

LEGISLATIVE ASSEMBLY OF MANITOBA

Wednesday, 13 May, 1981

Time — 2:00 p.m.

OPENING PRAYER by Mr. Speaker.

MR. SPEAKER, Hon. Harry E. Graham (Birtle-Russell): The Honourable Member for St. Boniface.

MR. LAURENT L. DESJARDINS: Mr. Speaker, I wonder if I could suggest to the members that we add a moment of silence to our Opening Prayer for the recovery of His Holiness, the Pope.

MR. SPEAKER: The Honourable First Minister.

HON. STERLING R. LYON (Charleswood): Mr. Speaker, I think at the appropriate time, Ministerial Statements, there would be an opportunity for the honourable member and any others who wish to express their sentiments about this unfortunate act at that time. We appreciate his concern as well.

MR. SPEAKER: Presenting Petitions . . . Reading and Receiving Petitions . . . Presenting Reports by Standing and Special Committees . . .

MINISTERIAL STATEMENTS AND TABLING OF REPORTS

MR. SPEAKER: The Honourable First Minister.

MR. LYON: Mr. Speaker, I believe it would be the wish of all members of the House and certainly the vast majority of the people of Manitoba to take a moment in our deliberations today to express to His Holiness, Pope John Paul II, our deep wishes for his recovery from the unfortunate attack that took place on his person earlier today. I'm sure it goes without saying that he has attained a position in the hearts and the minds of men and women throughout the world that is unique for his role as the presiding cleric of the Mother Church of the largest Christian church in the world. In the role that he has played thus far and we all pray that he will be spared many many more years to continue in that role, he has had an impact on world affairs and, may I say, on the spirit of man much beyond what one would imagine would be capable from such an office.

So I'm sure I speak for all members of the House and for Manitobans generally when we wish a speedy recovery to His Holiness, that he will be restored to full strength and vitality and vigour before too long and that he may continue his magnificent ministry among the peoples of the world.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. HOWARD PAWLEY (Selkirk): Mr. Speaker, I would like to also join in expressing the deep grief and shock that we must all have at the news of the attempted assassination of His Holiness, Pope John Paul II in the tragic events of this morning. It is our hope and trust that indeed His Holiness will recover from the attempted assassination that took place this

morning. Certainly the thoughts and prayers of all Manitobans at this time go towards that speedy recovery on the part of His Holiness.

His Holiness has been known as the "Gentle Pope", the Pope of the people, a Pope of peace, a Pope that has visited many parts of the world and carried the message of the church to those areas of the world, whether it be Latin America, whether it be other parts of the world, and has been loved. I'm sure not only the feelings and thoughts of Manitobans at this hour are extended toward the Pope that peoples throughout the entire world, hoping for a speedy recovery in these very very difficult times.

It's additionally difficult because it was within the last months that indeed we had to participate in the same kind of concern in this same Chamber at another attempted assassination. We can only hope that in these times the cause of gentleness and peace will indeed win out over other forces.

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

MR. DESJARDINS: Mr. Speaker, I wonder if I could repeat my suggestion. I know that he would be pleased with our words of encouragement but I think he would appreciate our prayers also.

MR. SPEAKER: The Honourable Minister of Labour.

HON. KEN MacMASTER (Thompson): Mr. Speaker, I'm pleased to table the 42nd Annual Report of the Manitoba Civil Service Superannuation Fund for the year ending December 31, 1980.

MR. SPEAKER: Notices of Motion . . . Introduction of Bills . . .

INTRODUCTION OF GUESTS

MR. SPEAKER: At this time I would like to draw the honourable members' attention to the gallery where we have 30 students of Grade 4 standing from the Green Acres School under the direction of Mr. Ron Chalmers. This school is in the constituency of the Honourable Member for Brandon East.

We also have 25 students of Grade 9 standing from St. Johns High School under the direction of Boshinsky. This school is in the Constituency of the Honourable Member for Inkster.

I believe there is one other school here but I do not have a sheet for it. I hope it will come before too long.

The Honourable Leader of the Opposition.

MR. PAWLEY: Mr. Speaker, could I assist you in this respect. I believe a class from Selkirk Jr. High is present this afternoon as well. In the Constituency of Selkirk, the Constituency of the Leader of the Opposition.

MR. SPEAKER: On behalf of all the honourable members we welcome you here this afternoon.

ORAL QUESTIONS

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. PAWLEY: Mr. Speaker, my question is to the Minister of Finance. In view of the statement by Mr. Neil Wither the head of the Canadian Construction Association in Manitoba that Manitoba is facing a severe shortage of skilled manpower, in view of the fact that there are very few in the age group 45 and under that are left in the construction industry in the Province of Manitoba due to their departure for other provinces, specifically according to Mr. Wither's statement to the Province of Alberta, can the Minister advise whether or not the government is undertaking any initiative, any policies, any programs in order to insure that we can enjoy a reasonable level of skilled manpower, particularly in the younger groups which appear to be the main groups that have left the province in the last several years?

MR. SPEAKER: The Honourable Minister of Finance.

HON. BRIAN RANSOM (Souris-Killarney): Yes, Mr. Speaker, our government has been embarked for the past three-and-a-half years on establishing the sort of investment framework in Manitoba that will lead to the kind of ongoing solid development that will provide investment and employment. We have had to recover from the forced pace of development with respect to hydro development which the honourable members opposite finally put a stop to in September of 1977; we have been experiencing some letdown in the construction area largely as a consequence of that, Mr. Speaker. We are now seeing that with the investment climate being re-established to be favourable towards the private sector that we have prospects now such as the mining developments in the north, the Alcan Aluminum Smelting and the potash mine which is on the horizon. Mr. Speaker, I expect that in a fairly short period of time that we will see the sort of development and employment in this province that we all would welcome.

MR. PAWLEY: Mr. Speaker, in view of the fact that it has been during those three-and-a-half years that the Minister made reference to that there has been a decrease in private investment in the Province of Manitoba, in which there has been a decrease in total investment in the Province of Manitoba, in view of the fact that Alcan the Minister makes reference to — if it does indeed proceed which is not certain at this point, is four or five years down the road, 1984-1985 — in view of the fact that Mr. Wither indicates that the immediate need is the short-term over the next year or two rather than talking in terms of 1984-1985, and rather than talking about things that did or did not happen over the past three-and-a-half years, can the Minister indicate what his government has by way of proposed programs in order to assist the construction industry that is in difficulty as per the statements that have been made this morning during the years 1981-1982 because that is the immediate short-term problem that has been identified by the Canadian Construction Industry?

MR. RANSOM: Mr. Speaker, this government as I've just outlined, has been doing some of the things that

were necessary to do to re-establish the kind of solid, economic base in this province that we on this side at least would like to see. Mr. Speaker, I believe the first day we were sworn into government in 1977 that I was faced with seeing what the magnitude of the problem was at Thompson. I ended up making a trip to Ottawa within the first two or three days of our government because of the layoffs that were contemplated of several hundred people in that community in the mining industry in the North. At the same time just weeks before — although it wasn't known to us — hydro development in the North had been suspended by the members opposite who were then in government.

Mr. Speaker, we have set out since then to try and establish the kind of base that will provide the long-term benefits to this province, not to deal with the short-term band-aid situation as the members opposite did. In 1977 I recall they budgeted something like \$33 million for make-work programs, Mr. Speaker, and I believe the number of jobs in the province increased by something like 3,000 during that year.

Now it's possible of course to adjust one's program to try and shore up those areas that are suffering in the short-term as we did last year, by putting an additional \$10 million into the heavy construction industry, by accelerating the Highway Construction Program and putting another \$2 million I believe it was into the city. At that time of course the members opposite they didn't want us investing that kind of money in highways, Mr. Speaker, as I recall they wanted us to build highways without shoulders.

MR. PAWLEY: Mr. Speaker, since the Minister's response did not deal with the immediate period 1981-82 and dealt with a period of 1977-1980 in which private investment in Manitoba had grown at a rate of 7.8 percent compared to a rate of 14.4 percent in the period 1970-77, therefore it appears the financial base that the Minister of Finance refers to has indeed been a very weak, a very uncertain financial base over the past three-and-a-half years by way of the statistics that are available to us, can the Minister, at least by way of question, discuss what he intends for the balance of this year, 1981 into 1982, rather than discuss the layoffs that took place in the Thompson mining industry in 1977. Manitobans are interested in what is intended on the part of this Minister in his responsibility as financial steward for the Province of Manitoba, in order to ensure that there be some immediate short-term stimulation to the economy; in order to ensure that we get over the next year-and-a-half, two-year period so that we are ready indeed if those mega-projects the government keeps referring to, do indeed go ahead which is uncertain some three, four, five years down the road.

Can the Minister again tell us, is there any analysis being done? Is there any preparation being undertaken in regard to short-term projects that could be undertaken over the next 12 to 18 months during the period that is critical to the economy of the Province of Manitoba? All we require is a yes or a no from the Minister. If there are no plans or no preparations then the Minister need only advise us, Mr. Speaker.

MR. RANSOM: Mr. Speaker, if the Honourable Leader of the Opposition is asking whether or not we

contemplate the kind of expenditures that they undertook in 1977, the answer is no.

MR. PAWLEY: I again just have to safely ask the Minister, does he have any plans at all? As he is the Minister that is responsible, it is the government across the way that is responsible at least at this point for the next 12 to 18 months in the Province of Manitoba, are there any plans whatsoever that his government have?

MR. RANSOM: One of the difficulties that the members opposite have is that unless government is undertaking it they don't recognize when something is happening and unless government has control of it, then it's not there.

Mr. Speaker, we need only look back at the job creation record the last three years of the administration of the members opposite when something like 10,000 jobs were created in the province; 7,000 of those were tax supported, Mr. Speaker. During the period of our administration there have been in excess of 30,000 jobs in this province of which only 2,000 or 3,000 are supported by tax dollars. I think those figures speak for themselves, Mr. Speaker.

The announcements that have already been made in this House with respect to the Alcan development, potash and the prospects of the Power Grid, Mr. Speaker, are simply going to be added on top of an already good performance of the Manitoba economy with respect to job creation and, after all, that's the thing that's most important.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MS. JUNE WESTBURY: Thank you, Mr. Speaker. My question is addressed to the Honourable Minister of Natural Resources and I was able to give him notice of the question, Mr. Speaker.

It refers to cottages which have been destroyed on the banks of Lake Manitoba — been destroyed by ice backing up — and I wonder if the Minister can advise whether there is any compensation for the owners of these cottages.

MR. SPEAKER: The Honourable Minister of Natural Resources.

HON. HARRY J. ENNS (Lakeside): Mr. Speaker, I thank the honourable member for having provided me notice about this question. I welcome her concern about my constituents in Lakeside. Unfortunately this is an act of God that happens occasionally when high winds whip up destructive ice sheets and damage those cottages that have located too closely to the shoreline.

There is no, and has not been in the past when this has happened, any government provision of support. In some instances I'm advised that according to the insurance policy in hand some recovery is made. I'm also advised that in some cases the insurance companies are not compensating for loss due to a clause contained in the contract that exempts "act of God" damages.

