel that he was really indeed telling us a all he knew because somebody had written down on a piece of paper that there are allegations that other Cabinet Ministers knew about it. Either he wrote it, somebody wrote it for him or it may have been just a figment of somebody's imagination. But not having the ability to do all that homework that he assigned to me, I did ask one person. And that is the one person I don't know if that's the one the leader also said something - he knows, pointing at me, that I knew the person to talk to, and I confess I don't. Unless it was the CJAY reporter, Marshall Armstrong; and I did ask him because I was told he is the one who referred to the Premier. You know, Mr. Speaker, he never referred to other Cabinet Ministers. Unless the Leader of the Opposition wants to correct the statement, I tell him that I believe Mr. Armstrong, especially after I read what he told me was a script; I didn't hear the transcript but he told me this was the script. There was no reference there to other Ministers. So, Mr. Speaker, I must tell you I am still doomed to walk the paths of the media of last week attempting somehow to search out the information which the Leader of the Opposition has denied to me unless he thinks that Marshall Armstrong made the statement, in which case he'd better talk to Marshall Armstrong.

I want to conclude only with the fact that the Conservative Party are now all excited about the thought of Courts of Inquiry, Commissions, court involvement, they've lost the ability to communicate and therefore want the ability to hound, to trap, to cross-examine, to expose others but not themselves, through a media, through a method, through a mechanism which will give them the opportunity to continue to appear completely innocent of doing other than protecting the public goods. They don't really want to use this kind of information or technique to throw us out and take their place; oh no, they have no thought of being other than an honourable opposition, designed to assist government to operate well.

Oh, that's all they care about. They are not really so concerned with dragging us down

BILL NO. 7

(MR. CHERNIACK cont'd) . . . any way they can, but nevertheless they say, well let's hear at a Court of Inquiry, and in doing so, are prepared to deal with Bill 7 in the way they are doing in order to use it as their vehicle now to talk and in order to create dissention amongst the ranks, and indeed, to some extent, I imagine that their list of - what do you call people who give information away? - informers from within government who supply them with information and material. I tell you, Mr. Speaker, I believe now that they want what they're asking for and they want it because it is their last chance. They want a Court of Inquiry because, Mr. Chairman, I believe that they have realized now that they won't win in the court of public opinion.

MR. SPEAKER: The Honourable Member for Rock Lake.

MR. HENRY J. EINARSON (Rock Lake): If no one further wants to speak Mr. Speaker, I beg to move, seconded by the Honourable Member for Souris-Killarney that the debate be adjourned.

MOTION presented and carried

MR. SPEAKER: Bill No. 17. The Honourable Member for Birtle-Russell.

MR. HARRY E. GRAHAM (Birtle-Russell): Could I have this matter stand please, Mr. Speaker. (Agreed)

MR. SPEAKER: Second Reading Bill 9 - no? The Honourable Minister of Finance.

SUPPLY

MR. CHERNIACK: Mr. Speaker, we are now at the stage in the Committee of Estimates, to be able to bring in the concurrences on the Interim and the Supplementary Supply. I tell you, Mr. Speaker, that I am not clear on certain procedural matters as to whether you need leave or you don't need leave and for the last number of years, I've never been able to get an answer. So I will ask for leave, whether I need it or not, and if I don't get leave, then you know, we'll just take it as notice and go on in the following day. So then Mr. Speaker, by leave, I move, seconded by the Honourable the Minister of Labour, that the Resolutions reported from Committee of Supply be now read a second time and concurred in.

MR. SPEAKER: Moved by the Honourable Minister of Finance, seconded by the Honourable Minister of Labour that by leave, the Resolution reported from the Committee of Supply be now read a second time and concurred in.

The Resolutions are: Resolved that there be granted to Her Majesty a further sum not exceeding \$3,482,000 for Supplementary Supply, Resolutions 1 to 28 separately and collectively. And Interim Supply, Resolved that a sum not exceeding \$196,940,950 being 25 percent of the amount of the several items, be voted for Departments as set forth in the main estimate for the fiscal year. Are you ready for the question? The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, before - I'm not sure again on procedures, just as the Honourable Minister may have been unsure, I want to be sure of one thing. If this resolution passes, this means that the Resolution with respect to Interim Supply is completed, is that right? And it means that there is no other matter that we deal with, or do we deal with . . .

MR. CHERNIACK: Let me describe the procedure as I understand it. I'm glad you gave me the opportunity because the Clerk and the Speaker can hear my understanding of procedure and correct me if I'm wrong.

I understand that if this passes, then the next step would be for me to move that we go into Ways and Means for the raising of the Supply of Supplementary and Interim, and assuming that we go into Ways and Means, I think there are two resolutions to be read for the raising of the Supply and once they pass in Committee of Ways and Means, we come out of Committee and then in the House again, I would move that the Resolutions from Committee of Ways and Means be concurred in. Having done that, then is the opportunity to move first reading of the Bills Interim and Supplementary Supply, then they would be distributed, then we could move second reading, by leave, if it's to be done without notice, and after second reading is concluded, we would move into, I suppose, Committee of the Whole for clause by clause review of the Bills, then we'd move out of Committee and be able to move third reading.

My proposal is to go just as far as we can today and if we can't - no, Capital is not involved at all - Interim and Supplementary. The only thing is if members would want me

SUPPLY

(MR. CHERNIACK cont'd) . . . to split the two I will accommodate members as they please.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: I understand the procedure of debate. The procedure of debate would be on the Bills itself, both Interim or on the Supply Bill?

MR. CHERNIACK: . . . after the resolutions are dealt with in and out of the Committee, then we'd bring in the Bills.

MR. SPEAKER: Are you ready for the question? The Honourable Member for Birtle-Russell.

MR. GRAHAM: Mr. Speaker, before I concur with this motion, I have to tell you, Mr. Speaker, that I have quite a bit of concern regarding the operations of the Department of Northern Affairs in the answers that we got and the manner in which the affairs of the Province of Manitoba were dealt with.

Last year, Mr. Speaker. . .

MR. SPEAKER: Order please. The Honourable Minister of Labour state his point of order.

MR. PAULLEY: Might I ask my honourable friend if he is rising on a matter of grievance in going into the Committee, if he is doing that, then I suggest that . . .

MR. SPEAKER: We are not going into committee, We are taking the motion on the resolution, as made by the Minister of Finance. The Honourable Member for Birtle-Russell.

MR. GRAHAM: Mr. Speaker, for the edification of the Minister of Labour. We are dealing with Concurrence of moneys that we are being asked to pass in this House. Last year we had an appropriation of \$540,000 to build northern roads. At that time we in good faith, gave our consent to that kind of expenditure and we have had brought forward now Supplementary Estimates that dealt with the additional expenditure of the various departments. Those Supplementary Estimates that we are being asked to pass do not include any additional money that was spent on the northern road system, in fact, the Minister of Finance told us that by Order-in-Council another \$580,000 had been allocated for northern road building.

Mr. Speaker, we had a Minister bring in estimates which were over 100 percent in error in that respect - from \$540,000 he needs an additional \$580,000 - and I suggest, Mr. Speaker, that the estimates were either poorly devised or the Minister ran into some rather unusual circumstances in the program that he had put before the House. We weren't even asked - by Order-in-Council \$580,000 was put into the building of those roads, and in this respect Mr. Speaker, this House had no authority, has had no scrutiny other than the own admission of the Minister, we would not have been able to tell by examining the estimates or the Supplementary Estimates that the Minister was over 100 percent in error. Mr. Speaker, I suggest that the administration of the financial affairs of this province deserves a better method of accountability - and I stress the word "method".

We have also found, Mr. Speaker, that in many branches that we have seen some programs have been dealt with through the main estimates and then supplemented later by Capital Supply, so that the true cost has been diffused by a combination of main estimates and capital supply; and the net result, Mr. Speaker, has been that it tends to lull the members of this Chamber into a false sense of security that the affairs of the province are being adequately scrutinized by the members of this House, when in fact, such is not the case.

Mr. Speaker, we have the opportunity long after these affairs are concluded to then scrutinize through the Public Accounts Committee what actually took place, but, Mr. Speaker, members of this Chamber, administrators in general and the public at large are really not too concerned about what happened in the past, they are more concerned with what is happening at the present time and what is going to happen in the future. Therefore, Mr. Speaker, I want to at this time commend the Minister of Finance in some small manner for suggesting at the Public Accounts Committee the other day alternative methods of accounting; and while I don't profess to understand the whole concept and the mechanics of it, I do suggest, Sir, that the present system leaves much to be desired and I would urge the Minister to consider every other avenue that is available to try and provide to this Chamber some adequate method of accounting for the money that the people of Manitoba raise either through direct taxation or long-term taxation to cover capital borrowing.

We all realize that money does not grow on trees - that whether the spending of this government through main estimates, capital borrowing or whatever means possible, can

SUPPLY

(MR. GRAHAM cont'd) . . . only be raised by the people of Manitoba whether it be this year or amortized over a 20 or 30 year period. I have never been one to split hairs on this particular issue. I have always considered that a debt is a debt, and whether it be capital borrowing or the present current taxation year, the amount of taxes that are going to be required eventually has to meet the debts that are incurred by the spending that is being evidenced as we have seen in both the Supplementary and the Interim Supply Estimates that we have before us. And we realize that they do not cover by any means, all of the spending of government.

We are now in a position Mr. Speaker, to - if the Capital Supply, the Interim and the Supplementary are passed, we are facing a total spending program in this province which is well over a billion and a quarter dollars. This occurs, Mr. Speaker, at a time when just five short years ago we were looking at budgetary figures on Main Estimates which were considerably less than half a million dollars.

I raise the issue at this time, Mr. Speaker, because I am concerned about the rapid escalation in government spending. I do not believe that the government taxing program is keeping pace with it and I think that the future of our province could very well be placed in jeopardy unless we have had a better financial picture presented to this House and the accountability of the government spending is greatly improved.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, I enter this debate on this Resolution to deal with many of the matters that have been discussed already in this House and to try in some way, put into perspective some of the questions that have been raised by the opposition concerning the government; and in doing this, Mr. Speaker, I think it's important to basically present a first premise that the role of the opposition is to monitor the supervision and control that the government has on the public purse. Mr. Speaker, the role of the opposition and the reason we meet once a year is to be in a position to approve government spending. Now government spending means the moneys that are collected from the taxpayers and are disbursed by government to pay for goods and services provided by government for the general will of the community and in the kind of life we live in the '70s to be in a position to provide for the kinds of minimum standards to at least enable a basic quality of life to be provided for all people.

Now, Mr. Speaker, I listened with regret to an approach that's taken by the government that suggests that in some way when allegations with respect to the mismanagement of the handling of the public purse is brought into this Chamber that there is something wrong about it. Well, Mr. Speaker, that's what this Chamber is all about and in the democratic tradition that the Honourable Minister of Mines and Natural Resources wants to talk about, in a democratic tradition, this is the Chamber for those matters to be brought up.

Now, Mr. Speaker, having made that point one then has to ask what is an opposition supposed to do. If facts are presented which would indicate mismanagement, incompetence and possible wrongdoing on the part of government officials, are they supposed to say then no we ignore that are they supposed to then say no, we are not going to bring it to the attention of the government; are they supposed to say no we let it rest. Well, Mr. Speaker, I don't think that is the purpose of the opposition. I think, Mr. Speaker, the purpose of the opposition is to examine, to detail and to understand whether in fact the allegations and charges have some basis and truth and to present it to the House in the hope that it will influence public opinion to influence the government, because a government that has a majority has all power, a government that has a majority can do anything it wants.

Now there are a couple of fallacies, Mr. Speaker, about public life and about government operations with respect to the Provincial and Federal Houses. There is an assumption, Mr. Speaker, that there is true accountability on the part of government to the people and to the opposition, and surely we have demonstrated in the last week that that accountability does not exist. Surely we have demonstrated that in effect an opposition by the rules that we operate is very limited in its capacity to be able to get accurate and detailed information on issues which could embarrass a government, the total administration or the administration of one of its ministers. And, that if government wants to clam up, it can clam up, if government wants to it can shift in such a way that allegations and charges can be covered up.

Now, Mr. Speaker, there are two issues that have been involved so far that at the

SUPPLY

(MR. SPIVAK cont'd) . . . present time appear not to really disturb the members opposite. One the allegation with respect to the question of the fishing co-operatives. The allegations came as a result of a minute of a meeting which was prepared by the officials of the Department of Co-operative Development which made certain changes against themselves alleged to have been made by others. It was a document that they themselves published and that document was only filed after the Minister really denied that any such meeting had taken place; and that document along with other documents has only produced, Mr. Speaker, in what was cross-examination only after it appeared that the government was not prepared to act when a charge had been made of mismanagement and incompetence.

Mr. Speaker, the members opposite want to confuse what really has happened. I have a suspicion that they are concerned, and would be, that if there is any wrongdoing that the person who ever committed it should in fact abide by the law and should meet whatever legal requirements anyone else had to meet. But their problem is that they are concerned as well that in this kind of study if mismanagement comes up and if mismanagement and incompetence shows and demonstrates very clearly a lack of capacity for administration on their part, that that embarrassment to them would be so severe that they can accept that there is likelihood no wrongdoing and they are not going to take a chance for any light to be shown in connection with that.

Mr. Speaker, what we were talking about in the co-ops and what was being represented in the minutes of the meeting - and I am satisfied that what I am now going to say without question was never said to the Premier, nor am I satisfied the Premier can stand up and say that he has been satisfied of this - was the fact that the fishermen in connection with the Southern Indian Lake Co-op were not receiving what was due to them. Mr. Speaker, I'm satisfied that if an investigation, independent of what is being proposed, was undertaken, it would show that the fishermen from the Southern Indian Lake Co-op were receiving substantially less even than that which was represented in that minutes of that meeting. And I say that, Mr. Speaker, because what we are talking about is a situation in which there may very well have been, because of sheer incompetence, bad administration, the depriving a lot of people of money that was due to them. Now one then can say is that fraudulently taking and soliciting funds? That charge was made in those minutes prepared by the departmental officials. That charge would indicate that someone may have done something incorrect.

Mr. Speaker, I want to cite the example of a solicitor who has trust funds and who for one purpose or another may dip into those trust funds and use it for his operating expenses and then later on when he gets enough money into his operating expenses, take that money and pay it back to the trust fund. Now, Mr. Speaker, the net effect is that nobody is out any money, the society hasn't suffered or the individuals who have been involved have not suffered; the only thing is that he's broken what is considered a trust law and he has broken a law which say that he should leave those funds alone.

I want to give some of the answers back that the Premier indicated in the answers to his questions which indicate without question that he knew far more than he was prepared to tell when he first answered this matter. He indicated that there was a 30-day period in which some money was used that had been taken from the Freshwater Fish Marketing Commission and paid for capital costs, but then money came from ARDA and that paid enough money back so that they could then replace whatever money had been taken or paid back. Well, Mr. Speaker, you know, I think we're talking now of an admission right at this point which would indicate something that could be considered by some, a misuse of funds.

Now, Mr. Speaker, the Premier continually tries to allege at this point that fraud had been charged by myself and the party on the government, and I say unequivocally that the charges that have been made and allegations come from a document prepared by the officials of the Department of Co-operative Development who summarized a meeting as they saw it in which those charges were made. --(Interjection)-- Well, I think that maybe the Minister of Finance better find out what the facts really are, because unlike . . .

MR. CHERNIACK: Would the honourable member permit a question?

MR. SPIVAK: Yes.

MR. CHERNIACK: Would that memorandum not appear to be a summary by a specific individual done for his own record because he was the one who was alleged to have been charged?

SUPPLY

MR. SPIVAK: Mr. Chairman, I don't think — I wonder if the Minister understands what I said. So that memorandum was prepared by a department official as a summary of what he --(Interjection) Well "official"—for a summary for the department of what was alleged and that was his impression. A government official, a provincial government official. --(Interjection)-- Yes, Mr. Speaker, I say for the department.

All right, now, Mr. Speaker, what is the problem here? The government doesn't appear to be concerned whether the fishermen may or may not have lost money. They are more concerned, Mr. Speaker, at this particular time that as a result of what may happen, their incompetence, their mismanagement will be shown, and they then have the gall to stand up and say, well the members on the opposition are only interested in one thing. Well, Mr. Speaker, I wonder what is the opposition role? If the opposition rôle is not to be able to ask for restitution and redress for someone who have suffered as a result of mismanagement or incompetence on the part of the government, if that is not a role for the opposition then I don't know what our democratic institution is supposed to be all about. --(Interjection)-- Well, Mr. Speaker, I want to say to the members opposite, the righteousness in which they attack and try and deal with this matter and the other indicates a position that is hard to understand. I suggest to you, Mr. Speaker, that the judicial inquiry that could have been held would have indicated certain things and would have provided a protection for people at this time who have no protection other than the form that's offered here.

Now, Mr. Speaker, we asked the Provincial Auditor go in, we asked that he present a report - the government stopped us there. We are going to have an inquiry by the Attorney-General limited to certain areas which are very specific and we are not going to be able to deal with the problems of maladministration which is really our responsibility. So therefore, Mr. Speaker, we can only do it in the nature of the debate that we have and we can only use the techniques that we can, and we will.

Let me now go to the other example, because I was flabbergasted at the approach taken by the Minister of Mines and Natural Resources. Mr. Speaker, I would have expected him to say this: I don't know what the facts are, I will find out what the facts are, if the facts are as represented I will take whatever action is required; I will report back if they are not and I will express my position then. Now I know that the Minister of Mines and Natural Resources has a fair reputation as a court lawyer and I doubt very much that he would ever stand up in a court case and present a rebuttal without even having any knowledge of the facts and he admitted that himself. --(Interjection)-- Yes. Oh, Mr. Speaker, I'm not worried about a rebuttal, there can be any rebuttal whatsoever. I'm going to deal with the Minister of Northern Affairs' remarks in a few moments. Yes, I want to see a rebuttal.

But, Mr. Speaker, you know I find it amazing that all the Minister tried to do was to stand up and to talk about it as if you know there was nothing wrong; he doesn't know whether there's anything wrong, but there couldn't be anything wrong. How could there be anything wrong if the New Democratic Party were involved? How could there be anything wrong if the administration was under his control or under the control of a Cabinet headed by the Premier? There's just no doubt about it. And so if there was waste, there was a little bit of waste, and if someone took an excessive amount of power, so they took power. And if control and supervision was exercised even into a higher degree than it should have been, so what. Didn't it happen in other administrations?

You know, Mr. Speaker, is this the way in which the members opposite believe that they should be discharging their responsibility. Do they honestly believe that power was given to them to stand up in this Chamber and say to the opposition, you shouldn't be talking about this, and when you talk about this and when you prove something or at least allege certain things and provide certain information which would at least question a reasonable person to suggest that they should examine, that the position the government should be --well we're not, you know, it couldn't happen to us.

I'll tell you something, Mr. Speaker, one of the problems with the government opposite is that in their -- you know it's a question of being corrupted by power. They have been corrupted by power to an extent that they cannot believe that there has been such things as wrongdoing among themselves. You know, the Honourable Minister did not know what the affidavit contained and yet he was prepared to talk about it as just a disaffected person who was the manager. He was prepared to argue and debate no matter what happened to defend

SUPPLY

(MR. SPIVAK cont'd) . . . the party, because the party had to be defended and the government had to be defended.

Now, Mr. Speaker, let me make a couple of comments about both these issues. Both these issues put into question the morality of the New Democratic Party; both these questions put into question the ability of this Legislature to function with a whole range of government expenditures that are not really within the control of either the government or not within the control and accountable to the people of the Legislature.

Mr. Speaker, I'm satisfied from the discussions that I've had with the Auditor to realize that moneys are handled, substantial moneys are handled by government officials whose moneys are not audited by the Provincial Auditor, the flow of which goes through their hands in a variety of direct grants to people and corporations and co-operatives throughout this province with no ability whatsoever for anyone to have any degree of control over what happens. Mr. Speaker, I'm satisfied that if the Department of Co-operative Development was examined and the Communities Economic Development Fund in this particular case, that they would find a flow of signed cheques, in blank, going back and forth, whirlwind, on various accounts. . .

MR. PAULLEY: Mr. Speaker, I should like to ask my honourable friend - I think that is a very substantive accusation that blank cheques are going backwards and forwards. I think in all sincerity that an accusation of that kind should have necessary evidence produced because it does, and here my point deals with privilege of the Civil Service, it does infer that there are members of the Civil Service that are violating all of the laws, I would like my honourable friend --(Interjection)-- just a minute -- I would like my honourable friend to reconsider the statement that he made as to this input which involves Civil Service.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Yes, the Honourable Minister of Labour can debate this matter --(Interjection)-- Well, Mr. Speaker, I now want to talk . . .

MR. SPEAKER: Order please. That is not a matter of debate, that is a point of procedure and I do also ask that the honourable member reflect on what he is inferring and what he's insinuating in respect to civil servants who cannot protect themselves. That is one of the procedures of the House. The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, I have now indicated to you that I am now talking about money that is handled in a variety of accounts that does not go through the Minister of Finance, that are not pre-audited, that are handled by them in a variety of different trust accounts that the Provincial Auditor has no control or direction to even be involved in. And, Mr. Speaker. . .

MR. PAULLEY; . . . the point that I made, it was not that point. What my honourable friend says, attempted to indicate in his remarks, that there was a flow of blank cheques going round and round, and my point, Mr. Chairman, is asking my honourable friend, the Leader of the Opposition to be responsible and to indicate evidence, and I would suggest, Mr. Speaker, that if there is evidence of this it would be thoroughly investigated. But I appeal to my honourable friend that not to leave up in the clouds an accusation of blank cheques going round and round a merry-go-round.

MR. SPIVAK: Mr. Speaker, I am suggesting to you that there have been blank cheques and accounts not pre-audited by the Minister of Finance but in effect within the effective control of department people that have in fact, Mr. Speaker, have in fact been signed in blank and have, Mr. Speaker, probably not to the knowledge of the members opposite, certainly not to the Minister of Finance and certainly not to the Provincial Auditor because there are not things that they oversee. And the point that I am trying to make, Mr. Speaker, and this is the point that I think has to be made, is that there is a tremendous flow of money that in which there is really no accountability, and what has happened, Mr. Speaker, in these issues up to this point, and by the failure of the government to provide the judicial inquiry, is the inability for this particular matter to become known and to be rectified.

MR. SPEAKER: Order, please. Again I remind the Honourable Leader of the Opposition that he has cast a slur on the Civil Service . . .

MR. SPIVAK: I have not.

MR. SPEAKER: . . . that he has indicated they are functioning without regard to the due process and I would ask him to reconsider that particular remark. The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, if a judicial inquiry is held the information that I have suggested will be brought forth.

SUPPLY

MR. SPEAKER: The Honourable House Leader.

MR. PAULLEY: Mr. Speaker, we have our privileges in this House. I as a private member now wish to raise a privilege of the statement that is made by my honourable friend, because I, too, as a member of this Assembly may have some access to cheques and they may be blank or they may be otherwise. The blanket accusation made by the Honourable Leader of the Opposition to me is incomprehensible, Mr. Speaker. You have indicated to the honourable member that he should reconsider the words that he used. He replies by saying, "if there is a judicial inquiry into this that this will be revealed". At the present time, Mr. Speaker, on my point of privilege I say that there isn't a judicial inquiry into this, and if there is then possibly the Honourable Leader of the Opposition can do it.

But, Mr. Speaker, I ask my honourable friend not to use the immunity of statements of members in this House to cast aspersions on the people of this government that I am responsible to answer for in this House. And I suggest that it is incomprehensible for a man of presumed intellect to leave such aspersions and innuendos up in the atmosphere without the opportunity of rebuttal by those who he is abstractly accusing of issuing blank cheques.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, I would like, on a point of privilege, to read the affidavit of Ron . . . I would like to read the affidavit of Ron Allison dated 14th day of March.

MR. PAULLEY: Who's he from?

MR. ENNS: Find out.

MR. SPIVAK: "Cheques were prepared by me for payment on accounts payable by the company to its suppliers and J.M.K. Construction. Since all such cheques had to be forwarded to the Communities Economic Development Fund or to one of its officers for signature and subsequent forwarding of such to the suppliers, I had no control over whether or not such cheques were in fact ever sent. Many of the cheques and vouchers which were prepared and delivered to the fund were not subsequently forwarded to suppliers and others upon instructions of the Communities Economic Development Fund officers were forwarded with the amount or payee blank. "I want to repeat for the Minister of Labour. "Then others were forwarded with the amount or payee blank, and other cheques which were completed and forwarded were mutilated." By the way, Mr. . . .

MR. PAULLEY: Mr. Speaker, . . . speak on that point of order. I want to ask my honourable friend that while he may . . .

MR. SPIVAK: I'm on the point of point of privilege, Mr. Speaker, at this point.

MR. PAULLEY: What point of privilege?

MR. SPIVAK: On your point of privilege, Mr. Speaker.

MR. PAULLEY: Just because you think you filed a document. . .

MR. SPIVAK: Are you going to take control of this House, Mr. Speaker?

MR. SPEAKER: Order please. The Honourable Leader of the Opposition.

MR. SPIVAK: Well let me repeat for the Honourable Minister of Labour. "Many of its cheques and vouchers which were prepared and delivered to the fund were not subsequently forwarded to suppliers and others upon the instructions of the CEDF officers were forwarded with the amount or payee blank, and other cheques which were completed and forwarded were mutilated before their return to me for inclusion in the company's accounting records."

Mr. Speaker, if I can just have a moment I think that I can maybe give the honourable member a few additional pieces of information.

MR. SPEAKER: Order, please. Order, please.

MR. SPIVAK: Mr. Speaker, I . . .

MR. SPEAKER: Order.

MR. SPIVAK: Mr. Speaker, I hope that the Honourable Minister will bear with me. One does not know how to be prepared necessarily for the honourable . . . Mr. Speaker, if I cannot find the document . . . Mr. Speaker, maybe a judicial inquiry should be held and maybe many people will come forward.