MR. SPEAKER: The Honourable Member for Elmwood.

MR. RUSSELL DOERN: Mr. Speaker, I'd like to direct a question to the Minister of Government Services in regard to his new so-called decentralized purchasing policy which was announced in late April by which civil servants may act independently of the regular purchasing process and, in particular, in regard to their complete freedom with regard to small purchases under \$100 and emergency purchases. My concern is this, and I ask the Minister, whether this new policy of allowing independence throughout the province will not endanger our well-established competitive tendering system and result in higher costs to the Treasury and to the taxpayers of Manitoba?

MR. SPEAKER: The Honourable Minister of Government Services.

HON. WARNER H. JORGENSEN (Morris): No, Mr. Speaker, it will not.

MR. DOERN: Mr. Speaker, obviously some of the Ministers aren't familiar with this policy. I want to know whether the new system which will require a minimum of two quotes on items over \$100 in the local market, will there be a maximum or upper limit, or is the sky the limit, so that machinery worth \$50 or \$100,000 etc., may be purchased locally?

MR. JORGENSEN: Mr. Speaker, obviously my honourable friend has not read the news release correctly; there is definitely a limit.

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

MR. DOERN: Mr. Speaker, I have read the press release and there is no mention of an upper limit. I ask the Minister to repeat his answer. I ask him if he would repeat that point. Did he say there's an upper limit contained in this news release? Because I will prove him to be wrong. Could he indicate if there is an upper limit?

MR. JORGENSEN: I've indicated that there is a limit.

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

MR. DOERN: Mr. Speaker, I would ask the Minister if he would tell us, since there is no such information contained in his news release of April 24, what is the upper limit, No. 1; and No. 2, will he be monitoring this new system to make sure that there isn't the inevitable result of higher prices and lack of control?

MR. JORGENSEN: The program will be checked, will be monitored as he puts it, and we will ensure that prices will not be getting out of line. With respect to the question of the upper limit, that depends on the circumstances and the area in which the bids are being made.

MR. DOERN: Mr. Speaker, I would ask the Minister whether he would be kind enough to provide us with details of this flexible upper limit which he is obviously reluctant to release. Does he have some data or some instructions that he has sent so we can

get an idea because what is the policy in regard to large purchases done in local areas, which would seem to me to be a policy which is fraught with danger? Will he provide the House with the details of this policy?

MR. JORGENSON: Mr. Speaker, I'll see that my honourable friend is provided with that information.

MR. SPEAKER: The Honourable Member for Brandon East.

MR. LEONARD S. EVANS: Thank you, Mr. Speaker, I'd like to address a question to the Minister of Finance. As a follow-up to questions asked by the Leader of the Official Opposition with regard to employment growth that the Minister referred to, does the Minister of Finance believe that the devaluation of the Canadian dollar, which seemed to begin in earnest around the latter part of 1977, has had a major impact on job creation in this province?

MR. SPEAKER: Order please. The question the honourable member puts forward is a debatable question and I would have to rule it out of order on that.

The Honourable Member for Brandon East.

MR. EVANS: Mr. Speaker, I would ask the Minister of Finance if he could explain the statement he has just made a few moments ago on the increase in jobs in Manitoba. Can he advise the House what is the basis for this increase in job creation which he just advised the House a few minutes ago?

MR. SPEAKER: The Honourable Minister of Finance.

MR. RANSOM: Mr. Speaker, I believe that is a sort of question that is extremely difficult to deal with in the question period. The honourable member obviously was trying to make a point on his own through asking the question. If he wants me to concur with him that the devaluation of the dollar has had some effect on employment in the province, yes, of course, Mr. Speaker. So has the fact that we have done away with the compulsory participation in mineral exploration; so has the fact that we decreased personal income tax from 56 percent to 54 percent; so has the fact that we decreased the corporation tax from 15 to 13, or 13 to 11 — I forget which the figures are — but it was decreased by 2 percentage points, Mr. Speaker; so has the fact that this government has adopted an attitude towards private investment that looks on private investment as being a desirable thing, that government and the private sector work together, that government doesn't have to do everything. Those things have all contributed towards that increase in employment in this province, Mr. Speaker. They have not been jobs created by this government; they have been jobs that have been largely created by the private sector working within the atmosphere created by this government.

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

MR. EVANS: It's a supplementary, Mr. Speaker. I believe the first one was ruled out of order. I would

ask the Honourable Minister if he could explain why it is that the Province of Manitoba has had either the lowest or the second lowest rate of job creation in Canada in the past three years, 1978-79-80, as advised and as recorded by Statistics Canada?

MR. RANSOM: Mr. Speaker, the Member for Brandon East is fond of using percentages to demonstrate his point. I simply say, Mr. Speaker, look at the fact that there have been three times as many jobs created during the period of our government as there was during a comparable period during the previous administration. That's the sort of thing that people are interested in is how many jobs have been created? There have been at least three times the number of jobs, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Brandon East with a new question.

MR. EVANS: Mr. Speaker, I'd like to ask the Minister a question related to employment growth in this province as it compares with other provinces. Why is it then, Mr. Speaker, that the share of national job creation, that is our share of total jobs created in Canada since 1977, is smaller than Manitoba's share of jobs created between 1970 and 1977? Why do we have a smaller percentage of the job creation that's going on in this country?

MR. RANSOM: The member should know, Mr. Speaker, of course, that the figure we're dealing with is a net figure and the number of jobs; so that the new jobs that are created, in total, have to offset those that have been diminished and, of course, during the period of the administration when the gentlemen opposite were in government they were pumping at least \$150 million a year into northern Hydro construction, Mr. Speaker. That had a great deal of employment attached to it and had a great deal of economic activity attached to it and they stopped it in September of 1977. They stopped it after the realization that they finally had over heeded, had pushed Hydro construction to the point where Hydro rates were going up at 150 percent over a period of about three years where almost 50 cents out of every dollar was being spent on debt servicing for Hydro. When that stopped, Mr. Speaker, and when the mining layoffs in Thompson started the day after or the day that we came into government here, at the end of eight years of government opposite, those are the kind of factors that we had to offset in this province. The fact that there have been three times as many jobs created in our period of government as there were net during their period of government, Mr. Speaker, I think is a great accomplishment for the people of Manitoba.

MR. EVANS: And a supplementary, Mr. Speaker.

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

MR. EVANS: Mr. Speaker, a supplementary to the Minister of Finance based on his answer, then is the Minister acknowledging that the job creation performance in this province has deteriorated since 1977? That's what he's saying.

MR. RANSOM: The Member for Brandon East obviously didn't understand the answer that I gave,

that it's a net number of jobs we are looking at. I'm telling them that we had to offset, we had to pick up the slack of \$150 million a year or more that had been going into Hydro construction during the period of their administration and if the economy here was slowed down in terms of job creation it's the net figure we're looking at, Mr. Speaker.

On the one hand there were great decreases in employment and economic activity because of the fact that at long last those gentlemen opposite realized that they had to stop their hyperinflation of construction activity in Hydro by which they had sustained themselves for the period of their administration in this province and that's why you're seeing what you're seeing today, Mr. Speaker, after trying to offset that kind of activity and we still have had three times as many jobs as were created in the last term of their office.

MR. SPEAKER: Order. Order please. Order please. May I point out that we are now getting into a debate rather than a period of seeking information. If the honourable member wishes to ask a question which seeks information he may proceed with his final supplementary.

MR. EVANS: The supplementary, Mr. Speaker, to the Minister of Finance revolves around his use of the term "net job creation" because he seems to distinguish between what I'm discussing as job creation and what he refers . . .

MR. SPEAKER: Order please. Order please. If the honourable member is seeking information he may ask his question.

The Honourable Member for Brandon East.

MR. EVANS: The information I'm seeking, Mr. Speaker, of the Minister of Finance is, will he acknowledge . . .

MR. SPEAKER: Order please. Questions of acknowledgment are not questions that seek information. I rule the honourable member out of order. His question is out of order. Orders of the Day.

The Honourable Member for Ste. Rose.

MR. A.R. (Pete) ADAM: Mr. Speaker, my question is to the Minister of Finance. In view of the fact that he's talking about tax decreases they have brought about I would like to ask him about tax increases that they have brought in. He took as notice, I believe three weeks ago or more, a question from me in regard to the tax on retail gasoline of \$800,000 a month according to his figures. He took as notice and undertook to bring the response back in regard to what the average retail level of gasoline was at the time that the retail tax on gas was imposed. I wonder if the Minister has that information.

MR. SPEAKER: The Honourable Minister of Finance.

MR. RANSON: Mr. Speaker, I don't have that information with me and I apologize to the honourable member for not having that here.

MR. SPEAKER: The Honourable Member for Churchill.

MR. JAY COWAN: Mr. Speaker, my question is to the Minister of Natural Resources. I'd ask the Minister if he can make a report to the Legislature as to possible flooding conditions along the Churchill River in the vicinity of the community of Churchill once the runoff from Northern Manitoba snows has been completed this year?

MR. SPEAKER: The Honourable Minister of Natural Resources.

MR. ENNS: Mr. Speaker, I'll be happy to take that question as notice.

MR. COWAN: I would ask the Minister further to that then if he would contact the Minister responsible for Hydro and determine why it is that Hydro has sent up 10,000 sand bags to the community of Churchill in respect to their being able to sandbag the pumphouse in that area, because they expect the runoffs will be of a significant extent this year which may in fact cause flooding in the area and the pumphouse may in fact be endangered.

MR. ENNS: Well, Mr. Speaker, I would assume that is possibly a normal precaution that is taken with respect to making sure the pumping facilities that are responsible for the maintenance and supply of potable water for the community of Churchill are not subject to any danger during spring runoffs this year or any other year but I'll entertain the question and get the information for the honourable member.

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

MR. COWAN: Mr. Speaker, it is my understanding that it is not a normal occurrence and that it is quite unusual. Further to that, it is my understanding that in 1979 the last time they had significant flooding in that area, there were 97 centimetres of snow in the North that year and this year there are already 169 centimetres of snow and it doesn't look as if it's going to be stopping in the near future. So I'd ask the Minister if he can approach this problem in the same sense of urgency that we see these sorts of problems approached with when the flooding is taking place in Southern Manitoba.

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

MR. JAMES WALDING: Mr. Speaker, I'd like to direct a question to the First Minister in the absence of the Honourable Minister reporting for the Manitoba Hydro. I'd like to ask the Minister whether Manitoba Hydro produced or purchased a commemorative plaque designed to be affixed to Jenpeg Generating Station commemorating its completion at the official opening of Jenpeg?

MR. SPEAKER: The Honourable First Minister.

MR. LYON: I'm sorry I didn't catch the first part of the honourable member's question. Did Manitoba Hydro do what?

MR. WALDING: A clarification, Mr. Speaker. I asked whether Manitoba Hydro had produced or purchased

in some way, assembled a plaque intended to go on the generating station at Jenpeg at the time of the official opening of Jenpeg.

MR. LYON: Mr. Speaker, I have no idea of the purchases of Manitoba Hydro with respect to that item or any other items. I'm not aware that there has been an official opening of the Jenpeg Station or that there will be an official opening of the Jenpeg Station, it having been found to be one of the most expensive and perhaps one of the most useless stations that was ever built in the history of Manitoba.

MR. WALDING: A supplementary question, Mr. Speaker. In the event that this plaque still exists I wonder if the Minister would advise us as to the wording on the plaque and whether it made any reference to the former Chairman of Manitoba Hydro, Mr. Bateman?

MR. LYON: I daresay that when the Committee of Hydro meets next year — if my honourable friends don't walk out on it as they did this year — that they can enquire of that information themselves. I don't know (a) if there was such a plaque, Mr. Speaker; (b) whose name was on it I don't even know if the country that built the turbines, the USSR, maybe Mr. Brezhnev's name was on it when my honourable friends were in charge, I don't know.

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

MR. WALDING: A final supplementary, Mr. Speaker.

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

MR. WALDING: A final supplementary question, Mr. Speaker. I'd like to ask the First Minister whether the Minister reporting for Manitoba Hydro advised Manitoba Hydro to destroy the plaque and to cancel the planned opening of Jenpeg Generating Station?

MR. LYON: Mr. Speaker, I would have no idea but I have already told my honourable friend about the validity of the Jenpeg Station within the whole Hydro complex, namely, that it was the most and is the most expensive generating facility ever put into place in the history of Manitoba. Mr. Speaker, it was found by the Tritschler Commission to have been unnecessary and my honourable friends were told when they were mismanaging Hydro affairs for eight years that they need not have built it in the first place. If they want to think for one minute, Mr. Speaker, that they're going to get me, or anyone else, excited about whether or not there's a plaque to go on something that shouldn't have been built they're barking up the wrong tree.

MR. SPEAKER: The Honourable Member for St. Vital with a new question.

MR. WALDING: Mr. Speaker, further to the Minister's answer to the last question having to do with the cost of power from Jenpeg. I'd like to ask the First Minister whether he has been advised that the cost of electrical power from Limestone is

anticipated to be 50 percent more than the cost of power from Jenpeg?

MR. LYON: Mr. Speaker, when we come to build Limestone I'm sure that we will look at the projected costs of that venture but if my honourable friend wants to, as he did at the beginning of his questions, talk about Jenpeg merely let me tell him that there was never any planning, until one David Cass-Beggs came onto the scene in Manitoba, for any generating facility at that particular location at all. In fact, it was just a passing fancy of a man who was trying to justify another bad engineering decision with respect to control works at the top end of Lake Winnipeg. Mr. Speaker, if my honourable friend wants me to read chapter, line and verse from the Royal Commission on that piece of factual evidence I'll be happy to do so.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MS. WESTBURY: Mr. Speaker, thank you. My question is addressed to the Honourable Minister of Labour. On the 4th of March the Attorney-General took as notice a question that I asked about the Manitoba Building Code as it applied to hotels constructed before present regulations came into effect. I was asking if there were any proposals planned to require that regulations requiring heat and smoke detectors and sprinkler systems should be required retroactively. I don't believe that I have had an answer from the Minister to that question which was taken as notice.

MR. SPEAKER: The Honourable Minister of Labour.

MR. MacMASTER: If the Member for Fort Rouge would be kind enough to let me read Hansard tomorrow I'll assure the lady that I'll get an answer for her.

The question from the same member a few days ago, as it related to Statistics Canada I believe it was that was being referred, there was a couple of errors in the statements that were made by the member. The basic one, of which she may have access to and I don't, is the forecast for the year 1982 that she had made reference to. We do note that the reference that the lady was talking about was the statistics in November. There are more recent ones out in May which show definite differences between the observations and the predictions of November and all the observations and predictions are geared upwards as far as growth in Manitoba is concerned. I'm sure that if the member has not got a copy of that I could get it for her. In addition the predictions are definitely that the unemployment figure should decline not increase in the Province of Manitoba.

MR. SPEAKER: The Honourable Member for The Pas.

MR. RONALD McBRYDE: Mr. Speaker, my question is to the Minister of Health. I'd like to ask the Minister of Health whether it is his intention or plan of his department to place a registered nurse in the community of Moose Lake for the Community Health Services at Moose Lake, Manitoba?

MR. SPEAKER: The Honourable Minister of Health.

HON. L.R. (Bud) SHERMAN (Fort Garry): Mr. Speaker, I don't have any information on that subject or on the situation from which the question from the Honourable for The Pas would arise. I will certainly look into it and discuss it with him.

MR. McBRYDE: Mr. Speaker, my supplementary question is whether or not the department has deliberately cut the position at Moose Lake or whether they in fact have been unable to fill the position at Moose Lake which has been empty since 1978 and the community has gone without full health services since 1978?

MR. SHERMAN: Mr. Speaker, if the honourable member is talking about a public health nursing position it may well come under the Manpower establishment and complement of the Department of Community Services and Corrections rather than under the Department of Health. I must repeat I'm not familiar with the subject area so I can't confirm it either way but I will take it as notice and advise the honourable member as quickly as possible.

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

MR. SAUL CHERNIACK: Thank you, Mr. Speaker, I'd like to ask the Honourable Attorney-General, recognizing as I do with pleasure and respect the decision of the Law Society to investigate certain allegations that lawyers have been offering gifts in order to have clients referred to them in the police station, whether the Attorney-General has been asked to or has volunteered to participate in the investigation?

MR. SPEAKER: The Honourable Attorney-General.

HON. GERALD W.J. MERCIER (Osborne): Not to my knowledge yet, Mr. Speaker. I say that because I was in Cabinet this morning and I haven't seen the mail that came in this morning.

MR. CHERNIACK: I appreciate that it's new to the Minister; it's new to everybody outside of the Law Society, I suppose, Mr. Speaker. I would ask then if the Minister would look into the matter and see whether it is necessary, or advisable on his part, to offer the services of his department and of the people who allegedly are involved in this practice on the government side, to assist the investigation to insure that the Law Society is supported in its efforts to provide proper services by lawyers to the community without preferential treatment being bargained for or bought?

MR. MERCIER: Mr. Speaker, the news article, and that's all I know about this matter, refers to Remand Centre employees which would come under the jurisdiction of the Minister of Community Services and Corrections, but I am prepared, Mr. Speaker, to consult with the Law Society and discuss this whole matter with them and see what further information I can obtain about it.

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

MR. CHERNIACK: Yes, just the one more point, Mr. Speaker, that possibly the Remand Centre may be

under another Minister. Legal Aid is under this Minister and that too may be a question to look into. But the Attorney-General himself I think has agreed that he is the logical person to act on behalf of government in this investigation and if he agrees with that then I accept that as an answer.

MR. MERCIER: I do agree with that, Mr. Speaker, and I will consult with the Law Society to see if we can be of any assistance in this matter.

MR. SPEAKER: The Honourable Member for Churchill.

MR. COWAN: Thank you, Mr. Speaker. My question is to the Minister of Labour. Last week the Minister of Labour indicated that he would be referring the Manitoba Hotel Association Report on How to Combat Union Organizations to a solicitor for a legal opinion. I would ask the Minister if he is able to provide us with further information as to the current status of that referral?

MR. SPEAKER: The Honourable Minister of Labour.

MR. MacMASTER: I haven't received replies to my enquiry, Mr. Speaker, but I don't expect that I'll be waiting much longer.

MR. COWAN: Could the Minister indicate if he has sent that document for an in-house review or if he has sent it out of his own department for a review by a solicitor. If the latter is the case would he please indicate to whom that document has been sent for that review?

MR. MacMASTER: Mr. Speaker, it's in-house, I've asked for it.

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

MR. COWAN: Can the Minister indicate if he has had conversations with Mr. Dario Perfumo, the person who has allegedly caused that document to be sent out, in respect to the contents of that document; also in respect to any organizational campaigns by unions in Manitoba hotels over the past three or four years which have been influenced by recommendations made in that particular document?

MR. MacMASTER: Mr. Speaker, I had the privilege of addressing the Hotel Association luncheon as the member knows. I was joined at the head table by Mr. Perfumo and we discussed a variety of things.

MR. SPEAKER: The time for question period having expired, we will proceed with Orders of the Day.

ORDERS OF THE DAY

MR. SPEAKER: The Honourable Government House Leader.

MR. MERCIER: Mr. Speaker, perhaps I could just make a few comments about government business for the next few days first of all. It will be the intention, Mr. Speaker, to proceed into the Estimates

of Executive Council with the First Minister this afternoon.

I've had discussion with the Opposition House Leader and both he and I have agreed on behalf of our respective parties to waive Private Members' Hour if necessary, with the consent of the other independent members of the House in order, Mr. Speaker, to complete the Estimates of the Executive Council. Tomorrow, Mr. Speaker, I would propose that the House meet at 2 o'clock.

Anticipating the passage of Bills No. 35, 42 and 58, I would then propose that two committees meet tomorrow night rather than the House. The Municipal Affairs Committee and the Agriculture Affairs Committee meet to consider the bills referred to them respectively.

I then propose the House meet at 10:00 a.m. on Friday; Law Amendments Committee meet at 2:00 p.m. on Friday; and the Private Bills Committee meet on Tuesday morning at 10:00 a.m. and the House meet at 2:00 p.m. on Tuesday. The House would not meet Saturday, Sunday or Monday, Mr. Speaker.

I therefore move, seconded by the Honourable Minister of Natural Resources that this — (Interjection)—

MR. SPEAKER: Order please. The Honourable Member for Inkster.

MR. SIDNEY GREEN: Mr. Speaker, the member has indicated that the Official Opposition has given its okay to this and I indicate that those three members of the Legislature who have identified themselves to you and to the rest of the members as Progressives, also agree.

MR. SPEAKER: The Honourable Government House Leader.

MR. MERCIER: Mr. Speaker, I wasn't just referring to officially registered political parties. My comment about the consent of the Official Opposition and the other independent members of the House with respect to Private Members' Hour, if necessary would apply to any other consents that were needed.

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

MR. GREEN: Yes, Mr. Speaker, on a point of order. The label "independent" insofar as this Legislature is concerned has no status whatsoever, neither does the label "Progressive". But in courtesy, Mr. Speaker, we have identified ourselves to you as Progressives and I would hope that members of the House would extend the same courtesy to us as they used to extend to the New Democratic party and to the Liberal party before they were official parties in this House.

They referred to them as the New Democrats, or the CCF, or the Liberals. Mr. Speaker, I am merely indicating to you that the word "independent" has no status in this Legislature, neither by the way does the word "Conservative" or "New Democrat" or "Progressive", but we have identified ourselves to you as Progressives.

MR. SPEAKER: The Honourable Member for Winnipeg Centre.