Mr. Speaker, I think we've demonstrated already that there has been one situation in which blank cheques have been referred to and I have a suspicion if I can only find . . . well, Mr. Speaker, Mr. Speaker, I will table - I haven't the document in front of me yet but I will

SUPPLY

(MR. SPIVAK cont'd) table it before the end of the afternoon. Another document which will refer to cheques and these are supported by a civil servant to another which are written in blank. Mr. Speaker, and I will say that those two documents are of a prima facie, or the evidence of a case. I'm satisfied, Mr. Speaker, and I'm satisfied from what I'm saying, that this situation does exist, and I'm satisfied, I don't make this charge lightly, and I'm satisfied and that's why I ask certain questions of the Minister of Finance. I think if he talks to the Provincial Auditor he will understand that the Provincial Auditor has spoken to me, at my request, and I've asked exactly what procedures are followed to be in a position to determine what is happening. Because I think, Mr. Speaker, we've reached a point, and we're getting there very slowly, and the honourable members opposite will understand what we're doing, and are not going to be so offended or so righteous to suggest that this is not our function, to deal with the issue which has to come up in this House, in the other provincial Houses and in the House of Commons. That we are now at a point where there is so much money flowing in so many different directions with respect to the kind of grants in general terms that are given to peoples and corporations and co-operatives that effectively are not within the control of government at the present time and that are not caught in the auditing process that now takes place, either in the pre-audit or the post-audit. Because they are not within the ambit of government at this point, yet they are for all intents and purposes in the hands of people who can if they so desire take advantage of the situation. And, Mr. Speaker, this is, you know, what we've been talking about.

The honourable members opposite immediately become involved and become concerned. Mr. Speaker, all these become concerned. You know, Mr. Speaker, if I had been the Minister involved I'll tell you what I would have done when the charges were made and the affidavits were made. I wouldn't have jumped up as he did. I wouldn't even have gone into the coffee room to sit there or to suggest that there's nothing wrong. What I would have done, Mr. Speaker, I would have ensured that the documents wherever they are are secured as quickly as they could be, if he believes that there is even a prima facie case on the affidavit. Now if he's prepared to say no, there's no prima facie case on the affidavit, because I know, because I know I know, because I know I know I know, because that's the only basis on which he could determine that, if he's prepared to believe that, then he's prepared to allow things to happen. But if I was in his position, Mr. Speaker, I would make damn sure the documents were secured and I would make damn sure that I could see them and I would want to be sure.

A MEMBER: Would the honourable member permit a question?

MR. SPIVAK: After. And, Mr. Speaker, I would want to be sure that, you know, from my point of view that I could at least substantiate it. Now the problem that the honourable members had is that there was a political connotation made to certain things which automatically puts them in the position of being defensive. But the political connotation really, Mr. Speaker, has to do very much with what the Honourable Member for Fort Rouge said. It has to do with the approach and the problem area which I do not believe has really been understood by many of them, and you know I say this quite honestly. And there has been a tolerance and an allowance that should never have taken place, Mr. Speaker. It should never have taken place because, Mr. Speaker, by it taking place I believe it has allowed and provided for itself an abuse.

Mr. Speaker, I have now found the letter and I want to - for the benefit of the honourable member and I would ask the Clerk to photostat this one. This is a letter to Mr. Gordon Demery--he was a Co-op Development officer, he is now the officer of the Southern Indian Lake Co-op Fisheries--from W. M. Kalinowsky, who at that time before his demotion was Director of Co-operatives, in which he said, "Enclosed please find two blank cheques written on the trust fund PEP for your disposition." Well I want to again read for the benefit of the Minister. I hope he understands English. I mean I hope he does understand English. "Enclosed please find two blank cheques written on the trust fund PEP for your disposition." And I table this, Mr. Speaker.

Now, Mr. Speaker, how much more do we have to go through? Every time the honourable members opposite have asked for certain information, every time they've said that the accusations are outrageous, every time they have said, you know, that there's no substance or basis, what has happened is we've had to produce one document after another to essentially point out, Mr. Speaker, that they either do not know very much of what's happening, or they do know what is happening and they are concerned. Why, Mr. Speaker? Because they're

SUPPLY

(MR. SPIVAK cont'd) dishonest? No, because they're concerned about the one thing that has been bothering them from the beginning. God, an inquiry would show that we've badly mismanaged things, that in fact we have really in one sense broken a trust with a lot of people and from that point of view we are going to do everything we can to be able to more or less hide it under the rug and not deal with it.

Mr. Speaker, that's what the issue on the co-ops is all about, and I must tell you something. The Premier would like to make the allegation that it's about something else. It's about that, and in this case I say to you, and I say to the honourable members up north because you really don't know, you haven't the slightest idea. You don't know at this point whether the fishermen themselves have received what they should have. --(Interjection)--Well the Honourable Minister of Public Insurance, you know, the problem at this point is don't try to appear so honest and so righteous at this point because as a matter of fact you don't know. And as a matter of fact I don't know how much more additional information would have to be put on the table, but I want to tell you right now, Mr. Speaker, I don't think that anything will ever convince you that there's any wrongdoing. I don't think so. I think that you're so immune now and you're so corrupted by your own power to believe that in a budget which involves over a billion dollars that it's not possible for some things to have happened. If some of those things could have happened, and they will happen in any administration in any case, but we don't want to admit it because if we do we are admitting a weakness. In some cases it could happen because there has been some bad administration. But instead of being positive about it to the extent of saying, okay we'll investigate, we'll look, we'll examine, you have to be bludgeoned into a position, hit over the head because that's the only way to get your attention, and then at that time try and maneuver the best way you can.

I want to recount, and I don't think it's a matter of competence because I don't think we're doing anything or saying anything. I had a discussion with the Honourable Attorney-General, he can relate the conversation if he wants in connection with it, but one thing that he said without realizing it which was very significant to me - I was concerned, Mr. Speaker, about the nature of the action that the Attorney-General would take with respect to the matters affecting his investigation of the problems of the co-operatives and there was a commentary made outside the House, which I understood him to make that concerned me, and I talked to him. And I had a discussion which I'm satisfied with respect to that, that there is an extension or there will be some extension of that, although he hasn't confirmed that. I wasn't unsatisfied with that, but what I felt very unsatisfactory about in that conversation was his question, you know, "we'll have an investigation, there'll be a criminal investigation, we're not dealing with management incompetence." I think I'm quoting you correctly. We're not dealing with management incompetence. And he said that, and that was frightening to me. And I'll tell you why, Mr. Speaker. Because they don't want to deal with management incompetence because that can be embarrassing. --(Interjection)--Oh no. Yes. They don't want to deal with management incompetence because that can be embarrassing. Yah. Well, Mr. Speaker, who is dealing with management incompetence? All right. Who is going to deal with management incompetence? The Provincial Auditor was requested, he can't deal with management incompetence. Who's going to deal with management incompetence? You're going to judge the management incompetence in this? Is that what you're saying? We shouldn't be able to judge because . . . we shouldn't be doing this, we shouldn't be talking about this, this is not our--the House will. --(Interjection)--Who are you kidding? The House will. Who are you kidding? Yah. You're kidding.

MR. SPEAKER: Order please. Would the honourable member address himself to the Chair.

MR. SPIVAK: Yes I will, Mr. Speaker. Mr. Speaker, the fact is we have been criticized now because when he says the House should deal with it when we bring the matter up they said this is not the kind of matters we should be dealing with. This is how low the opposition has become. This is the thrust. --(Interjection)--Well you weren't in here in the last little while but the Honourable Minister of Finance said that. And I'm saying to you, I'm saying to you, Mr. Speaker, you know the concerns that we have, you know, the concerns that we have are real. I have now heard from the members opposite an admission that there are going to be significant changes in the Civil Service Act. I am convinced as well - and I say this to you now, Mr. Speaker - that most of the members opposite did not read the Act before it went in and now there has to be changes. I expect and would have expected some kind of action on their

SUPPLY

(MR. SPIVAK cont'd) part which would have indicated (a) we protect, in the case of the co-operatives, the fishermen, we protect the public. I would expect in this situation we stand up and we say we protect the public, we do all things to determine if there is anything that is wrong we will take what action there will be, and then we will make a judgment as to whether in fact the opposition itself had a case or not.

Mr. Speaker, what they have done - in the case of the co-operatives they said there is no problem. In the case of the co-operatives the first set of answers were well nothing's wrong, and as a matter of fact if some documents hadn't been proved, I don't think there would have been any issue on the co-operatives and they would have been satisfied. In the case, Mr. Speaker, in this situation, the Minister of Mines and Natural Resources gets up, makes the great political attack, and rebuttal based on nothing, because he hadn't read the documents. And as I indicated before and he wasn't present, he would never do that in a court of law, he at least would know what the facts were before he spoke. And then having made that kind of attack and rebuttal and saying that you appointed people, the boards and the fact it was an NDP appointee, what difference does it make, I appointed NDP people that have continued. That's all irrelevant, Mr. Speaker. The issue at this point is whether the trust that's placed in them will be carried out correctly. And I--(Interjection)--You'll look into it? Well, Mr. Speaker, I think that's what he should have said right at the beginning and sat down.--(Interjection)--No, he didn't sit down, Mr. Speaker. Oh! Well he won't sit down, he'll never sit down.

Now, Mr. Speaker, this debate will go on. I have indicated that the ball was in the court of the government with respect to the co-ops. We have made some progress on the basis of the referral to the Attorney-General although I still don't know the exact nature of what that review will be. We do not have at this point any external investigation being made with respect to the other issues, as to the cost of the Southern Indian Lake Co-op and where all this money may have gone, unless the members opposite are now satisfied and have dealt with this matter, and have reports; or are they just going on the blind judgment that nothing was wrong in the first place, and there couldn't be anything wrong. You know the NDP could not do anything wrong. They're not at this point, Mr. Speaker, going to do what I think is necessary in the interest of protecting a lot of people who know nothing about what is really happening. Many of the fishermen, Mr. Speaker, are people who have received moneys and goods and services and supplies from the co-operatives who are referred to as assets in the asset structure of the financial statements because they're receivables from the fishermen, and who because at this point are not being pressed at this stage for the money that they owe the Co-operatives, seemed to be satisfied at this stage that they're not being pressed for it and so it can't be all that bad.

But the fact is, Mr. Speaker, it may very well be that in many cases the moneys that could be owing to them are significantly higher than their indebtedness to those Co-operatives; and the fact is, Mr. Speaker, because they owe the Co-operatives money and they're not prepared to stand up, and they're not prepared at this point to express their concerns because they don't understand essentially what has happened in the very confusing and almost bizarre situation in which they have been handled, because of that reason, they who are people who cannot protect themselves, can only look to government to protect them. And, Mr. Speaker, what the government should have been doing right from the very beginning is saying we will protect you, we will have those external audits undertaken and we will insure that the moneys going to you were correct, but so far, Mr. Speaker, at this point, no they haven't done that.

And, Mr. Speaker, I now go back to this other issue and say to the honourable member opposite, it's on the table in front of you. You should have been acting by now, you should be commencing your investigation immediately, you should be in a position to establish where there's some basis, and if there is, you should be taking whatever actions could be taken now, not later, and you should at least know the facts before you commence your attack.

I'm satisfied Mr. Speaker, and I've spent a fair amount of time and so have members of our caucus, on both issues, to say to you that there is a substantial basis to believe that in the case of the fishing co-operatives, the fishermen did not receive the money that was due to them and in this particular case, that the matters were in such disarray that it's open to question as to procedures, it's open to question as to the way and how matters were handled, and the whole concept of people who had political power being able to have access to the public purse in the way that they had, has to be considered and debated and discussed in the House. And,

SUPPLY

(MR. SPIVAK cont'd) Mr. Speaker, I consider that it is the opposition's role in our society in the seventies to bring to this forum these kind of allegations and charges to be able to debate this, and if the members opposite do not believe that to be the case, then they are completely unworthy, Mr. Speaker, of being members of a Legislature and of suggesting that they really are true participants in a democratic society.

MR. SPEAKER: The Honourable Minister of Labour.

MR. PAULLEY: Mr. Speaker, you know, Sir, there's been quite a transfer made in the approach of my honourable friend the Member for River Heights. I recall when that honourable gentleman scuttled the former Member of River Heights and took his place and came into this House, and after that period of time, it appears to me that my honourable friend the Member for River Heights has spent more time in the theatrical studio attempting to learn how to act before a microphone or a camera than he has been attempting to learn the facts of parliamentary procedures and the approach that one should have in parliamentary democracy.

He started out in his remarks referring to the role of Opposition. My honourable friend is correct in some respects as to what the role of opposition should be. If he would only learn what the true role of opposition is, is to indicate alternatives to administration and the conduct of the administration. I don't know how long the Honourable Member for River Heights was around this morning when the Minister of Finance was attempting to penetrate his cranium in order to indicate to the Honourable the Member for River Heights as to why we are here and he is there. I recall, if my honourable friend wants to engage in an area of muckraking, I can accommodate my honourable friend and refer back to many entanglements and many engagements that I had with my honourable friend when he was the Minister of Industry and Commerce, but at that particular time of the day, Mr. Speaker, there was some gentlemen in this House that did not stoop too low or so low as the Honourable Leader of the Opposition is attempting to do today.

Mr. Speaker, he is using every device that he can to lower the morale of the Civil Service in the Province of Manitoba. Oh, he did it before yes, and we're trying to improve on the shortcomings of the previous administration. My honourable friend this afternoon referred to blank cheques. Never, never, in any of his accusations of the use of blank cheques, if indeed they were used, was there any suggestion by my honourable friend as to whether or not he had taken the opportunity or the time or got one of his stooges to take the time out to see whether there was any basic reason for it, the filling in possibly of an actual amount. His accusations, Mr. Chairman, are by innuendo to the Civil Service of the Province of Manitoba that there's widespread misuse of government funds by the Civil Service of Manitoba. He has attempted, time after time, Mr. Speaker, in this debate to use the introduction of the recommendations that I make in respect of the amendments to the Civil Service, to heap abuse after abuse on the Civil Service of the Province of Manitoba. How wrong. Not on this issue, on every issue that he can. He did it this afternoon and the whole caboodle of you are trying to be so sanctimonious insofar as the Civil Service is concerned, at the same time that you're attempting to put stilettos in their back and make their positions appear to the general public to be that, that they're padding their pockets as indicated by the Honourable Leader of the Opposition this afternoon by reference to blank cheques. How low, how low, Mr. Speaker, can anyone in the political life of Manitoba get?

I have the honour, I have the honour, Mr. Speaker, as is well known, of being first elected into this House in the year 1953, almost 21 years ago. In all of the years that I've been here, I've never ever seen an opposition stoop so low as the one is at the present time. As my colleague, the Minister of Finance said earlier today, Mr. Speaker, they are bereft of any tangible criticisms of this government that could stand a court of public opinion. But my friend with a smug smile on his face is endeavouring to try and undermine those of us who have been in politics. But more importantly, Mr. Speaker, I would say those of us that have been engaged in politics - and I since 1945, in various avenues - no one that I've ever known has attempted, as the Leader of the Opposition did today, twice, did the other day two or three times, to undermine the Civil Service of the Province of Manitoba. A leader? Yes, a leader. I don't know where he will lead the morale of the people who devote themselves to the service of the public in Manitoba by his nonsensical utterances that we've heard today. Of course people can bring forth affidavits, table them and make themselves look like Yul Brynners and the likes of that. And that's the objective of my honourable friend. But I'm going to say, Mr.

SUPPLY

(MR. PAULLEY cont'd) Speaker, he will be thwarted in this. And insofar as some of these letters, that when one scrutinizes them, there's no substance at all in what the Honourable Leader of the Opposition is attempting to impute into these matters.

But apart from all of that, Mr. Speaker, reference is made to questions dealing with the fisheries co-op at Southern Indian Lake. Questions arise as to a meeting which was alleged to take place, and I suppose it did, Mr. Speaker, with Mr. Moss. It hasn't penetrated the mind, if indeed he has one, of my honourable friend, the Leader of the Opposition, that the president of that corporation has disallowed the allegations of my honourable friend who apparently is getting out of the House because he doesn't like when the foot is on the other . . . --(Interjection)--

MR. SPIVAK: Point of privilege, Mr. Speaker.

MR. SPEAKER: Order, please. The Honourable Leader of the Opposition.

MR. SPIVAK: I think that if the honourable member, I assume that he's referring to the information that was supplied by the Premier, because that's the only information I think that he's aware of. He should look at Hansard before he makes that statement. Because the information that the Honourable Minister is supplying is not correct.

MR. PAULLEY: I don't know if that's a point of privilege or not, Mr. Speaker, but I'm entitled to my opinion, and without the same gusto that was used by the Honourable the Leader of the Opposition.

MR. PAULLEY: I recall, and I want to recall, too, Mr. Leader of the Opposition, a conversation that took place between you and I in an elevator when you were the Minister of Industry and Commerce dealing with the conduct of the Manitoba Development Fund and one of the members of that board.

Mr. Speaker, I'm not going to reveal this, but if my honourable friend wants to raise issues of that nature, which I didn't at that time, because I felt I should be a gentleman; I can do it, involving an expenditure of \$3 million dollars. If you want innuendos, if you want facts - yes, you smile, you smile, but you know damn fine of what I'm talking. Maybe it would be advisable for you to leave the Chamber in case I'm prompted or provoked into fuller revelations.

But what are we dealing with today, Mr. Speaker, getting back--getting back to really the motions that we have before us for our consideration? A motion to grant and pass interim supply under the resolution, in order--good-bye my friend, and I'm not finished with you. We're dealing, Mr. Speaker, with a motion to consider the resolutions coming out of the Committee of Interim Supply, in order that the government will have sufficient moneys to pay those people that the Honourable the Leader of the Opposition is so wont to criticize and to lower our civil servants. We want also, through this resolution, to consider the resolution coming out of the committee dealing with supplementary estimates, so that we can pay in this current fiscal year the accounts that are necessary in order that people receive proper payment.

My honourable friends opposite, Mr. Speaker, constantly use this approach that this government is not being accountable, that we're trying to hide. We can't hide anything that's done within the public arena. We have many methods by which this is prevented - Provincial Auditor and others. We have this Assembly. We have the Fourth Estate, Mr. Speaker, but more importantly possibly - and I may be taking out of context what Edmund Burke said about the Fourth Estate standing up there it peers over all of us - we have another group, another group, Mr. Speaker, more important than any of us here, or the Fourth Estate - the people of the Province of Manitoba. Over the years, as a result - and as this was indicated by my colleague, the Minister of Finance today - as a result of similar conduct by the Liberal Party in days gone by, the Conservatives moved from there to here, and eventually we moved from there to here, because the people of Manitoba were sick and tired of the efforts or the endeavours to depreciate the parliamentary procedure in Manitoba. I well recall, Mr. Chairman, on one occasion when the Liberals were in opposition, a news reporter said to me, "Why do you tackle the Liberals more than the government?" And I said that the Liberal Party at that time were doomed to oblivion, and that has happened. But more importantly than that, Mr. Speaker, is because of the tactics that were employed at that time the government of the day was defeated. We are responsible to the people of Manitoba. The people of Manitoba have elected us now for the second term of office. Surely, as my colleague, the Minister of Finance indicated today, in the election in '73, efforts were made by opposition parties, and in particular the Conservative Party, with some of their colleagues, the Committee for Good Government, to try and gang up. It happened basically in my own constituency with one opponent. But the people of Transcona

SUPPLY

(MR. PAULLEY cont'd) . . . didn't get fooled. Here am I. The people of Selkirk didn't get fooled, Mr. Speaker. My colleague, another Pawley, is here. The efforts of the Conservative Party during that election were thwarted. The people did not stand for their guff--their insinuations and their approaches at that time.

Mr. Speaker, somebody mentioned, my colleague the Minister of Finance mentioned that he was surprised that we became the government in 1969. I have had some involvement before that. I told Walter Weir, the then Premier, that if he dared to call an election in Manitoba, the Conservatives would be defeated. And he asked me - and this is recorded in Hansard - he asked me, "Russ, who'll defeat us?" And I said, "We'll defeat you", and we did. And the people of Manitoba can not be fooled; they can't be fooled - unless I'm a fool, and I may be. They cannot be fooled--(Interjection)--oh, you don't even know whether really you've got a seat or not yet.--(Interjection)--But they were fooled for 100 years. They were! With changes from Conservatives to Liberals over a hundred years! But sometimes people wake up, Mr. Speaker, and they did; and in 1969, just as we were going into the celebrations of our 100th Anniversary, the people of Manitoba could get down on their hands and knees or shout to the high heavens, "Thank the Lord we got rid of that tripe!" And we've got a government in Manitoba that is concerned with people.

But apart from all of this, Mr. Speaker, having had years in opposition, I realize what the responsibilities of opposition happen to be. I realize too, what the responsibilities of government are. And I suggest, Mr. Speaker, that in order to show ourselves as responsible members of this Assembly, we should stop this gutterism getting down to the lower depths and acquit ourselves as members of this Assembly as representative of the public. Is it necessary, Mr. Speaker, for any opposition to constantly conduct themselves as is being done by the opposition, the official opposition, and in particular its leader? I followed his career. He followed a very illustrious Manitoban. And I sometimes wonder, Mr. Speaker, that if that honourable gentleman could perceive what is happening in this House today, he would wonder whether his contribution as a previous Member for River Heights was really worthwhile. I suggest not. Because, Mr. Speaker, I wonder - and in wondering I sometimes doubt whether many members in this Assembly know of the campaigning that was done in River Heights so that the present Leader of the Conservative Party would get the nomination or get the choice over a man who was esteemed and honoured by all our constituency and all parties in opposition.--(Interjection)--Yes, we're talking basic policy as enunciated by the Leader of the Conservative Party. Mr. Chairman, I ask the Leader of the Conservative Party to get up out of the gutter. I ask his members to try and discipline him so that we can get on with the job of governing Manitoba.

MR. SPEAKER: The Honourable Member for Sturgeon Creek.

MR. J. FRANK JOHNSTON (Sturgeon Creek): Thank you, Mr. Speaker. Mr. Speaker, I was not part of the Progressive Conservative Party when it was in power, but I certainly would not have liked to have had the NDP Party as my opposition. The reason being, Mr. Speaker, is that we have had four or five speeches today, we have had speeches since the House opened saying, "Please don't criticize the government." I would not like to be a government that is not criticized. I would not like to be sitting with the responsibility of running this province and have an opposition sitting opposite me who takes the attitude, who takes the attitude that we should not criticize the government; who takes the attitude that when they find that there's irregularities going on that they have got the opportunity to look into and change to make them go right, would not bring it to my attention. I'm very surprised that somebody on the other side has not got up and said, "Thank you. Thank you for bringing the irregularities to my attention. We want to examine them. We want to look into them for the benefit of the people of Manitoba," and I haven't heard it. If I was running a business selling shoes and I was selling bad shoes or somebody was supplying me with bad shoes, I would appreciate the customer come walking in and say, "Look, you're selling a bad product." I'd say, "Thank you, I'll stop selling it."

Mr. Speaker, we have been telling them for several days that there is something to be investigated within the administration to look into. We have been telling them that grants are bigger in this province than they have ever had before. The member says: What about the good ones? And the grants that they have given were possibly good ones and good sound philosophies and things that would help this province, but why turn the good ones into bad ones, Mr. Speaker? By very poor administration and not looking at how it is handled. I've heard defences from the

SUPPLY

(MR. F. JOHNSTON cont'd) government on the other side continually saying, what happened during the election? The Minister of Finance keeps mentioning a little old lady in Rock Lake. We keep getting two--we've had two speeches from the Member from Ste. Rose saying you did during the election. You know, Mr. Speaker, I don't really get that concerned. We call an election, all of us, we're going out to win and I'm not saying that I'm ashamed of anything our party did. And if you really want to start talking about elections, we'll start talking about it if you want to. It doesn't bother me, you know, It's past history. Like the Minister over there says, let's run the province.

But you know, we could maybe mention a few things that might have been irregularities. But all we have had is defence from this government. We've been called muckrakers. We've said, where is your proof? And we've presented. We get told, why do you come in here and make accusations? Well, we have come back and we have shown that the accusations have some foundation. And the only thing we get from the government is criticism that we, we as elected members on this side are supposed to be second-class elected members. They have the attitude that we have no more right, we're second, they're better than us. The people that elected them are better than us, is their attitude. Better than the people that elected us, is their attitude. Because we have the gall, the audacity to bring up something that the government should look into and be welcoming, welcoming the fact that we brought it to their attention. Instead, we have had to work all day to take the snickering off the faces of the back row . . .

A MEMBER: And we did.

MR. F. JOHNSTON: We have worked all day and we've got rid of most of the smiles, as I said once before, in the second row. We've worked all day and we're getting close to getting rid of the smugness in the front row, as I've said once before. (Applause). And the Minister, the Minister of Autopac says he's going to smile.

A MEMBER: Right.

MR. F. JOHNSTON: He reminds me of the guy going down with the ship saying, "I love it, ha ha, I'm going to drown." And that's exactly what my leader told him awhile ago, is, he doesn't know. He's a young guy--pardon me, Mr. Speaker--a young man, the Minister of this government, who has been brain-washed by the old socialist members of that party and he hasn't taken his head and lifted it up and looked around. And who better could they have taken, but a naive young Minister with lots of enthusiasm and raises turkeys, and give him a turkey like Autopac and he accepted it.--(Interjection)--

Now, Mr. Speaker, I'm still waiting, and I hopefully would say that I will hear from the Minister of Mines and Natural Resources. I didn't quite mind his speech this morning as much as my leader, but very surprised that he was as defenceless as he was being for the government - because I know he's a man of principles. I would very much like him to come back - and he says if there's nothing wrong and he proves it, fine. And if he comes back and says, "I've found something wrong," and he says, "there's going to be heads roll and this thing is going to be straightened up, that's what I want to hear. And that's what I would like to say; that I will respect the government for doing that. But I haven't heard one word from the government side of the House saying they respect an opposition who has found something wrong with the operation of the government and brought it to their attention. And all we've got from them, Mr. Speaker, is crap because we did that.--(Interjection)--Crap, because we did that.--(Interjection)--You play it with dice. Mr. Speaker . . .