MR. J.R. (Bud) BOYCE: To the same point of order, Mr. Speaker, if the House Leader wants to consider us as individual members, that's fine. Then I will expect to be asked before it's taken for granted that I give leave to waive the rules. The Leader of the Official Opposition cannot waive the rules on my behalf but I would be glad to co-operate on anything. The same thing applies to the Member for Fort Rouge who is a registered political party or whatever. But nevertheless, I don't like being taken for granted by anybody.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MS. WESTBURY: Yes, Mr. Speaker, I was going to make the same comments as the Member for Winnipeg Centre. I am not prepared to be taken for granted. Nobody else speaks for me in this Legislature. I have not agreed to waive the rules as described by the Official House Leader for the Conservative party, Mr. Speaker. However, being of a co-operative nature I am prepared to co-operate. I would ask in future that I be offered the courtesy of consultation.

MR. SPEAKER: The Honourable Government House Leader.

MR. MERCIER: Mr. Speaker, I do appologize if I somehow have offended the sensitivities of the four members who sit between the government side and the Official Opposition side. I tried to indicate, Mr. Speaker, that their consent would be required if Private Members' was waived.

Mr. Speaker, I move, seconded by the Honourable Minister of Natural Resources that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee to consider of the Supply to be granted to Her Majesty. The Estimates will be considered in a committee room outside of the House, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Kildonan on a point of order.

MR. PETER FOX: Yes, Mr. Speaker, I just wondered why it's necessary to move everyone since there is no meeting in the other room and we are all here. Now if there's any pressing reason I would concur that we should go, but since there is no meeting in this Chamber I can't see why we can't stay here.

MR. SPEAKER: The Honourable Government House Leader.

MR. MERCIER: Mr. Speaker, it's a little more comfortable and cozier in the outside committee room and it's preferred by the First Minister.

MOTION presented and carried and the House resolved itself into a Committee of Supply for the Department of Executive Council with the Honourable Member for Virden in the Chair.

MR. SPEAKER: The Honourable Member for Virden.

COMMITTEE OF SUPPLY

ESTIMATES — EXECUTIVE COUNCIL

MR. CHAIRMAN, Morris McGregor (Virden): Call the Committee to order. We're on the Executive Council, Page 7 and I'll call on the Honourable First Minister.

HON. STERLING R. LYON (Charleswood): Thank you, Mr. Chairman. I have no general opening statement to make other than to thank the members of the Committee for their courtesy in allowing my colleague to put in the preliminary parts of the Estimates. I understand that the request was made that the salary vote remain open so that honourable members could put questions and that's a perfectly legitimate request. I appreciate their courtesy in accommodating the time schedule that I've been in recently which has been one that has taken me out of the House a fair amount. I'll certainly attempt to answer any questions on this item that honourable members wish to pose.

MR. CHAIRMAN: 1.(a) — the Member for Brandon East.

MR. LEONARD S. EVANS: Thank you, Mr. Chairman. As the First Minister has indicated the details of the Executive Council, areas that the First Minister takes an immediate interest in have been dealt with and we are left with his Salary which is usually an item under which we have general discussion. We are sorry that the First Minister has been feeling a bit under the weather and we're glad he's back with us but we would like to take a little time this afternoon to discuss some general items which we believe are among the more important issues in the minds of the people of Manitoba today.

One of them that concerns me particularly, Mr. Chairman, is the economic situation. Now I know when we're in the House we have many questions and, as the Speaker reminds us, we are always seemingly verging on a debate but I think that can be explained by the fact that it indeed is the No. 1 issue today in the minds of the people of Manitoba; I believe it is the No. 1 issue facing the government of Manitoba and, indeed I believe it was, if not the key issue one of the key issues in the 1977 general election, that is, whether the Conservative party, if elected to government, could turn the economy of Manitoba around; whether the Conservative government with its set of policies, its set of neo-Conservative policies had the answer for a more rapid rate of economic growth. I don't think anyone on our side was satisfied with the rate of economic growth when we were in office. We would have like it to have been better but at least, Mr. Chairman, it wasn't negative, it was positive. As a matter of fact, according to the Estimates we have from the Conference Board — and these are not forecasts that I'm talking about, Mr. Chairman, I realize the Conference Board doesn't have a very good record for forecasting — but at least with regard to the historical data which they obtain from Stats Canada and make their estimates of real output by province. According to their estimates the average annual percentage growth of Manitoba in 1970 to '77 was 3.9 percent. It was positive; it was 3.9 percent. It wasn't as great as the Canadian average of 5.1 percent. But nevertheless the Manitoba growth rate was roughly three-quarters of the national rate.

The same organization — and I would remind the members of the committee that this organization, the

Conference Board in Canada — is supported by private enterprise as well as by some government memberships. I believe it is a reliable source. It is the only source incidentally that provides us with current estimates of this kind on a province-by-province basis.

At any rate this same organization has shown us that on average in the past three years, that's 1978, '79, '80 the average annual growth in the Province of Manitoba has not been. There has been no growth in the three-year average in the Province of Manitoba — the estimate is negative, it's minus 0.1 — compared to the rate of growth in Canada which is down admittedly from the '70-'77 period but it's still at 2.4 percent. The Canadian growth rate is 2.4 percent; ours is a decline rate, not a growth rate. If you can imagine a negative growth rate as a percentage of the Canadian, our growth rate is minus 4.2 percent.

Now I think it's important to compare our performance in a relative sense because I know the immediate defense of a poorer rate of growth is we're on a national business cycle and perhaps we're on a downswing. There's no question that there has been some downswing in the last few years. But when we compare our situation with what's been going on around the country in the other provinces, I think this is what gives me cause for concern and which should give the Premier cause for concern. That is, if we compare the rates of growth that have occurred on average in 1978, '79, '80 which is substantially the period of the Lyon administration and compare that with the rate of growth that we experienced in the 1970 to '77 period — which was substantially the period in which the New Democratic party was in office — you'll see that every province did perform at a somewhat lesser rate than occurred in the 1977 period. But no province has moved in a position of being negative.

Alberta which is the strongest economy, did indeed have a bit of a slowdown but even Alberta performed at 93 percent of what it did in the period 1970-'77. The Province of Saskatchewan was 38.5 percent of what it performed in the 1970-'77 period. Nova Scotia, 48.8 percent; Prince Edward Island, even little Prince Edward Island, 41.4 and so on. In fact the worst record outside of Manitoba was in Newfoundland. In Newfoundland the rate of growth in '78 to '80 was 27.6 percent of the rate of growth in the 1970-'77 period. But what happens when we come to Manitoba, Mr. Speaker? The figure is negative. Our rate of growth in these last few years as a percent of the earlier eight years is minus 2.6.

Now I know the immediate response may be by the First Minister, "Well we've had a drought after all" and indeed that is a serious matter. It doesn't matter who's in government if mother nature decides to deprive us of sufficient moisture it affects our agriculture and indeed it can affect our Hydro capacity as well, Mr. Chairman, which is a good argument for Lake Winnipeg regulation, incidentally. But if you look at the breakdown of the growth rates in Manitoba you'll see that it's not just agriculture that has declined in the period 1978 to '80. Again using Conference Board in Canada estimates, the average annual percentage change was minus 5.7 percent in agriculture. If you look at mining again, it's minus 6.6 percent. It could be argued by the First

Minister, Mr. Chairman, "Well that's a reflection of international metal prices" and I think that is the reason. But nevertheless there is it whether we like it or not.

The other area, construction, is down minus 9.3 percent and there are reasons for that decline as well. But the point I'm making, Mr. Chairman, is that it's not just agriculture where we've had a decline, it's been these other sectors as well, mining and construction. If you look at the service industries you'll see that there's been a decline — and this is in real dollars, not in inflated dollars but in constant dollars — in our wholesale-retail trade, minus 1.2. In public administration there has also been a decline — maybe members of the government might say that's a good thing — but regardless it's minus 1.3.

When you take the bottom line and you weight this, the overall decline as I said earlier, the average annual decline is minus .1. You might say what's minus .1? Well I think what's so significant about it is that we're the only province in Canada to show this decline in this three-year period. I ask therefore, why is this so? Why should Manitoba be singled out as the only province with a declining situation? In other words if you read the statistics properly, the real output of goods and services in 1980 is at a lower level than the real output of goods and services in the year 1977. Why are we the only province in that particular position, Mr. Chairman? I think it's a serious situation and I think one therefore deserving of debate at this time.

The Minister of Finance and the Premier have indicated in the past their desire to have additional private investment in Manitoba. I want to repeat that I too and members on this side wish to have more private investment dollars in Manitoba. Although we believe there's room for public investment we recognize that the private sector has a very vital role to play and we have to seek ways and means of stimulating more private investment in this province and particularly, in my view, in the manufacturing sector.

But again, Mr. Chairman, if we look at the data that's available to us from official sources and, in this case it's the semi-annual report of Statistics Canada called Private and Public Investment in Canada, we see that the level of increase, the percent increase in investment spending in the past three years has deteriorated from what it was in the years 1970 to 1977. Now I would hasten to add that there has been some deterioration nationally and in many many provinces but Manitoba, without question, has slumped in this respect far more than any other part of the country. The total investment, this is the percentage increase in investment per year, in Manitoba was 1.5 percent in the years 1978-80 compared with 13.5 percent for the country as a whole. That's a very very wide margin of performance — 1.5 versus 13.5.

Now, part of the explanation for that is the public investment sector. Incidentally, Mr. Chairman, these are current dollars, I don't have them in constant dollars, therefore, when we say there's been an average increase of 1.5 percent and knowing that inflation in the construction industry has been running 11, 12, 13 percent, in some instances in the construction industry, it would indicate to anyone that studies this that the level of capital expenditures

has diminished in the past few years in real terms. When I say real terms I mean investment in the sense that you put up a factory, you put up a building, you bring in machinery, you develop a mine or you develop a farm or whatever; real investment has been negative in the period 1978-80. If you look at the public side of it — this is divided between public and private investment — if you look at the public side of it, Mr. Chairman, you'll see, indeed, it's even negative in current dollars; it's minus 8 percent in Manitoba versus plus 7.4 percent per Canada as a whole.

But leaving that aside I'm more interested for a moment in the private investment because it's this area that the First Minister made a great deal of during the '77 election campaign and I don't fault him for this; it was proper for him to do so and I was interested in hearing his remarks and hearing of his concerns about stimulating the private investment sector, stimulating entrepreneurs so that they will do the right thing in Manitoba and to indeed attract more investment dollars. We all want to do that and the argument was never whether we should do it or not, the argument is how to do it best and, in essence, this is what the '77 election was about and perhaps it will be what the next election is about as well. How do you best bring about the favourable rate of economic conditions, the favourable rate of economic growth that all Manitobans would desire? But the private investment performance has been very very weak, the average increase in private investment in the years '78-80 is 7.8 percent. As I said in real dollars we're going backwards in real terms because these are current dollars that I'm talking about. 7.8 percent in Manitoba; whereas Canada as a whole is 16.1.

Now, I know the argument has been made in the past, well the national figures are really, in a sense, not a fair comparison because there is the Province of Alberta there and they make a big difference. Well indeed Alberta does make a big difference but if you look at the situation province by province you will see that, without a question, Manitoba stands out as a sore thumb in terms of performance in capital expenditures.

If you look at total capital expenditures, what has been the increase in the year 1980 over the year 1977, when the general election was held? I looked at all the provinces, and again using Statistics Canada, the average in Canada, the total investment expenditures increased 40.4 percent across Canada; that's the average but it varied from province to province. Newfoundland, which was supposed to be a floundering economy, nevertheless, 48.5 percent, total capital investment increased by 48.5 percent in 1980 over 1977; Prince Edward Island, 40.4 percent; Nova Scotia, 40 percent; New Brunswick, 25.9 percent; Quebec, 15.4; Ontario, 28.0; Saskatchewan, 44.3; Alberta, 83.7; B.C., 71.2; Manitoba, 4.4. Total investment in Manitoba increased by 4.4 in current dollars and I repeat, Mr. Chairman, this means that there's less investment the latter part of that period than there was occurring at the earlier part of the period.

We could go on, Mr. Chairman, talking about other elements, other aspects, of the economy but I think if you zero in on real output you are, in effect, gathering together all the industry sectors that

compose the total production performance, that compose the economic performance in this province and get a fairly good overview. And again, if you look at investment, it's very important because investment is the key to how we are going to perform in the future. If we are going to develop a greater capacity to produce goods and services it will only come about if we have more investment, so investment is worthy of our debate and consideration.

I know earlier this afternoon in the question period the Minister of Finance made a great to-do in answering questions by the Leader of the Official Opposition about the great job creation record and, after all, that was the most important thing anyway. Mr. Chairman, we all welcome additional jobs but I hope the Minister of Finance or the First Minister are not fooling themselves because the facts are that there has been a wave of job creation right across Canada beginning around 1978. I would suggest, Mr. Chairman, with all respect, that the key reason for this wave of new jobs created coast to coast, province by province, has been the devaluation of the Canadian dollar and therefore has nothing to do with the policies of this particular provincial government. I cannot say, of course, categorically what does cause employment to increase or decrease; nobody can perfectly isolate all the factors but it seems to me, Mr. Chairman, from my reading of reports by various economists and other observers of the Canadian economic scene that this is one of the critical factors that has led to job creation in Canada. Why? Because, as we should know, a cheaper dollar means that Canadian goods are more competitive on world markets. It's easier for us to sell our goods and services and, at the same time, it offers a level of protection for Canadian industry. It offers protection within the domestic market so that indeed I believe is one of the major reasons for job creation to increase right across the country.

But, Mr. Chairman, what bothers us is if you look at Manitoba's relative performance in the national scene, in 1979 — I only have the two years with me, 1979 and 1980, I have a forecast for '81 but I don't know whether I want to use it — it's from the Conference Board and they don't have a good record on forecasting so let's not use that. But we're looking at the historical data which they get from Stats Canada.

In 1979 the rate of job creation in Manitoba was the lowest of the 10 provinces. In 1980 as I read these figures we were again the lowest of all 10 provinces. If you look at the net jobs — because the Minister of Finance seems to make some differentiation about net jobs versus I guess total jobs, I'm not quite sure what he was getting at — but I am talking about the job creation records that we have from Stats Canada and the Conference Board. The facts are that the rates and the bottom line indicates eventually that the number of jobs created in Canada, or the rate of job creation in Canada as a part of the national job creation rate, has diminished in the past three years. So indeed there are more jobs. I have put out reports and I have acknowledged that, the facts are the facts, there are more jobs. But I say there are more jobs right across Canada but we strangely enough seem to have deteriorated even in that area.

I know we talked about our great unemployment picture — that is, by great I mean that it's either third lowest and sometimes second lowest — but, Mr. Chairman, one of the reasons for that is we have lost people from Manitoba particularly to the provinces to the west of us. While I say as I've said years ago that's not a perfect economic indicator and it doesn't give you all the answers as to the healthy economy, nevertheless it's one indication.

I think that it's very disturbing to see that the rate of exodus — we've had exodus for many years, we all know that — but if you look back to 1965 and see what's happened — I use '65 because that's the earliest that these records seem to have been tabulated on an annual basis — you'll see that the net loss of people in the past three years, 1978, '79 and '80 has been two-and-a-half times as great as the annual average loss of people under the NDP government.

There's been a sharp escalation in the exodus of people and indeed since this government has taken office, Mr. Chairman. Under this Premier we have indeed lost over 40 people on the interprovincial migration sector — I'm not talking about foreign immigration, we all know that's a factor; we all know that births over deaths are a factor — but the facts are that the interprovincial migration has been so great that it has superceded these other two facts so that we've had a drop in our total level of population. So we have been in the unenviable position of being the the only province in Canada with a declining population for a couple of years. So I say, Mr. Chairman, that this too is indicative of our economic deterioration.

The point is often made that while Alberta is growing by leaps and bounds and so is Saskatchewan and so is B.C., so it's attracting all these people. Well indeed it is. But oil was not discovered in Alberta in October of 1977. As a matter of fact the rate of economic growth in Alberta was actually higher in the 1970-77 period than it has been since 1977. So it's always been there.

What has caused the exodus is the differential between the rate of growth in Manitoba and the rate of growth in other provinces. It's this differential in the rate that has caused, to my view, the increase in the net number of people leaving in interprovincial migration.

So, Mr. Chairman, I wanted to get on the record that the economic turnaround the First Minister spoke of during the election has not occurred and that the set of policies this government has followed has not, at least until now three-and-a-half years later, resulted in any improvement in our situation, as a matter of fact the figures show a deterioration and all Manitobans have to be concerned with this. Of course this gets us back to the very fundamental question of policy. What are the best policies that will bring this about? As the New Democratic party of course, we believe that not only do we have to rely on the private sector but we should do something in the public sector as required to supplement and complement the private sector. I guess that's a major difference between the two parties although, having noted that, I've noticed a couple of Crown corporations formed during the last three years under the Premier's stewardship. I think Manitoba Data Services Limited may be one example

and, of course, the Energy Corporation is another example, although they're not that directly involved in economic development.

I don't know how much time I have left, three minutes or so. I would like to ask the First Minister if he would like to respond because there has been, in my view, a great deal of confusion because of the kinds of statistics being used and so on. I know one can try to debate by the selective use of statistics. I have tried to look at the total as much as I can without ignoring what some might regard as more favourable data but I think the people of Manitoba, as I read them, consider this to be a very serious situation. I talked to a young tradesman this morning who was very perturbed about how difficult it was to get work in this province; I've talked to building contractors who'd say, "Well heck I had 85 men working for me a few years ago; today I have two". You go on and on and talk to people about the loss of their loved ones, loss in terms of their having moved out of the province to Alberta or B.C. or what have you. In fact it's difficult to find someone in the province who hasn't got a friend or a relative who has left in the last three years.

So I say this is the number one issue facing the province of Manitoba. I know there's a great interest on the part of the First Minister in the Constitution but, with all due respect, I believe that the people of Manitoba consider this to be the number one issue and the issue that this government and this First Minister must address themselves to. Mr. Chairman, therefore I would appreciate obtaining the views and comments of the First Minister on what I consider to be a very disturbing situation. I want to say for the record that this province is a great province; it has a lot of potential. We have seen good things happen in the past; I think we'll see good things happen in the future, in fact, one of our greatest resources is our very skilled labour force. We have a highly skilled labour force; we have some very workative people; we've got some very good people. It's unfortunate we've lost so many of them the last few years but we have many strengths. The problem is to develop a set of policies that are going to enable us to utilize these strengths in order to bring about a better economic situation so that our people can stay here; so that real wages can begin to rise again; so that we don't feel a sense of a declining standard of living. Thank you.

MR. CHAIRMAN: The Member for Rossmere.

MR. VIC SCHROEDER: Thank you, Mr. Chairman. I have a copy of a speech which the Premier made back in 1977 in Rossmere, on October 3, 1977. He indicated in that speech that there were four facts he wanted to lay before the people. Fact No. 1, he was referring to the unemployment at that time and at that time there were 22,000 people out of work; right now there are 32,000 so that's quite an improvement he's made. (Interjection)—

MR. LYON: Mr. Chairman, I ask my honourable friend if he has a copy if he would file a copy of the speech that he says he has a copy of.

MR. SCHROEDER: I will certainly do so after I'm finished, Mr. Chairman. At that point in time there was a seasonally adjusted unemployment rate of

27,000; right now seasonally adjusted we're at 29,000, so he's really improved things there.

At that point in time there was a 4.7 percent actual unemployment rate as opposed to now at 6.6 percent. That of course is with the fact that we have for the first time, since the last time we had a Tory government, had a decline in our population. Of course in addition we have experienced substantial inflation which has cut into working peoples' incomes because this government has not kept up minimum wages along with anywhere near the cost-of-living increases that have occurred in the last three-and-a-half years.

So really when the Premier said, at that time, "That means that more and more of our young people will have to leave Manitoba if they are to find the opportunities they will need to build their own prosperous and independent lives" — that's a quote from his speech. You know he's really made that come true. His government has really made it come true. People are leaving Manitoba; people have been leaving in greater numbers as opposed to people coming in since his government took over, as opposed to what was happening under the old government. In October of 1977, there were 440,000 people actually employed in this province; right now there's 452,000; that's an increase of 12,000 in actual numbers in three-and-a-half years; seasonally adjusted it's an increase of 29,000.

Now in 1979 there was a by-election in this same area where this speech was made, in Rossmere. At that time the conservative candidate was issuing pamphlets which contained the statement that 23,000 new jobs had been created under the Tories. Well I'm sure he wasn't lying and so what we have here is a case where in the last two years, since 1979, there's been a creation of 6,000 new jobs under this government because I think even this government agrees that its laissez-faire attitude is one that says that only those jobs will be created which the invisible hand will decide to throw out and anything else will not be done by this government.

I think that we can add a corollary to that and that is, that we've heard an awful lot from the Minister of Finance and from the Premier about the tough things that have to be cleaned up first before things would improve. What really happened? In the first couple of years while we were still under the influence of the old government so to speak, 23,000 jobs were created. Once they got their own program into effect they created 6,000 jobs, some government. This is at a time when in the last year the Federal Government claims that throughout Canada 330,000-some jobs were created. What did we get? We got 6,000 in two years. If we would have gotten approximately 5 percent of those new jobs we'd have gotten 16,000 in one year, so we are nowhere near what the average is in terms of job creation in this province.

The Premier went on to say, "and let me tell you another fact", this is on October 3, 1977. "Today in Winnipeg alone there are more than 1,300 senior citizens on the waiting list for nursing homes; 1,300 people who cannot get the care they need because we have not built enough nursing homes". I'm sure the Premier will remember all the nonsense that was spouted throughout the province during that election campaign about the waiting lists for nursing homes. What did they do when they got into office? They got

rid of the waiting lists. How did they get rid of it? By eliminating new construction. What's the point in being on the waiting list if you're not going to construct the homes that were in the works at that point in time? They really improved things. So they didn't have the 1,300 senior citizens on the waiting list because there is no purpose in waiting when you're not building anymore.