A MEMBER: It's more like a roulette game.

MR. F. JOHNSTON: Mr. Speaker, we just have gone - as I've said all day - and I'm not going to take up any more time, because if they haven't got the message by now, if they haven't realized that the fellows that can go out and play a hockey game with them are as good as they are, who can sit in a dressing room with them, have a cup of coffee with them, are as good as they are, and have the right to bring up things in this House, let's have them stand up and tell us that, Mr. Speaker - because that's what I've been told all day, that we have no rights in this House to take the audacity to criticize the government. And, Mr. Speaker, I would never want to be a government with an opposition like them, who wouldn't bring something to my attention if they found it wrong.

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Speaker, I welcome the opportunity to tell the Honourable Member for Sturgeon Creek and anybody else, that if I learn of wrong-doing in government I

SUPPLY

(MR. CHERNIACK cont'd) appreciate being told about it and I would be an assistant in attempting to make the proper heads roll and do it in such a way that it is clearly known. But, Mr. Speaker, there is a timing and a manner in which these things are done. And there may be some members opposite who will recall personal conversations with me, where I drew a matter to their attention, which I felt was firstly a matter for their concern personally, and subsequently public if it were not corrected. And, Mr. Speaker, I believe that the way these things should be handled, if indeed there is a real effort to make corrections, is to go to the Minister responsible and say; Now, I don't know what the truth is, but here is what I'm told, it looks fishy; Mr. Minister, would you care to investigate? Find me a Minister here who would not say: I will investigate. Find me a Minister here who would not investigate and would then stand a chance of being told: I, an MLA went to a Minister and informed him of it and he refused to investigate. Mr. Speaker, I've never had an opportunity to be given information where I didn't firstly act on it, and secondly, attempt to report. But I still say that the way this matter was built up, and breaking the news that was broken this morning was a deliberate attempt of political maneuvering and not really an effort to see that the matters are straightened out.

Now, Mr. Speaker, I am the Minister of Finance. I have certain responsibilities regarding the accounting system. The Leader of the Opposition asked me a few days ago, on March 8th, who has the signing authority on consolidated fund cheques and PEP program cheques? Why did he ask that question, Mr. Speaker? Because he was curious? No, he had a letter dated August 22nd, referring to blank cheques, and he wanted to see just who had the authority to sign. That's cute if you're fighting an adversary action such as one does in court, or such as one does in politics. And if what he wanted to do was to get all the information in order to drop a bombshell, break the news, he did the right thing. He got me to give the record as to who had signing authority. Then quietly, at the right time, he produced the letter dated August 22nd and said: "Enclosed please find two blank cheques written on the Trust Fund PEP." Do you know what my reaction was? Of course our first reaction was, why didn't you tell us earlier if you're concerned about getting the information to the right source immediately? Why didn't you do it earlier?

MR. SPEAKER: The Honourable Member for Birtle-Russell.

MR. GRAHAM: Would the Minister submit to a question?

MR. CHERNIACK: Of course.

MR. GRAHAM: If the Minister has had these things brought to his attention and there's nothing been done, where does an individual go at that time?

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: One goes to the public. One goes to the House. One doesn't sit in one's office with this kind of information and not take it to the right source in order to have it traced.

So, Mr. Speaker, my first reaction when I read this: "Enclosed please find two blank cheques written on the Trust Fund PEP for your disposition," you know, I'm not that smart, but I've been around, Mr. Speaker. I've practiced law for thirty years, I've handled trust funds. And I know there are many occasions when trust funds are signed by more than one person. You know what my reaction was? It was, well, probably the writer of the letter is one of the signatories, the recipient is another of the signatories, and probably he's signed the cheque, sent it on to the recipient who could then complete the cheque and add the verifying signature without which the cheque couldn't be cashed. Well, that's only based on the experience I've had in the law business where I've handled trust funds and see that it's handled. So when I finally got this letter - what is it, 20 minutes, half an hour ago? - I went back to the list I had, Mr. Speaker, to see what had been reported. I could not find the names of either Kalinowsky and Demery that is the writer and the recipient of the letter, and I thought well now, that sort of makes it look more, you know, more serious. I went downstairs in my department. I checked the record to see previous dates closer to August 22nd, because this one the Leader of the Opposition didn't ask as of what date - and I gave the information as of January 14th - but I didn't find that a prior list had these names, it would have been amusing had I found it so readily that they did. So I didn't find that, so I phoned the Department of Co-operatives and I asked whether they had some idea of what transpired here.

SUPPLY

(MR. CHERNIACK cont'd)

And now I'm giving the House the limited information I have, which is not adequate. But I thought that if somebody wants to broadcast this kind of information, that at least one should answer even step by step as we learn what developed. And what I've learned isn't too helpful, but it is that when the PEP cheques were distributed for co-operatives, they were sent with instructions that they shall be deposited - each in a separate account for each co-op - into a trust PEP account for which there should be two signatories; one, the government representative, one a member or an officer of the co-op. That's all I've learned. I've learned that when the cheques are sent out, the PEP funds were put into a trust fund in the name of the co-op, each individual one, with instructions that the signatories should be a member of the staff of government plus a member of the co-op. Now, I don't know any more. But it doesn't surprise me because I expected to get that kind of information when I read this enclosure of two blank cheques. Mr. Speaker, it's really nonsensical to think of what could have happened, blank cheques floating around as if I - maybe the accusation is that I signed some cheques in blank and started sending them around to various people to fill in whatever they wanted, you know. As if they would say: Well, I'd like five bucks today and maybe I'd like 500 or five million. This doesn't make sense. But the hullabaloo that has been raised publicly is one which of course has to be answered, will be answered. And I would tell the Honourable Member for Sturgeon Creek that if there is a wrongdoing, if there is fraud, I'm sure there'll be a prosecution as there have been in the past. The member isn't a member of Public--at least I don't think he was in Public Accounts when I reported that there was some \$48,000 paid to government on bonding for fraudulent acts and there have been prosecutions. And if there is an occasion, there would be a prosecution - and to the extent that the Leader of the Opposition has been carrying this letter around in his little bag for any period of time, then that amount of time has been lost.

MR. SPIVAK: Mr. Speaker, on a point of privilege.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, that letter has already been tabled in the House.

MR. CHERNIACK: When?

MR. SPIVAK: Well, Mr. Speaker, as far as I know that letter was tabled last week--oh, Mr. Speaker, I know - I can't be sure of the date but my understanding is that along with many of the documents - I guess probably not last week - after the Honourable Minister made his reply, that letter was tabled.

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: Well, Mr. Speaker, when I receive mail formally it is stamped so I know the date it's received. I don't know the date on which this letter fell into the hands of the Leader of the Opposition or any other responsible member of his party, but I would say that from the time it fell into their hands until the time it came to the attention of those people responsible for the administration - that much time, be it one hour, be it one month or be it eight months, that much time was lost. That's . . .

MR. SPIVAK: Mr. Speaker, on a point of privilege.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: I'm satisfied that in producing this letter which only makes reference to two trust cheques - in answer to the questions that were given by the Minister and in answer to the questions by the Provincial Auditor asked after the meeting on Tuesday and with respect to the investigation I conducted, this really truly was the first time that I was in a position to bring this forward.

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Speaker, I delight in the way the Leader of the Opposition comes into the room and participates in the debate without any briefing of any kind. He just - you know he must have antennae somewhere that tell him what's going on even in his absence - reminds you of the meeting yesterday where I was trying to convince the Committee on Public Accounts to hold meetings sooner rather than later and honourable members - the Member for Brandon West and the Member for Pembina each gave a valid reason why they didn't want to meet earlier, and I said: Well it's up to you, if you don't want to meet earlier that's okay, we can wait. Something to that effect. And the Leader of the Opposition came storming in from behind me and said something to the effect - and I'm really paraphrasing: the Minister of Finance cannot prevent our dealing with the accounts of the province; we know our responsibilities,

SUPPLY

(MR. CHERNIACK cont'd) Mr. Speaker, we will carry them out whether it's one meeting or ten meetings or whatever. Completely ignorant of what had been said, but he was ready to blast me, because that is the way he visualizes his job; blast the opposition, blast the government, he's better off. So I come back to say . . .

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: On a point of personal privilege. I would like the Honourable Minister to note the affidavit that was tabled and to realize that it was dated as of yesterday, and that I did not receive it until yesterday and it was filed as soon as I received it.

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Speaker, I give the Honourable Leader credits for doing that. I don't know how long he's had this letter dated August 22nd. Had I had it maybe one or two hours earlier I might have been able to give even more information than I've already given to the House.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: On the point of privilege and I again, Mr. Speaker, I have to indicate this on a point of privilege, that there are two matters involved with respect to that letter. There were questions that were asked of the Minister; there were answers that were given in the House. There were questions asked of the Provincial Auditor and there was my own investigation and determination that had to be undertaken. And, Mr. Speaker, insofar as I was concerned in bringing this to the attention of the honourable members, I am doing so on the basis of my own investigation - which now satisfies me that this should be brought in, and it has been brought in.

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Speaker, I'm sorry the Member for Sturgeon Creek has left because he talked about our responsibility to act, and he would like an undertaking that there would be action. So really he ought to find out from the Leader of the Opposition what else the Leader knows which would be helpful to a proper investigation. Because the Leader of the Opposition has implied--(Interjection)--has implied that he had the letter for I don't know how long, but he today was - as a result of further investigation - satisfied that it's a matter that should be brought to our attention. I would have thought, Mr. Speaker, having received a letter with the information he gave us today - which was what? - I have your letter with two blank trust cheques. With that information I would have thought that was enough to inform the proper responsible officials, but he is now saying that he--(Interjection--Oh.

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

MR. SPIVAK: On a point of privilege, that letter was tabled earlier. That letter I believe was tabled two days ago.

MR. CHERNIACK: Mr. Speaker, it may be another copy of the letter. This one was tabled March 15th, 1974. Maybe another copy was tabled earlier - but then the member has tabled a number of matters, and in spite of what he thinks I don't make a practice of looking at everything that's tabled in this House. If it's important and the member thinks it's important, thought it was important, he should have brought it to our attention. And the point I was--well I'm not going to repeat the comments I made before he came, because if he wanted to know what they were before he spoke he would have at least asked to be briefed.

So, Mr. Speaker, I've given the kind of information that I could get in only a matter of minutes. I am certain there'll be further investigation, there will be further reports - and all I can tell the Member for Sturgeon Creek - who cares - that we will investigate and being satisfied that allegations made have any truth whatsoever, there will be action. But I say that to the Member for Sturgeon Creek who cares, and not to the Leader of the Opposition who I think thinks that he's already accomplished his purpose by breaking the news as he did this morning. You know, about 11:30 I think he finished his day's work and now he's going back to his office to find more things that he can raise and break again to the populous - but not to the people responsible - because I think that's the way he sees his job and that's his privilege. I give him the right, I give him the right - not that I have the right to withdraw that from him - I give him the right to conduct his affairs his way.--(Interjection)--Yes.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Yes, Mr. Speaker. The Honourable Minister indicates that they'll make an investigation. In view of the fact that the Provincial Auditor has indicated to me that this is

SUPPLY

(MR. SPIVAK cont'd) not within his jurisdiction how would that investigation then be conducted?

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Speaker, firstly information has been given but, you know, unfortunately the Leader of the Opposition is so busy popping in and out of the room - and I don't criticize him for it, he's got things to do outside as well as in this room and he is the one who determines how he apportions his time. But I brought to this House the little information I was able to bring within the short time allowed to me from the time he presented the letter, and I will try to get more information - and I will bring, or others will - and we'll bring it forward. We want it to be known. But if he wants to know the extent to which we'll do it, it will be to the extent that we're able to.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: I wonder, Mr. Speaker, if the Honourable Minister would permit another question. In the event that the letter proves correct, will the government consider a judicial inquiry on it?

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Speaker, peculiarly enough I have already indicated to the person whose position I respect and accept, that is the Member for Sturgeon Creek, that if we find wrong-doing heads will roll. That's his expression. I don't use all of the expressions he wants to use in this House, but the heads will roll I would do. Now, the peculiar thing is - again the Leader of the Opposition whose experience is in politics much more than it is in the legal process - is that if this letter is correct, there shall be a - what did he say?

A MEMBER: A prosecution.

MR. CHERNIACK: No, a judicial inquiry. What? A judicial inquiry to find out if two blank cheques were enclosed? If this letter says so, I assume they were. So are you going to inquire whether or not the two blank cheques were enclosed or are you going to inquire as to what wrong-doing took place as alleged by the member? You know, I don't take particular pride in this, Mr. --I'm not even going to say it. I would invite the Leader of the Opposition to read my comments, if he thinks that my comments are of any interest or value to him, let him read them and not make me repeat them and bore other members and take up time of other members to tell him what I'd already said before he came in.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. HARRY J. ENNS (Lakeside): Mr. Speaker, in the five minutes or six minutes remaining to me, let me indicate to the Minister of Finance the possible trips of blank cheques at a time of an election. And, Mr. - Mr. . . . --(Interjection)--Never mind. And if they happened August 22nd, they can happen July 22nd or June the 2nd. We're talking about the administration of this program, which unlike the administration of the program down south - we're talking about a particular kind of a program, the assistance program towards the improvement of dwellings, homeowner grants kind of programs, which down south here - and there is a difference, we have to draw a difference - down south here the grant calls for the homeowner to make a proper application. And it is essentially an employment program. Then the works is approved, the works is approved and somebody comes and does the work and the program pays the money.