Your freeze, Mr. First Minister, was something which you should be ashamed of and especially — especially — after making that kind of a commitment in my constituency of Rossmere, where you had Dr. Krahn running for you and he had all kinds of literature out indicating how a Conservative government would immediately embark on providing senior citizens housing for hundreds of people in the northeast quadrant of Winnipeg. It didn't happen.

So the facts that the First Minister related may have been facts but his government certainly wasn't prepared to do something about it. There is no doubt there were some 1,300 people on the waiting list in 1977 and that is unfortunate. But if you look at the number of housing units for senior citizens that were built during our years and compare it to what is happening under this government, there is no comparison. We were far ahead of you and you people should be ashamed of yourselves especially when you criticized our program saying we weren't going fast enough. If you would have at least had the decency not to say anything if you were going to freeze construction, then we wouldn't be here talking about this. But you were making it appear, Sir, that somehow you were going to do a better job of providing homes for senior citizens, and that simply hasn't happened.

Then you went on and you said, "And let me tell you a third fact. Today in Winnipeg less than one young family in three can hope to afford to own their own home". Well, how many is it today? Is it one in three? Is it one in four? Is it one in five? You haven't done anything about that. But you could make these great statements in 1977 and you went on to say, "And let me tell you another fact. Older neighborhoods all over Winnipeg are going downhill. The housing values are falling. People are becoming frightened to walk the streets at night and the signs of the kind of urban blight that has already destroyed other cities in North America are making their appearance here". That's what the First Minister was saying in Rossmere in 1977.

What has he done about it? He was pretending to the people of Rossmere and to the people of Manitoba that in some way he was going to do something about urban renewal. What did he do? He cut back on the Critical Home Repair Program. We remember that. What did he do that was positive? Absolutely nothing.

Just assume that somehow the invisible hand was going to be different in Winnipeg than it was in Detroit. Just assuming that the invisible hand somehow was going to come in and grab the inner city area, the area north of Portage, the business district — which our business people are fleeing from now — just assuming that miraculously by the elimination of succession duties, gift taxes, cutting corporate taxes, cutting personal taxes by 2 percent, eliminating the mineral acreage tax and doing all of those things, that somehow this urban renewal was

going to fall out of the sky without any kind of government intervention, without intervention by the people of this province, by the public of the province. Well it isn't going to happen. It didn't happen in other cities and it will not happen in Winnipeg.

Those are the four facts that the First Minister, when he was campaigning for office, came to tell us about in Rossmere. Those were the four facts he referred to that evening. Nothing else, four, a complete shutout. He hasn't done anything on unemployment. He hasn't done anything on the problem of urban redevelopment. He hasn't done anything to assist young people to become homeowners.

In fact, I think we could make an argument for the proposition that his government has detracted from, rather than assisted in the opportunities of young people in this province. Their nursing home policy is certainly one that, to be as positive as possible about this government's approach, the most positive statement you could make about it is, that it's not quite as good as the old government's approach and yet here the First Minister was out there on the campaign trail pretending he was going to improve it.

Well we've got a week or two to go — three weeks maybe in this session — this is the fourth session. We're in the fourth year, we're a few months away from a complete four years and the First Minister will soon be required to go to the people and I must say that I relish that proposition.

MR. CHAIRMAN: 1.(a) — the Leader of the Opposition.

MR. PAWLEY: Mr. Chairman, the items I wish to deal with involve the First Minister's responsibilities pertaining to the overseeing of cabinet, members of his cabinet and specifically I want to pose questions to the First Minister pertaining to the role, the responsibilities and the conduct of his Deputy Minister and Minister responsible for Hydro.

Mr. Chairman, what we are dealing with is a lengthy sequence of events in which the Deputy Premier made certain denials. After a period of time — it's all recorded and all documented and we can enter into that detail if necessary. After those denials the Deputy Premier then made certain admissions. Subsequent to that again the Deputy Premier tabled certain letters in the Legislature, then tried to wash his hands of the matter by suggesting that, indeed, all had been done that needed to be done.

What I want to refer to are the letters which the Deputy Premier tabled in the Legislature dated April 16, 1981, from Manitoba Hydro to Aikins MacAulay & Thorvaldson and a response from Aikins MacAulay & Thorvaldson dated April 21, 1981. The Deputy Premier tabled these documents during Budget Debate attempting to leave the impression that they had adequately and completely provided answers to questions that (a) had been posed by Opposition and, (b) probably more important, that indeed the letter from Aikins MacAulay of April 21, 1981 had responded in totality to the questions that were posed by Manitoba Hydro in their letter to Aikins MacAulay of April 16, 1981.

Just to refresh the First Minister's recollection, in the letter signed by Mr. Kristjanson of April 16, 1981, Mr. Kristjanson states, "in particular we would like to know if the paper referred to" — and this is the

paper that the First Minister referred to as a fabrication at one point and the Deputy Premier had referred to as one that would possibly result in being half a hoax — “was in fact prepared by you”. The letter, I point out is addressed to Aikins MacAulay and Thorvaldson, the entire firm; it’s not addressed to the lawyer that was responsible for the legal opinion, interestingly to the entire firm of Aikins MacAulay, rather thana being specified. So the question posed was “prepared by you. If so, the circumstances surrounding it, with whom within Hydro if anyone it was discussed or presented to and whether the course of action proposed represented the considered legal opinion of Aikins MacAulay and Thorvaldson”.

Now it’s very very interesting that Manitoba Hydro, Mr. Kristjanson, saw fit not to write to the gentleman in the firm that was eminently involved in the matters. You would think that under normal circumstances and reasonably that if you have an inquiry to make pertaining to a legal opinion provided by a legal firm in the past you would write to the lawyer that had provided the legal opinion.

MR. LYON: Mr. Chairman, I don’t want to interrupt my honourable friend’s . . .

MR. CHAIRMAN: The Honourable First Minister.

MR. LYON: . . . line of thought but on the point of order I really don’t know why a letter written by Hydro to their solicitors is germane to the Estimates of the Executive Council. If my honourable friend would like to restrict himself to something that is germane and I realize that it’s a pretty wide area, I’d be happy to try to accommodate him.

MR. PAWLEY: The letters are very very germane.

MR. LYON: And there is also our rule, Mr. Chairman, if I may say so, that repetitive debate is not permitted under our rules.

MR. PAWLEY: Mr. Chairman, I would like to speak to the point of order that the First Minister has raised. I didn’t interrupt the First Minister. What we are dealing with is repeated requests that were made of the First Minister’s Minister responsible for Hydro, the Deputy Premier of this province. The First Minister has responsibility for the overall management and conduct of the Ministers that he appoints to the Executive Council. We are dealing with letters which his appointed Minister tabled in the Legislature; letters which his Minister, the Deputy Premier of this province, attempted to leave impression that those letters indeed had provided answers to the questions that had been posed by members of the Opposition. We are dealing with the fact that the First Minister, who has overall responsibility for Cabinet in the Province of the Manitoba, has failed to provide any initiative in order to ensure there is full and complete answers to the questions that have been posed over the past four to five weeks by members of the Official Opposition. We are dealing with the First Minister’s continuation of attempting to participate with his Deputy Premier in skirting, in skating, in covering up, avoiding the questions that had been posed by the Opposition. So if the First Minister asks whether or not the matters

are germane, let me say to you, Mr. Chairman, they are very very germane to the Estimates of the Executive Council.

MR. CHAIRMAN: The Honourable First Minister on the same point of order.

MR. LYON: On the same point of order. My honourable friend is entitled to his viewpoint which he has aired on a number of occasions. I was raised, I suppose, in an older school of parliamentary debate which was that repetition of a weak argument, no matter how many times it’s made, doesn’t improve it. If my honourable friend wants to repeat a weak argument, that’s his business and we’ll all just have patience to sit through and listen to what he has to say.

MR. PAWLEY: Mr. Chairman, I can understand the First Minister’s sensitivity. He has a great deal to be sensitive to; a great deal because repeatedly there had been questions that have been unanswered and unfortunately the First Minister has participated in the lack of attempt to be full, to be complete, to provide answers to questions that have been posed by the members of the Opposition. So I understand fully the First Minister’s thin skin pertaining to the letter which we are dealing with. Mr. Chairman, I would like, even though it causes the First Minister great discomfort, to return to the letters which I was dealing with earlier.

MR. LYON: If you want discomfort, Buster, you get yourself prepared.

MR. PAWLEY: Mr. Chairman, I am prepared to terminate this discussion right now if the First Minister wants to call an election right now; we are prepared to do that. If he wants to say, Buster, get prepared, we’re prepared to get prepared right now. Right now, right now, Mr. Chairman, right now. (Interjection)

MR. CHAIRMAN: One speaker at a time in Committee.

MR. PAWLEY: Mr. Chairman, I must admit I wasn’t brought up in the old parliamentary tradition that the First Minister makes reference but it’s rather interesting, the new parliamentary tradition doesn’t bother me but I’m rather curious as to whether the reference of one member of another as “Buster” relates to the old parliamentary tradition, rather than by his proper title. However, it’s not a matter of any consequence, only apparently important to the First Minister and the First Minister will live with that I’m sure.

MR. LYON: Fly with the crows, Howard, you get shot for one.

MR. PAWLEY: M’huh. Well, that’s the unfortunate part, Mr. Chairman, the First Minister has been flying with a little bit more than the crows this past four or five weeks and that’s why he’s in trouble right now on this issue. —(Interjection)— I thought he said crows, I didn’t think he said prose.

The letter of April 16 again, Mr. Chairman, the questions are specific posed by the firm of Aikins

MacAulay and Thorvaldson and I repeat the paragraph because we are looking to the First Minister to provide answers or a course of proceedings that will provide answers to the questions that had been posed during the First Minister's Estimates, Mr. Chairman. The letter reads, "In particular we would like to know if the paper referred to was in fact prepared by you" — and as I indicate that was the same paper the First Minister referred to as a fabrication — "and if so one that circumstances surrounding it, with whom within hydro if anyone, it was discussed or presented to and whether the view expressed or course of action proposed represented the considered legal opinion of Aikins MacAulay".

Now, Mr. Chairman, I would be quite — I won't say quite satisfied because the matters ought to be dealt with a proper hearing, proper committee of the Legislature — but I could be reasonably satisfied if Manitoba Hydro with the encouragement of the Deputy Premier, made every effort to obtain answers to the very questions that they posed, leaving aside the questions that the Opposition have posed, leaving aside those questions. If Manitoba Hydro would at least obtain the answers to the questions they had posed because it's very interesting; they posed certain questions; the letter is then tabled in the Legislature by the Minister of Finance. The former Minister of Finance, the Deputy Premier attempts to wash his hands and says well now, we've been very full and very complete in the answers provided to members of the Legislature so he tables this letter of April 21 — and obviously the First Minister hasn't read the letter — otherwise the First Minister would see the point that we are raising this afternoon.

A letter back to Manitoba Hydro — interestingly though the letter before was not addressed to Mr. Steward Martin, neither is the letter by way of response in fact signed by anyone living in the firm — it's signed by Aikins MacAulay and Thorvaldson. Now I'm told that all three of those individuals are all deceased. We don't even get a signature of a living person on the letter. Now I must admit — and other legal colleagues in the Legislature have also indicated this — in all their years of practice they cannot recall receiving a letter from a law firm that does not indicate some living person by which a response can be addressed to. Interestingly here nobody in the firm of Aikins MacAulay and Thorvaldson were very anxious to take responsibility for the response that was provided in the letter of April 21, we have a signature by three deceased individuals to the letter, that's No. 1.

I'll read the letter: "Dear Mr. Kristjanson: This will acknowledge receipt of your letter dated April 16, 1981 addressed to our firm concerning Manitoba Hydro's recent appearance before a committee of the Manitoba Legislature. With your letter you enclosed a seven-page document provided to you by Honourable Donald W. Craik. Our file copy of that document consists of eight pages. Enclosed is a copy of the eight-page document. This document was prepared by Mr. W.S. Martin, Q.C., of this firm, whose recollection is that it was prepared shortly before the Tritschler Commission resumed its hearings in January 1979".

Now I want to mention to the First Minister so he recalls and refreshes his memory, that this is the

same document — and we have checked it out — the same document the First Minister referred to as a fabrication and which his Deputy Premier referred to as being a document that would likely result in being half a hoax. The same document that related to charges by the First Minister in the Legislature that members of the Official Opposition were involved in some sort of trumped-up charges. But the letter signed by Mr. Aikins, Mr. MacAulay and Mr. Thorvaldson now acknowledge that the legal opinion indeed was written by Mr. W. Steward Martin, so we have now established that.

Now we'll proceed. The letter is very interesting in that respect too, Mr. First Minister. "This document was prepared by Mr. W.S. Martin, Q.C., of this firm whose recollection is that it was prepared shortly before the Tritschler Commission resumed its hearings in January 1979. It was Mr. Martin's submission to be presented to the Commission if the Board of Hydro approved it". That's what we said. We've always said that legal opinion was presented to the Board of Manitoba Hydro and it was to be presented by Manitoba Hydro to the Tritschler Commission if indeed the Board of Manitoba Hydro approved it. Well, we know they didn't approve it. What we want to find out is why, Mr. Chairman, they didn't approve it? We haven't been able to obtain the answers to that yet.

"Mr. Martin was appointed by the Board of Hydro as counsel for the purpose of representing it before the Commission. He was assisted by Mr. R.G. Smellie, Q.C., of this firm". I want to point out to the First Minister that the firm of Thorvaldson Aikins MacAulay I understand were not appointed as the Chief Legal Counsel for Manitoba Hydro. Mr. Steward Martin himself was appointed as the Chief Legal Counsel for the purposes of representing the Manitoba Hydro.

We'll proceed. "The document itself is not a legal opinion". There's a sentence to that effect in the letter. But it's interesting, the very next sentence, and I want to read this very slowly so it registers on the First Minister: "However the legal conclusions expressed therein reflected the views of Mr. Martin who advised Board members of his opinion", legal conclusions opinion. Now if the First Minister can do some mental somersaults and explain to us just whether or not on the basis of these two sentences in this letter, it is or is not a legal opinion, I'd be interested. We know that Mr. Wedepohl is quoted as saying that he had no doubt that it was a legal opinion. Mr. Chairman, anybody else reading the document certainly knows indeed as Aikins MacAulay acknowledge, that it was an opinion of legal conclusions. What's an opinion of legal conclusions say? A legal opinion. So let's just cease playing games, Mr. Premier. Let's deal with the facts that are before us.

"Other than Mr. Martin no member of the firm considered such legal aspects". Well, we knew that, we didn't need to be informed that only Mr. Steward Martin was dealing with this matter, therefore it's natural isn't it that we should obtain information from Mr. Martin. So the letter carries on: "The course of action indicated in the submission was disagreed with by Mr. Smellie, who so advised Board members. It was his view that regardless of legal technicalities it was in Hydro's overall interest to co-operate with

the Commission". So now we're getting Mr. Smellie's opinion and we're not getting Mr. Steward Martin's opinion, very interesting. "It was his view that regardless of legal technicalities it was in Hydro's overall interest to co-operate with the Commission and bring its proceedings to an early conclusion". Our firm continued to act for Hydro after Mr. Martin ceased to be involved as counsel and a course of action was followed that was contrary to that suggested by Mr. Martin in his submission".

Now I ask the First Minister this question and would ask him to listen very closely to the final paragraph of the letter from Aikins MacAulay, very closely to it. The final paragraph says, "Mr. Martin has personal knowledge of the matters raised in your letter such as discussions held. He is presently out of the country, is expected to be back on April 28. We suggest that if you require further information you contact him directly". Well, Mr. Speaker, the only questions that were really answered were questions which confirmed the allegations that were made by the Opposition in the Legislature. Then we have a whole series of other matters that are not answered and the law firm says, if you want answers to the questions posed Manitoba Hydro you will have to contact directly Mr. Steward Martin. Very reasonable, we would expect that, we would expect that that would indeed be the course of action that Manitoba Hydro would pursue, we would anticipate that.

But, Mr. Chairman, and this is the nub of the matter. The Deputy Premier, the Minister responsible for Hydro continues to skirt; continues to evade; continues to be less than full and complete; continues to be remiss in his responsibilities. The public trustee, the Minister responsible for Hydro has given us no assurance that Manitoba Hydro is communicating with Mr. Steward Martin to obtain answers to the questions that were not responded to. So, I ask the First Minister, is he prepared to assume any responsibility to ensure that as a minimum, as a minimum, questions that were posed by Manitoba Hydro pursuant to the discussions that were held in the Legislature and pursuant to questions that were posed to his Minister, the Deputy Premier, are indeed responded to?

Well, Mr. Chairman, I don't seem to be able to obtain any answers from the First Minister. I'm not too surprised because since April 9th we have seen a constant stream of stonewalling on this issue. You know, Mr. Chairman, all these matters could have been very well cleared up at a very early point if we'd had some co-operation. Here we have Manitoba Hydro asking questions in a letter which is rather strange, to say the least, by way of its terminology, by way of the references in that letter; answers are not provided; there is no complete information that is provided and we can't get any answers. We can't get any answers. Not only does Manitoba Hydro not get answers to its questions but it appears that they are not prepared to pursue the very questions that they posed. Mr. Chairman, you would expect that this government of openness, I thought it was supposed to be a government of openness that would put everything out on the table, is doing all that it can do, all that it can do to evade — Mr. Chairman, they deny and then later they admit and then deny that they had denied in the first place. That's been the

pattern of the last five weeks. So I think my question is a very reasonable one to the First Minister. I would hope that we would not simply be met with silence from the First Minister but a real commitment.

Questions were posed by Manitoba Hydro in a letter dated April 16, 1981 to the firm of Aikins MacAulay and Thorvaldson. The response dated April 21, 1981 states basically that many of the questions posed by Manitoba Hydro can't be answered without Manitoba Hydro pursuing the matter further with Mr. Steward Martin.

My question is, will the Minister responsible, will the Premier, will Manitoba Hydro assume any responsibility whatsoever in obtaining the answers which were not provided for in the response provided by Aikins MacAulay dated April 21st?

Well, Mr. Chairman, . . .

MR. LYON: Mr. Chairman, are there any other people who want to speak? I daresay there'll be some other questions.

MR. PAWLEY: I'm assuming then the First Minister is going to undertake a response?

MR. LYON: Well I'll start first, if I may, Mr. Speaker, with the Member from Brandon East who was rearguing the Budget Debate and I would refer him really to the Budget statement that was made by the Minister of Finance on the night that the Budget was brought down, the then eight days of debate, in which I believe both he and I participated, with respect to answers to a number of the questions that he posed. I'm sure that rather than rehearse all of that debate that he will find himself electrified with the responses that were made to the very questions that he has asked for the umpteenth time as we come into this Estimate situation. I don't think that repetition of my answers or the Minister of Finance's answers or the answers that have been given by various Ministers, including the Minister of Health and others who have perhaps brought the House up-to-date on figures with respect to nursing homes that were mentioned by the Member from Rossmere and others.

I think if the Member from Rossmere will look at those debates on the Estimates of the Department of Health he will find that the figures again will be enlightening to him as to the number of nursing home beds, or personal care beds that were added to the system in the last three years. I think somewhere in the area of 767 personal care beds, 180 that had to be closed because they did not meet the safety and other requirements that were thought to be necessary for the purposes of housing senior citizens and so on.

With respect to the Leader of the Opposition, he is attempting to raise again a matter that has been debated ad nauseum in the Legislature. I have nothing to add to what the Minister of Mines and Energy has said on this matter whatsoever. I have had the opportunity of seeing some of the Hansards, not all of the Hansards with respect to this matter, I'm satisfied completely as to the integrity of the Minister of Mines and Energy and that's that.

MR. PAWLEY: Mr. Chairman, disappointed but not really too surprised by the First Minister's response. Some very specific questions then to the First

Minister. He indicates that this matter has been debated ad nauseum in the Legislature. Obviously he feels that we're now dealing with a repetitious matter. I would agree the matter would be repetitious if indeed we had received some answers along the road to the questions we have posed. Can the First Minister tell us then the circumstances under which the legal opinion prepared by Mr. Steward Martin was put together? Can he tell us with whom that legal opinion was discussed with the Board? Can he advise us as to all the circumstances pertaining to that legal opinion? All questions that Aikins MacAulay couldn't answer but said would have to be answered by Mr. Steward Martin. Have those answers been obtained by some other route?

MR. DEPUTY CHAIRMAN: The Honourable First Minister.

MR. LYON: Mr. Chairman, I need not remind the honourable member that there is a Committee of the House that was established back in the Sixties for the purposes of such detailed questions. If my honourable friends would see fit to stay in such committee instead of walk out in pique they might get an answer in due course to the questions they ask. I presume that committee as in the normal course will be called together at the next session of the Legislature and my honourable friend can pose any questions he wants of that kind of detail to Manitoba Hydro.

MR. PAWLEY: Mr. Chairman, I then have to refresh the First Minister's memory because he indicates he read Hansards and I would have thought from his reading of Hansard he would have a better grasp as to the sequence.

MR. LYON: Parts of Hansard. I only try to read the important parts.

MR. PAWLEY: Yes, you pick and choose.

MR. LYON: One has to.

MR. PAWLEY: The letters of April 16, 1981, Hydro, the letter of April 21st, Aikins MacAulay were tabled by this Minister subsequent to the committee hearings, so the matter of whether or not we ought to have asked those questions at that time or whether or not we walked out of that committee are irrelevant because the letters did not exist at that time.

In fact, Mr. Chairman, for your information and for the First Minister's information, if he had read the bits of Hansard he says he read, if he had read the Hansard of the committee hearings of April 9th he would have noticed that indeed we got no answers. We were misled in that committee, Mr. Chairman. We were misled by the Minister responsible for Hydro; we were misled by Mr. Kristjanson; we were misled by Mr. Blachford. We were misled.