Now we are talking about different kinds of blank cheques that can roll around the north country, which I would expect a kind of a proper investigation that my Leader talks about should uncover, in the affidavit, in other material. Up north however there aren't all these qualified carpenters, glaziers, roofers, plasterers or workmen available. So, Mr. Chairman, what we suggest or what we have reason to believe took place prior to the election, the cheques were delivered in lieu of the labour. So in effect, Mr. Speaker, persons actually received in cash, by cheque, the amount normally accredited to that kind of a program or that kind of a repair for these kind of programs. So, Mr. Speaker, whether they were contract employees, whether they were Community Development people or what have you, the fact of the matter is that you had a situation in northern Manitoba where people ran around through the communities of Wabowden, Cross Lake, Norway House--(Interjection)--No, no, it didn't work there because the rules were different there. The rules were different there. But up there this is--well, Mr. Chairman, I think sufficient information has been given that this possibility indeed was there and sufficient supporting material has been tabled that in fact at least in some

SUPPLY

(MR. ENNS cont'd) instances this took place. Now the question is to what degree. I suggest that if it could take place in one instance or in two instances, it should be sufficient to take the complacency off the faces of the honourable members opposite - off of the honourable members opposite.

Now, Mr. Chairman, the fact of the matter is, you know, when we speak about blank cheques being bandied around the north, that's what we're speaking about. Mr. Speaker, the fact of the matter is that when we speak about the kind of, kind of confusion between economic programs, economic goals to be achieved, and at the same time certain political goals to be achieved, we're talking about the kind of administration that would allow cheques to be made payable to people who do not apparently show up on any list of approved homeowner grant applicants, but yet a cheque was made to those people. We're talking about situations where material was kind of sent from here to there to there, and no proper accounting of as to whether the works were actually done.

Now, Mr. Speaker, all of this can surely be clarified reasonably clearly and with some understanding, if the government - if the Minister, as he should have this morning in response to my Leader's charges, had agreed to acknowledging, accepting immediately a seizing of all proper documents and records of the program in that area; a full accounting, a full account of the kind of programs that were administered say in the last year in this specific area, this specific incident that we're talking about. Mr. Speaker, I can guarantee you that that will unlikely not take place.

Mr. Speaker, with the one minute remaining to me, let me just pass a further comment on it, because there is always a value in just simply listening to the exchange. I have no difficulty in accepting the fact that my conception of the democratic process is one of an adversary nature. It of course reinforces my suspicion of the attitudes of the honourable members opposite when they challenge that basic assumption, that democracy functions best under an adversary condition. I suspect that, of course, in their sister, their cousin states where totalitarian socialism has long ago established itself, it has shown its inability, it has shown its inability--(Interjection)--Right, right. Wherever totalitarianism, wherever totalitarianism rears its head, wherever--(Interjection)--No. Well wherever totalitarianism rears its head they have shown an inability to address themselves to work within an adversary system. Mr. Chairman, I am not complaining about the adversary system, the Minister of Finance is. He is accusing us of fighting him. He's accusing us for being adversaries to the government. Well, Mr. Chairman, Mr. Chairman, I accept that as my legitimate role in a truly democratic state.

MR. SPEAKER: Order please. We are at the hour of Private Members' Hour. Does the honourable member have leave to proceed? (Agreed) The Honourable Leader of the Opposition.

MR. SPIVAK: . . . it relates to an answer that was given to the--really on a point of privilege earlier to the Minister of Finance in indicating that the letter was tabled in the House. Now, there have been a number of letters tabled in the House. My information really came as a result of an indication by one of the news media that they had had that letter and they assumed that it was one that had been tabled because it was in their possession, and I assumed if it was in their possession it had. It may be--(Interjection)--Well no, Mr. Speaker, it may be that it may not have been tabled, I have asked the Clerk, he's not at this point in a position to confirm that, and so it may very well be, Mr. Speaker, that I'm mistaken and if I am it is now tabled and is a matter of record.

MR. SPEAKER: Are you ready for the question? The honourable member has already spoken, he cannot speak again.

A MEMBER: He can speak again.

MR. ENNS: Mr. Chairman, I believe that I had the floor at the time that 4:30 was being called. I deferred to the . . .

MR. SPEAKER: Order please.

A MEMBER: He did not. He finished.

MR. SPEAKER: Order please. Order please. Let me recite the roll of events as they occurred. I was intending to get up when the honourable member sat down to call it 4:30, and as the honourable member sat down then I wanted to put the question. Then the Honourable Leader of the Opposition asked for a matter of privilege and I said it's already the hour now

SUPPLY

(MR. SPEAKER cont'd) for Private Members' Hour. The honourable member went on with his matter of privilege, so therefore I feel I should call the question. If the House does not wish to have that fine, I can leave it open. It is no concern of mine whether we pass the resolution at this moment or not. What's the will and pleasure of the House?

MR. CRAIK: Mr. Speaker, if it's in order at this stage to adjourn it I would ask to adjourn the debate, seconded by the Member for River Heights.

MOTION presented and carried.

PRIVATE MEMBERS' HOUR - RESOLUTION NO. 23

MR. SPEAKER: I must indicate that we have Resolution 23 at the top of the Order List. I believe that is an error, because last night that resolution was under discussion. There was some commitment by the Minister of Labour to the Member for Assiniboia, and I think the Honourable Member for Assiniboia indicated he would leave it there. If that was his intent, then it should have gone to the bottom. If not, we adjourned three minutes early because there was still opportunity to debate. Now, I'm at the pleasure of the House again in respect to this matter. Does it go to the bottom or does it get debated now? I want guidance from the House.

The Honourable House Leader.

MR. GREEN: Well, Mr. Speaker, my understanding was that - and there may be some misunderstanding, was that the honourable member did not introduce his motion, and it was going to stand over until today.

MR. SPEAKER: Very well. The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Speaker, I beg to move, seconded by the Honourable Member for St. Boniface, that:

WHEREAS women now comprise over 40 percent of the Manitoba labour force; and

WHEREAS there remain in our laws outmoded symbols, which ignore the important contribution of women to our work force; and

WHEREAS it is in the interest of advancing the status of women in our society that these unjust symbols be systematically removed;

THEREFORE BE IT RESOLVED that the Government of Manitoba consider the advisability of changing the name, Workmen's Compensation Act and the Workmen's Compensation Board, and any similar institution or agency, by replacing the word "Workmen" wherever it appears with the word "Workers".

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: Well, Mr. Speaker, I've just asked the Clerk to assist me, I indicated yesterday that we would be having to move this matter out of order because of the reference to amendments to the Workmen's Compensation Act in the Speech from the Throne. I'm sorry, I don't have the speech directly before me, the Clerk is now getting it.

And also I was able to give my honourable friend the assurance that not only is there amendments to the Workmen's Compensation Act listed on Page 8 of Votes and Proceedings containing the Speech from the Throne, which says: "You will be asked to consider amendments to the Workmen's Compensation Act to increase coverage to injured workmen and to provide for an increase in pension to those affected by accidents in industry." The Minister of Labour has also indicated that there will be a specific change relating to the exact requirement that is being requested by my honourable friend. Now, I know, Mr. Speaker, that the Act says-- specifies what amendments to the Workmen's Compensation Act - or gives certain specifics-- and I suggest that one stability for the House, that that is sufficient to anticipate debate on any question. But I am able to go further and indicate that the question is going to be amended.

MR. SPEAKER: I appreciate the comments of the Honourable House Leader. I too, would like to indicate that this matter had come to my attention in perusing the Speech from the Throne, and subsequently I came to the conclusion that it would be out of order, with the assurance as well from the Minister of Labour last night, Therefore we go on to the next resolution, which is Resolution 11, and the amendment thereto, and this particular resolution is open. The Honourable Member for St. Matthews.

RESOLUTION NO. 11

MR. WALLY JOHANNSON (St. Matthews): Mr. Speaker, it would appear that we've come to the dull part of the day. The opposition seems to have lost interest. I note that the Leader of the Opposition has already departed along with the Assistant Leader. --(Interjection)--

MR. SPEAKER: Order please.

MR. JOHANNSON: Mr. Speaker, we intend to oppose the - Mr. Speaker, if the honourable members will - if my own members will let me - we intend to oppose the amendment to this resolution and of course we intend to oppose the resolution itself. I think both the amendment and the resolution are really irresponsible - irresponsible - and they tend to demonstrate the irresponsibility of the opposition, which has been shown very clearly in past days. I'd like to - and I will say this, Mr. Speaker, that I think that the Conservative Party of Duff Roblin would have been far more responsible than this group now is. And I give them that credit, I think they would have been far more responsible than this group presently is.

I'd like to deal with some of the statements made by the Leader of the Liberal Party in introducing the resolution and some of the statements made by the Honourable Member for Sturgeon Creek in proposing his amendment. The Leader of the Liberal Party, as is his wont, made a number of claims without really backing them up - he has a habit of doing this. He claimed, first of all, that the Economic Council of Canada had made a statement at some time, that government in general is responsible for up to a quarter of the inflation that occurs in this country. Now, I frankly doubt that the Economic Council of Canada ever made such a claim, and I'd like the Leader of the Liberal Party to table the documents to support that claim.

The Leader of the Liberal Party also claimed that a family earning 7 thousand dollars, which he claimed was--(Interjection)--

A MEMBER: He's not here.

MR. JOHANNSON: I know, that's unfortunate. The Leader of the Liberal Party claimed that an average family earning 7 thousand dollars would have four thousand of that subject to sales tax, and his calculations were that 3 to 5 percent of the cost of living for that family would be accountable through sales tax, and that that family would pay something like \$200 a year in sales tax. Now, I've looked into this, Mr. Speaker, and the calculations that are available to me would indicate that he exaggerates by probably 100 percent. The actual cost to such a typical family would probably be around \$100.00. Now, the calculations are not perfect, but the actual costs would probably be around \$100 a year. You have to take into account the fact that food, except for meals over \$2.00 in a restaurant, is exempt from sales tax; shelter is exempt from sales tax; clothing, children's clothing is exempt. I would also point out that since 1969, this government has extended - just to a degree, and I'm not boasting about it - but to a degree, the government has extended the exemptions under the sales tax; used furniture under \$25.00, used clothing up to \$25.00, some children's clothing, shoe repairs, used footwear under \$5.00 have been exempt. So there's been some extension of exemptions since 1969. So I think the member has exaggerated greatly this particular claim.

He claimed that the government is profiting on inflation through growth and sales tax revenue. Now, Mr. Speaker, the economics of the Member for Wolsley me at times. He makes the point, which we all recognize, that most people are now suffering because of inflation, they have to pay much more for goods now than they did in years past. But he somehow seems to feel that government doesn't have to do the same thing; that government doesn't have to pay more for goods now than it did in 1969, that it doesn't have to pay more in wages. Somehow in the mind of the Leader of the Liberal Party, government has been insulated, protected from this inflation to which everyone in society has been exposed. His statement isn't really correct. The one point I would make is that since 1969 real incomes have risen, that is, people are better off now than they were in 1969, in most cases. Because they're better off, they can spend more on purchasing items above and beyond the necessities, beyond food, clothing, shelter. And because they are able to do this, they pay more in sales tax. Now, they pay more in sales tax it is true, but this also illustrates the fact that they have improved their economic position since 1969, under our government.

The member--both members seem to harbour the illusion that Manitoba is far more heavily taxed than in any other province - and when we looked at the area of sales tax, it's obviously not true. Granted, Alberta doesn't have any sales tax - but it happens to have one thing that no other province in the country has, that is abundant supplies of oil. --(Interjection)-- Yes, it has a Conservative Government, but it didn't have a sales tax when it had a Social Credit

RESOLUTION 11

(MR. JOHANNSON cont'd) government - and the oil revenue enabled them to avoid a sales tax. Let's look at the other provinces, though. There are three provinces that have Liberal Government. Quebec has an 8 percent sales tax; Nova Scotia, 7 percent; Prince Edward Island, 8 percent. Conservative provinces: Alberta of course has none; Ontario, the wealthiest province in the country, 7 percent; New Brunswick, 8 percent; Newfoundland, 7 percent. Now, Mr. Speaker, in the case of the Maritime Provinces, one can't really blame them for having a high sales tax, because these are the provinces in the country that are least wealthy and they obviously have to have revenue, and therefore they've raised it in the way they felt they had to. However, let's look at the NDP provinces in this country, three of them; Manitoba 5 percent sales tax; Saskatchewan, 5 percent; B.C., 5 percent - the lowest in the country. --(Interjection)--Well, Mr. Speaker, I am very proud of the fact that we have the highest income tax in the country, I'm proud of that fact. And I'm proud of it for a very simple reason, because the income tax is the most just form of taxation, the most progressive form of taxation we have available. (Applause) But, Mr. Speaker, while I'm admitting pride in the fact that we have the highest income tax, I would also admit pride in the fact that we have the lowest medicare premiums. We have none - and the medicare premium is the most unfair kind of tax available in this country, and we have the lowest.

The Member for Sturgeon Creek basically was trying to establish the position that this government didn't care about the little person in our society, that we were trying to tax him to death, and that we didn't recognize the fact that people in this society are suffering from inflation. He made the point that, through our placing sales tax on production machinery, we were in fact increasing the sales tax to 7 to 8 percent. Now, I'd like to have his calculations to prove that point, because it's an indefensible point that simply doesn't bear any relation to the facts. In fact, the firms that do pay the production machinery sales tax can deduct this as a business expense when they pay their income tax, and therefore the effect for them is really half--they pay about 2-1/2 percent. Farm machinery and equipment is exempt from the sales tax. So the effective increase in sales tax rate is far, far less than the honourable member would claim. I would also point out that the Consumer Price Index in Winnipeg is the second lowest in the country and has remained so for several years - and therefore, the effect of the production machinery tax was minimal, judging by the means which you can use to measure this.

Now, we recognize that inflation is a problem, but we are trying to be responsible. This is something we have to be as a government; as members of a government, we can't afford to be irresponsible. Members of the opposition can indulge in all sorts of extravagant claims, extravagant promises, because they don't have to deliver, and they won't have to deliver because they're going to be in opposition for a long time. But we do have to be responsible. We're not going to try to fool the people. We're not going to make extravagant promises on which we can't deliver. And there's a very simple reason for this. Inflation is not a Manitoba problem exclusively, it's a national problem, it's an international problem. The degree to which we control trends, the basic overall trend within our economy, is minimal. We exercise control over a few items, but not that many. We, for example, control the cost of milk to some extent. We can have some effect on the cost of housing. But when you have a hostile City Council that wrecks our housing program in the City of Winnipeg, they in effect prevent us from doing anything about rising housing costs. So, we haven't made extravagant promises on which we can't deliver. The approach of our programs has been very different from the approach of the opposition.

The Leader of the Liberal Party is recommending the committee to examine the sales tax, reduction of the sales tax. And we know from the election campaign, from statements made by the member, that he would bring about a flat cut in sales tax on everything, plus a removal entirely from what he calls necessities--(Interjection)--Mr. Speaker, I don't care what the Federation of Labourers says, to this extent . . . --(Interjection)--I don't agree with them. I think that they're wrong in their opposition to the sales tax, and I'm willing to tell any member of the Federation that I think they're wrong.

RESOLUTION 11

(MR. JOHANNSON cont'd)

And this may sound strange coming from an NDP member but I think the Federation of Labour is wrong in this case, and I don't support their position. I happen to think that there are taxes far more inequitable than the sales tax. --(Interjection)-- No, I'm afraid -- Generally the opposition advocates tax cuts of a flat nature, they're going to cut the sales tax by two percent; whereas we have favoured programs of tax credits.

Okay, let's deal then with what the resolution says. The resolution proposes to refer the matter to a committee, and that's the thing of which I am most critical and which I oppose totally. I would not and I could never support referring this matter to a committee, because I think that's an irresponsible thing for a government to do. Under our parliamentary system in Canada and in Britain the Cabinet, the government, has the sole responsibility to bring down estimates and to bring in taxation. And I support that position. The BNA Act requires for example that only Cabinet can bring forward supply bills, supply resolutions, tax bills. And I happen to think that this is a proper way to conduct the business of this province. I think it is a responsible way. We stand prepared as the government to put forward tax measures and to stand responsible for them, we're willing to take criticism for them. And I happen to think that it is the healthiest system available to us. The government which spends the money is responsible for levying taxes to raise that money, and I think that's a good system. It makes - you know, raising taxes is probably the most unpleasant thing that any politician has to do and it is very difficult, and I'm sure the members opposite who've been involved on City Council have gone through this experience, it's a very difficult thing to persuade the members of any government to raise taxes because there's going to be a public outcry by at least some people. There's going to be some kind of abuse and I think it's an extremely healthy kind of system.

MR. SPEAKER: The Honourable Member has five minutes.

MR. JOHANNSON: Now, right now we have the responsibility as the government for raising taxes, for raising revenue through means of taxes and we don't intend to weasel out of that responsibility. We have a mandate from the people given to us in the June election to govern the province and we intend to do so. The members of the opposition don't have that mandate, they have a mandate to act as an opposition. --(Interjection)-- Pardon?

MR. CRAIK: You don't like that either.

MR. JOHANNSON: What? That you have a mandate to act as an opposition?

MR. CRAIK: That's what you've been saying all day.

A MEMBER: We think that's terrific if you put a mandate . . .

MR. JOHANNSON: Mr. Speaker, I am so pleased about the fact that they have that mandate that I would like to have them have that mandate for many years to come. (Applause) Now they have a mandate to act as an opposition, but it seems that they've given up hope of ever being elected because they continually ask for things that are the proper role of government. They want to share in running the government because they've given up hope of ever being elected as the government.

A MEMBER: Right.

MR. JOHANNSON: You know, as far as I'm aware Duff Roblin when he was Premier never, never would have tolerated the reference of the matter of how taxation was going to be determined to a committee containing members of the opposition, and the Member for Souris-Killarney I'm sure would agree with me that Duff Roblin would have never tolerated this kind of suggestion. And he was correct, because the proper place for taxation to be decided is in Cabinet which stands responsible for the policies that are decided upon. I would have thought that the members of the Conservative Party at least would have avoided such a trap. They've just been raising a great deal of commotion in this House over the past while over the Mineral Acreage Tax. And you know, Mr. Speaker, it's been interesting to watch them. The Minister of Finance brought up the fact that they had voted for the bill as amended on the final reading and it was amusing to watch them wriggling, disclaiming responsibility for the tax. Now I agree that they're not responsible for the tax. They voted for it, they may have made a political mistake in doing so but they're not responsible for the tax, we are as the government and we intend to stay responsible for the tax. --(Interjection)-- Mr. Speaker, . . .

MR. SPEAKER: Order please.

MR. JOHANNSON: Mr. Speaker . . . Yes, that is a rather obvious point. I am flabbergasted. We stand responsible, ready to take responsibility for the taxes we levied, and

RESOLUTION 11

(MR. JOHANNSSON cont'd) we stand ready to account to the people of the province for the taxes we levy and that's why we have no intention of sharing that responsibility or diluting that responsibility by referring it off to a Committee of this House.

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

MR. MARION: Thank you, Mr. Speaker. I have to do a lot of reading to prepare for my incursion in this resolution, but many many thoughts now are running through my mind after listening to the Honourable Member for St. Matthews. I --(Interjection)-- Yes, I could really write a new speech. However I think that we'll save some of his comments for the last.

I think, Mr. Speaker, that basically the resolution calls for - as the Member for Assiniboia reminded the Member for St. Matthews - it calls for the setting up a committee to review exactly what impact, what impact the sales tax - and that's the resolution in its original form - what impact the sales tax actually has vis-a-vis the inhabitants of the Province of Manitoba. I think that the reason for prompting this kind of measure, Mr. Speaker, becomes evident when one looks at the results of the five percent sales tax or its yield with the same population of people literally in the province in 1967 - and looks again at what can be estimated as that yield for the year that will culminate on March 31st of this year, and that runs \$40 million in 1967 and anywhere between \$105 million and \$110 million this year. Now this is what my Leader meant when he said that governments benefit by inflation. Because we start with the same population and consequently the balance of the difference, the increase, the \$70-odd million is brought about only through inflation, because the goods and services that are being bought in 1974 are that much greater than they were in 1967. And I don't think it takes a mathematical genius to work that out. You start with a set figure of users, purchasers and doers. --(Interjection)-- That's right. It's compounding at 10 percent and in 1977 we can expect that it will be astronomical at that rate. Now I think that this is the basic reason that prompts this kind of resolution.

It's unfortunate that the Member for St. Matthews doesn't agree that the role of the opposition can also be one of co-operation, because I think that when we asked for setting up a committee to review, certainly we're not naive enough to think that the majority of members on that committee will not be from the government side. But it just goes to show that the opposition does want to participate actively in seeing that there can be justice brought to a tax that today is totally unjust. --(Interjection)-- Well I don't know. I would think that he's a very democratic person. He's a New Democratic. I think that we should look - when one says that the tax has gone, or the yield has gone from 40 million to 110 million, let's take a look at who is making up, who is being hurt in essence by this \$70 million in increase. And it's evident as the Member from Sturgeon Creek mentioned in his foray on this subject a week ago or ten days ago that certainly large corporations as one honourable member from Thompson mentioned, they would be the beneficiaries from any kind of reduction. Well surely, no one goes around buying \$10 million worth of clothes, nobody goes around buying \$100,000 worth of STEP services in any one shot, so I think that that is truly an unfathomable kind of comment. I don't think that there's any way that a review that would find that the abatement on necessary goods - and I stress the necessities of life - I don't think that you will find large corporations purchasing those.

I think that there were some statistics that were challenged. I am not going to answer them, because the Leader of the Liberal Party did use as a substantive argument, he did use the tax foundation I believe - and I would think that if the Honourable Member for St. Matthews wants further indications he could probably communicate with the Canadian Tax Foundation and find out that the figures that he was using are correct. But I will use a case that is not so hypothetical, and I will talk about a household made up of five people - and I would venture to say that at today's prices that \$75.00 on clothing alone can be saved, and I think that that's a considerable sum of money. --(Interjection)-- I'm glad to see that the Minister for Tourism and Recreation admits that being the father of a substantive family he too will agree.

A MEMBER: He's got an open mind.

MR. MARION: He has an open mind. I think that this brings the point to bear that there are a lot of people today, and that household of five people is basically made up of those who earn incomes in certainly not the most affluent, not the top five or ten percent of our

RESOLUTION 11

(MR. MARION cont'd) community in Manitoba. And I think that this saving of \$75.00 would be most appreciated by them. I think that there are other people too who are very seriously affected by the five percent sales tax. --(Interjection)-- Certainly.

MR. SPEAKER: The Honourable Minister of Consumer Affairs.

HON. IAN TURNBULL (Minister of Consumer, Corporate and Internal Services) (Osborne): Mr. Speaker, I'm going to make a rapid mental calculation as to what the income would be --(Interjection)-- Yes, you may not be, Mr. - or the Member for Riel may not be sober, but my sobriety is great, Mr. Speaker.

A MEMBER: Go ahead.

MR. TURNBULL: The question I wanted to ask was based on my attempt to make a very rapid calculation of what expenditure would be entailed if a man could save \$75.00 a year in sales tax on clothing alone. It seems to me that that would entail expenditures of some \$1,500 a year on clothing.

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

MR. MARION: The calculation is quite in order, quite in order. The purchase for the Honourable the Minister of Consumer Affairs would be roughly \$1,500.00. Now that \$300.00 - I mentioned a family of five people - that \$300.00 per annum per person. And if that's exaggerated at today's prices - I don't think so, I really don't. I happen -- well now this is another interesting query. We mentioned a while ago that children's clothing are exempt from sales tax. Well, I have a twelve-year-old and I'm paying tax on his clothing. Now I realize that you nod in agreement, and that's the kind of situation I'm talking about. So it is not inconceivable that that \$75.00 it's -- as I said, it's based on some facts that I am completely familiar with. --(Interjection)-- Now the Member for Assiniboia mentions that he has an eleven-year-old on which he is presently paying tax, so this is the kind of thing that we're being faced with.

MR. SPEAKER: Order please.

MR. MARION: I think that the honourable members opposite are making references to the large sizes of the children from the Member for Assiniboia.

I think that - let's talk about some other very unfortunate people, and those are the ones that I would have thought that the Honourable Member from Thompson would have been very very much concerned about. And I'm talking about the real less fortunate, the bottom of the rung on our social ladder, the bottom of the rung by that same means on the financial rung of our community; I'm thinking of the people who are not on welfare but are marginal cases. They should probably be on welfare but they're proud enough to fend for themselves. --(Interjection)-- Well I should be, I don't know about the Minister for Cultural Affairs. I think that the people that -- retired people, people on pension, people on fixed income who are homeowners, have a very very serious problem. I can relate a story, to give credence to this claim, of a lady who once called me when I was a city councillor and told me that she was faced with a \$40.00 expenditure for a sewer connection. Now there's a long story behind the problem with respect to the sewer connection but in essence this person was heartbroken because \$40.00 was a great deal more money than she could lay her hands on. Well I think that any kind of saving for the person in that category is a very important saving, Mr. Speaker, and I think much appreciated. I think that - I could not understand really the reasoning for some of the quotes that I'm able to read to you now, Sir, from the speech of the Member for Thompson, when he said that when you're talking about saving money on sales tax on my purchases which would be less than \$2,000 - but I'll use 2,000, it's a good round figure - you're going to save me \$40.00. Well imagine, that's basically what that little old lady was talking to me about it was \$40.00 for a sewer connection that she really couldn't swing. She was working on a very very restrained budget.

I think that there's another quote that I can't help but lift, and it's from the same Member for Thompson: "Mr. Speaker, it is my opinion the tax as it applies to a person in my income category is the finest tax that exists of any of the taxes." Well I challenge that, because I think that those of us who are more fortunate can best make our contribution to the public coffers through the income tax form which is on a graduated scale. But there are some basic necessities that cannot be worked on a graduated scale and the little people, the people we least want to penalize are the people that have to put out the cash. And I think that this is not, this is really not what the tax was intended to do in the first place - and now that we're

RESOLUTION 11

(MR. MARION cont'd) having this rip-off, if we can use a term that's being used very very frequently today, if we can why don't we analyze the situation and see if we shouldn't be realigning at least this tax.

I recall too, Sir, when I was Deputy Mayor of the City of Winnipeg, and we had become aware of the inflationary trend in this particular class of tax, that we made a proposal to the Provincial Government whereby to help finance the city operations they would share with us some of those funds, because they were considerable; I mentioned the increase of \$70 million dollars, and I think that these can be verified through the public accounts. And it was unfortunately not thought advisable at the time, but we were already thinking on some of the uses. I'm glad -- I'm glad now, I suppose, that maybe the government didn't give in to sharing the wealth, because I feel that there is much more justification in rebating at this stage, or removing completely in the areas that are really vital to those in the lower income bracket. I think that the committee could review very objectively just how many hardships are created by this tax for the people that I mentioned before. And I'm convinced that it would find that it is a retrogressive step - it is a retrogressive tax, pardon me, for the little person, and I'm sure that we would come out with a good amount of revision in that category.

I would like to allude to some - and end with all charity - to some of the comments that were made by the Member for St. Matthews. I think that basically he said that the resolution was irresponsible. I hope that in the pitch that I have put forth, Mr. Speaker, to the House, that I have dispelled this comment from his mind, because I think there is no irresponsibility when one wants to help the situation of those who are in dire straits. There were some examples used and I think that they were used because they were felt to be reasonable arguments on why it was not an onerous tax. I think that the Honourable Member for St. Matthews mentioned that furniture was exempt for up to \$25.00. I don't know if he has gone shopping for furniture in the past little while, but if he has and if he has found furniture of any size of any worth then I would like him to tell me his secrets, I could use them. There is not a great deal of furniture today that can be bought for \$25.00.

I think that another comment that was made by the honourable member was that in the dialogue or in the presentation made by the members from this side of the House, we had alluded to the very heavy tax burden in this province. Well, I carefully read the debate to prepare for what I was going to say and I'm afraid that I did not see this allusion to the heavy tax burden. But inasmuch as he brought it up, I would say that there is no doubt in my mind, that the tax burden in this province is extremely heavy, and we have had impartial people make an analysis of it and say without reservation that the tax burden in this province is certainly more onerous than it is in other provinces. Would that not be another reason for seriously looking at the advisement of reducing at least one of the taxes that is not equitable to all of the members in our society?

I think there's another comment that was made that bears a bit of investigation. And I have to be careful in how I say this, because I wouldn't want the rural members in this House to think that I am against any kind of abatement that they're able to obtain. But I allude to the sales tax exemption on farm machinery. And I say this is good, this is good and proper. It is a primary kind of industry up to now, an industry that has not been the most profitable, so any kind of abatement is a reasonable one. But why not encourage the secondary industry that the present Manitoba Government is interested in encouraging? Why not encourage it by abating the sales tax on production machinery and equipment? There is no reason for discriminating against secondary industry when, at one and the same time we try to encourage it. And I say, Sir, that here is another area -- another essential area where perhaps we should abate completely as we do for farm machinery, secondary production.

I think that that in essence is my case on why I feel the resolution that we have before us is one that considers a great deal of merit, should be supported. And I think that the opposition is showing to government that it is willing to work along with it and cooperate on revising an unfair kind of tax. --(Applause)--

MR. SPEAKER: The Honourable Member for Winnipeg Centre.

MR. J. R. (BUD) BOYCE (Winnipeg Centre): Just a few brief comments, Mr. Speaker. I would -- first of all my position -- I would have to vote against such a motion. But, really, what is implicit in what is being asked for is readily available, the information is readily available from Provincial Governments, from the Dominion Bureau of Statistics - and for a

RESOLUTION 11

(MR. BOYCE cont'd) . . . few dollars you can buy a little computer and you can play all sorts of games that you want as far as seeing where the tax burden lies.

But I would be very interested in seeing what authority the Member for St. Boniface was quoting when he said that he had the Manitoba tax situation reviewed by experts and they had said that the burden was onerous on other people. I'd really like to see those.

--(Interjection)-- Independent, was that the word? Because No. 1, first of all, you know, if more of the Liberal people in the country would start supporting, you know, the concept "a buck is a buck", which I know some of the Liberal people do this that I've talked to - that we could ship more of the taxes away from some of these things that he's referring to. There are some disadvantages to a sales tax, but nevertheless there is built into it some component of ability to pay.

On this taxes sort of thing is - I guess there's some political mileage to be made in talking about taxes, because you deal with the very fundamental human propensity against taxes. None of us like to pay taxes, so if somebody says that they are for the reduction of taxes in any form, there is probably some political mileage to be made. And usually when people make this type of case, they bring in the people on the lower end of the scale. Now, in taxes, all taxes are -- I guess it's matter of semantics; people use different words, they call them premiums, they call them taxes. But what it comes down to in net effect is, you know, how much money are the people in the particular jurisdiction paying for the goods and services which are provided by the public purse? And here in Manitoba I think that all the figures that I have seen, we compare favourable with -- most favourably with anywhere in Canada. In fact, the Minister of Finance in the Province of Manitoba, is one of the leading figures in the financial world as far as taxation is concerned. --(Interjection)-- Or any other, I would suggest that he'll stand head and shoulders above the Member for Birtle-Russell in any regard.

But, nevertheless, the tax rebate system which was inaugurated by the present Minister of Finance in this province has been emulated in some of the other jurisdictions across the country including the Province of Ontario. And really when somebody comes up and makes the argument and put it forth -- it's an emotional argument -- and puts it forth as a valid argument for the reduction of taxes on a sales tax specifically, that some poor person is going to have \$75.00, \$75.00 more than they would have under the present system. I would personally, I'm not speaking for the Party - but my personal position, I'd like to tax - and if you're going to have a sales tax, then tax everything, tax everything - and those people that impinge upon, it's a much simpler process to rebate to these people, because to build in the police -- that's right -- to build into it the policing necessary to see that people keep the proper books, is difficult. And also the people who are discriminated against, because as the Member for St. Boniface pointed out - 12 year old children - I have a child that when she was 8 years old I had to pay tax on her clothing, which I am well able to afford to pay. That's not the point. The point is, the enforcement and the discriminations which do take place because of difference in sizes, and what's children, and what's a necessity and what isn't a necessity - these things cause more problems, and the cost of taking them into consideration really reduces the net amount that you get. And even in such things as soap - we have people say, well, there is a necessity, soap is a necessity - for 25 cents you can get a great big bar of Fels Naptha soap; and for a very much smaller bar of Dove, I think it is, it costs you 43 cents. So, really, there is a luxury component in almost everything we buy. Some people buy a parka for a child and they buy it to the best of their ability, but other people buy a mink parka, if you want to be ludicrous about it. And I would suggest that the necessity component of such a purchase is one thing, the luxurious component of it is another thing and perhaps that should be taxed.

But, Mr. Speaker, the main reason that I wanted to rise for a few moments to speak on the idea of setting up a committee to do something such as this - I would agree that it is becoming more and more difficult for members of the Legislature to look into matters such as this and to come up with viable alternative. The former -- the present Senator Molgat when he was in the House I was always willing to listen to him, because he did on occasion come up with alternatives; and there are some members of the present Liberal group in the House that do make positive suggestions as to how things could perhaps better be handled. But I really don't think under our system, the committees of the Legislature should do this type of work. I think it is necessary in other areas, to move in other areas to strengthen the capacity of members to bring forth their assessment of these statistics and the date, and

RESOLUTION 11

(MR. BOYCE cont'd) all the rest of the information that floats around.

I suggested when I started, that the data that would be necessary for the Member of St. Boniface to put forth a position relative to his statement during his remarks, is already in existence. And doubtless, all of us when we look at data or information, look at it through our particular type of glasses, or hue of glasses, and we make certain assumptions and we apply them to the data that is necessary and we arrived at a conclusion. I have argued over the past four years - five years now I guess it is - that really in longer range terms perhaps, that we have to give Members of the Legislature a freer access to such information and refine some of the data gathering processes, and the means of manipulation of data - make these capacities available to members.

The present Member of St. Boniface wasn't here at the particular time, but I had suggested as early as 1969 that in this regard, that we set up the capacity at arm's-length to the government, that actually all information would be stored in the public domain. There was a move in this particular area in Alberta, where they had a Human Resource Research Council, and I tried to have more data out so that individual members of the Legislature and other people, the universities and everyone else could look at this sort of thing. And to this date, I'm sorry, my argument hasn't prevailed. But nevertheless, I think that we should move in this direction. Because a committee of the Legislature, unless we move more and more towards the congressional system, is not the body of government that should be charged with this responsibility. I think it is incumbent upon the members of the Legislature, opposition, back-benchers and everyone else to put pressures on governments to justify their position and to perhaps change it if other alternatives which perhaps have merit should be implemented.

Now, I think that the -- well, there was another avenue that I perhaps could pursue in this matter, but I think I'll wait till a later date to make my point in that regard.

MR. SPEAKER: The Honourable Member for Riel.

MR. CRAIK: Mr. Speaker, I appreciate the opportunity to say a few words on this resolution. And I see we're pre-empted today by St. Patrick and we can talk very frankly here, informally - such as been going on. It's probably more worthwhile than having a gallery here.

But I think that the most important points here are, and the ones that are affecting Canada and Manitoba at the present time, are what control government has over the inflationary effect. And I thought it was interesting that the Member for St. Matthews's question, the statement that government was responsible for 25 percent of the inflationary rate - and I would wonder why he would question that, in view of the fact that the government in total are responsible for 40 percent of the cash flow now in yearly budgeting and in the total gross national product of the country. So it would seem to me that probably 25 percent is a low rate to set as a responsibility of government for the inflationary effect.

With regards to the motion directly, again the government seems to be hinging its opposition to this on the fact that it shouldn't be a committee that does this sort of thing. Well, I think it's worth pointing out, that there was a resolution similar to this - not similar to the extent that it asked for a committee - but we did have a resolution in the Chamber back two or three years ago, that removed children's clothing from the present categorization method and put it on an age basis. And it was approved by the House unanimously, but it was never instituted, Mr. Speaker, and I can't honestly say that I feel that the government is really following through with its basic principles and beliefs that were, you know, put forth at the time the sales tax was brought in. It was considered income tax progressive, and sales taxes otherwise - retrogressive I guess, as a retrogressive form of taxation, that last year as pointed out by the Member for St. Boniface, had brought in - or this year, would bring in \$105 million to \$110 million and escalates at a compound rate since its institution at a rate of 10 percent a year. And again, Mr. Speaker, this rate is higher than the inflationary rate. Now I think that probably means something.

Now the other thing is that on the income tax, what happens is - the way governments get in on the inflationary effect - is that people, due to one form of inflation or another end up going up into higher tax brackets at all times. So the amount at which you enter a tax bracket remains fixed, so you just keep moving up through the tax brackets regardless of whether you have a raise in relation to your neighbour or your job or anything else. Everybody moves up into a higher tax bracket. Government never changes, never changes those

RESOLUTION 11

(MR. CRAIK cont'd) tax brackets, or I should say very seldom do they change them - and so we find that a person automatically moves up into a higher federal tax bracket, and the provincial tax takes forty-two and a half percent of that. I suppose they could stand up and say our tax rate has been stable at forty-two and a half, but effectively they're taking a larger chunk of the pie. So the total cash flow - we end up with a gradually higher and bigger chunk of the total pie, and they say the best figures now claim that governments combined account for 40 percent or slightly better of the total cash flow.

So, Mr. Speaker, whether or not we get a committee to look at this I think that it's incumbent on this government in particular to look at particular means of reducing the tax, particularly the sales tax - and there are other areas.

MR. SPEAKER: Order please.

MR. CRAIK: Reference was made to the Maritimes today - let me just say in finishing, Prince Edward Island removed the sales tax on clothing and footwear as I understand it, just in the last month. There is no particular reason why specific items like that couldn't be examined and instituted here.

MR. SPEAKER: The hour of adjournment having arrived, the House is now adjourned and . . .

The Honourable House Leader.

MR. GREEN: Mr. Speaker, I just want to make sure there's no misunderstanding. Is the member concluding or is he reserving the rest of his time?

MR. CRAIK: No, I'm concluding.

MR. GREEN: He's concluding. Well then, Mr. Speaker, I just would like to indicate that next week in the House we intend to follow the same procedure that we've been following, vis-a-vis the introduction of bills plus the estimates, a list of which I've given to honourable members - subject to the introduction of Capital Supply and also subject to the usual matters that can be introduced by either one side or the other side.

MR. SPEAKER: The House is now adjourned and stands adjourned until 2:30 Monday afternoon.