If the First Minister would read that Hansard of April 9th then he would be aware of that. That has been the very basis, Mr. Chairman, of the repeated calls by the Opposition — not just the official Opposition but all members of the Opposition — for an inquiry. We have said the Minister misled; we have said, Mr. Chairman, that other officials of

Manitoba Hydro misled. We are prepared to take our allegations to committee and we challenge the First Minister, —(Interjection)— Now he's saying, "Ah, ah, ah" — then to permit these matters to proceed to committee and we'll establish the credibility of our allegations in committee.

MR. LYON: Mr. Chairman, having watched a number of members of this House over the years lose control of themselves — which my honourable friend does quite often — I merely say to him that he should be careful in the use of the words "misleading" and so on when he applies them to fellow members of the House who have denied that allegation in the face of the House, or to members of the bureaucracy who he throws around that kind of indictment about.

There's a very simple test for my honourable friend. He doesn't have to wait for the government to do anything. If he's making an allegation that somebody lied or misled to the House, let him stand outside of this Chamber where he has parliamentary protection and make that statement outside of the Chamber where he hasn't got parliamentary protection, if he is so sure of his facts. It's a very simple test, Mr. Chairman, that from time to time members have to be aware of.

My honourable friend can be fast and loose with whatever statements he makes in the House because he knows he lives under the umbrella of parliamentary protection. If my honourable friend honestly believes and feels he can demonstrate and prove that that kind of a libel is sustainable in a court of law, then he should have I would think the common decency to make that statement outside of the protective element that parliament gives to him. If that's the case then there's a clear course open for my honourable friend.

In the alternative I suggest to my honourable friend that in his attempt to manufacture a case — and I merely say this with as much kindness as I can muster — he should not use terms of opprobrium like that which he is not able to justify because there are situations where that kind of a statement is not only unparliamentary but has been found to call down upon the head of the person who makes it if he is outside of the protection of parliament, certain of the well-known remedies that are available in law to any person in this province.

MR. PAWLEY: Mr. Chairman, my statement has already been made outside this Legislature. May I also say to the First Minister that I'm prepared to participate in any court action at any time once he assures me that Mr. Steward Martin will be released from solicitor-client relationship so that we can have the principal witness present, so that the principal witness can provide some truth to the allegations the Opposition have provided. If the First Minister will, here and now, commit himself to see to it that Steward Martin is released from solicitor-client relationship, we'll be glad to take him up any day. I'll call your bluff right now.

MR. LYON: I was attempting to muster some kindness toward my honourable friend who I may suggest, needs all of the kindness any of us can give to him because of his position, merely to indicate to him that he should not casually — and I say this

after having been in this House off and on since 1958 — throw around the word “mislead” or words to that effect unless he’s prepared to back it up. That’s all.

MR. PAWLEY: Mr. Chairman, I’m prepared to repeat the words “mislead” and “deceive”, to back them up. I ask the First Minister now, and whether to assist he will release Steward Martin from solicitor-client relationship or see to it that he is released from solicitor-client relationship. He’s the principal witness, Mr. Chairman. If Mr. Steward Martin doesn’t back up the allegations I’ve made then very well, I have to live with those consequences.

But, Mr. Chairman, if the First Minister is also confident I have made libelous statements, let him release Mr. Steward Martin from solicitor-client relationship and I’ll attend before any tribunal, any court of the land. We’ll find out, Mr. Chairman, whether indeed the Leader of the Opposition has uttered a libelous statement or whether indeed the Leader of the Opposition is correct when he’s accused the Minister responsible for Manitoba Hydro of misleading and deceiving.

MR. LYON: Mr. Chairman, the record speaks for itself. My honourable friend can go about making his case in whatever way he wants and he will be responsible for taking whatever results flow from that.

MR. PAWLEY: So, Mr. Chairman, the First Minister has then indicated that he is not adequately confident to permit Mr. Steward Martin to be released from solicitor-client relationship so that we can indeed obtain the truth as to whether the Leader of the Opposition is correct, or whether the Minister responsible for Hydro is correct. Is that what the First Minister is saying, that he lacks that confidence?

MR. LYON: The Leader of the Opposition is quite able to go about his own mischief without any help from me.

MR. CHAIRMAN: The Member for Elmwood.

MR. DOERN: Mr. Chairman, I just want to say there’s an old adage about silence is golden but I think in this case it’s quite clear that the First Minister is refusing to answer the questions being put to him by members of the Opposition. Now he’s introducing a red herring about having politicians step outside the Chamber and start suing one another or having different levels of government lay lawsuits against one another. I have never felt that’s a very productive form of activity. (Interjection)—The First Minister says he doesn’t either so we agree on that particular point.

I simply say that this is our last real opportunity to discuss with the government and the man at the helm certain problems and certain questions. A score of questions have been put by the Leader of the Official Opposition and little or no information has been elicited from the First Minister.

You can call this stonewalling or you can call this bland responses or dismissal but the point is this, we’re not talking about whether or not somebody is going to go outside this room or outside this building, start making statements and whether those

statements are libellous or not. We are both politicians. The Leader of the Official Opposition I think merits some answer to his questions and I think the First Minister is simply adopting a posture that he isn’t going to answer anything or he isn’t going to give the time of day to the Official Opposition. I think that’s a condescending attitude and I think the First Minister should in fact reply to these questions. But to simply refuse to answer and to dismiss the points being made by the Leader of the Official Opposition I have to say is somewhat contemptuous and I think I would ask the First Minister to give answers to what I consider to be a series of reasonable and important questions and questions that are really being asked for the last time in this House.

MR. CHAIRMAN: The Member for St. Johns.

MR. CHERNIACK: Mr. Chairman, I was just reflecting about a conversation I had with Duff Roblin a long time ago when he occupied the position now occupied by the present Minister at a time when the Liberal party had attacked Hydro for some Grand Rapids project. The government of the day set up a Commission headed by somebody, I believe it was Tritschler, to investigate the charges. I recall suggesting to Duff Roblin that the government really didn’t have to stand behind the decisions of Hydro in that the decisions were of a technical nature and Hydro made the decision on its own. I didn’t know why the government of the day felt it necessary to rise to the defence. Roblin said, “it rubs off when there is some allegation made of that kind about a Board for which the government is responsible, it rubs off”.

I was thinking of that when I saw how this Minister and his Minister reporting for Hydro had been dodging what I think is a pretty important question — not a tremendously vital one to the future of Hydro or Manitoba — but vital to the integrity of the present Board of Hydro and vital to the integrity of the Minister reporting for Hydro. I don’t think the Premier can avoid that.

Now specifically, the question was raised of a letter unsigned, not recognized and the Minister for Hydro apparently on TV referred to it as a half-hoax, followed by this Minister talking about trumped-up charges and talking about fabrication. Then he with his great knowledge of parliamentary procedure and his respect for it, quickly withdrew the word “fabrication” I believe in order to make sure that it was not debated but the question of trumped-up charges was debated. I point out that the Minister never never justified that statement about trumped-up charges — I mean the Premier — and his Minister never never was able or tried really to support his allegation about half-hoax.

Now it’s childish to say “sue me” because I can assure the First Minister that anything he said about our side is not worth suing for because the damages would be nil. There just wouldn’t be anybody, any court, to attribute damages for statements that were made like trumped-up charges, fabrication and half-hoax so that’s a childish thing. I suppose the reason for parliamentary protection is to make it unnecessary to go through that kind of exercise.

The specific that I wanted to ask the Premier is based on the assumption that he has read the two

letters which his Minister tabled in the House. One letter was from the Hydro Board Chairman to Aikins MacAulay & Thorvaldson asking specific questions which this Chairman I think clearly was not party to and therefore he was asking questions of information. The reply he received was a half reply that in the letter admittedly, the answers were not given to all the questions. The letter from Aikins MacAulay stated at the conclusion that Mr. Martin has personal knowledge of the matters raised in your letter such as discussions held and says he is presently out of the country and is expected back on April 28. I quote further, the concluding sentence, "We suggest that if you require further information, you contact him directly." Now here we have tabled to the House a letter from the lawyers for Hydro saying to Hydro, by all means go to Mr. Martin and approach him to get answers to the questions that are not answered and that is where that part of the matter sits.

Now the Minister for Hydro who admitted he had the relationship with Hydro where he could request them to delete certain things from a report causing a reprinting at a cost of something in excess of \$3,500, the Minister who admits that he gave advice on this very letter which was prepared by Mr. Martin in draft form, the Minister who called it a half-hoax then later filed a letter proving that it was indeed a document prepared by Mr. Martin, now says, "I will not deem to ask Hydro to get a completion to its answers". Therefore I have to ask the Premier who is of course responsible for all his Ministers, whether he would not consider it proper having tabled these letters to suggest to Hydro that further answers to the questions already asked and tabled would be in order.

MR. CHAIRMAN: The Leader of the Opposition.

MR. PAWLEY: Mr. Chairman, I look upon the comments by the First Minister as an effort to deal with the questions that have been posed in a pretty phoney way, that we have at times outside this Chamber, yes, accused the Minister responsible for Hydro of misleading. Mr. Chairman, I would be very very pleased to participate in any court proceedings if we could obtain the truth of this matter.

If the First Minister again would ensure the individual that can best provide answers to the questions that have been posed to the allegations that have been raised would be released from solicitor-client relationship, that's a very simple request. We can get to the bottom of these matters by that kind of commitment on the part of the First Minister or at least undertaking his part to ensure that happens. As the Member for St. Johns makes reference to, the Minister for Hydro suggests now he wouldn't refrain from wanting to ask Hydro to do anything.

Mr. Chairman, there was no problem on the part of the Minister of Hydro when it came to causing over 4,000 copies of a Manitoba Hydro Annual Report to be destroyed and why? Because there was simply a tribute in that Manitoba Hydro Report to a public servant that had served this province for some 35 years, just a simple tribute outlining the individual in question's educational background, some of his qualifications, some of the professional associations that he belonged to and what happens? The Minister

responsible for Hydro, it didn't prevent him from saying to Manitoba Hydro, delete that simple, that tribute. I say it was simple — I've got a copy of it right here if the First Minister isn't conscious of it — a simple tribute, destruction of 4,000 reports, cost us some \$4,000.00. Now we go through this facade that the First Minister and the Minister responsible for Hydro are going through by saying, well, we don't want to interfere with the affairs of Hydro so we're not going to ask Manitoba Hydro to release Mr. Steward Martin from solicitor-client.

Mr. Chairman, nobody is being fooled by these tactics, nobody is being fooled. If the First Minister thinks he is fooling anyone in the province, he's got another thought coming. If he is sincere in wanting to put to rest what he is referring to as repetition, then let him put to rest repetition by undertaking at least one of a number of different proposals. (a) Get the answers to the questions that were posed by Manitoba Hydro in the first place; or (b) call a committee of the Legislature, bring all material witnesses to that committee; or (c) just simply release Steward Martin from solicitor-client relationship so that members of the Legislature can meet with Mr. Steward Martin, can ask Mr. Steward Martin certain questions so that we will know then, Mr. Chairman, we will know clearly the answers to the questions that we have been posing for the past five weeks.

What's the First Minister afraid of? What's the Minister responsible for Hydro afraid of? That's the question now, that's the question. If the First Minister really wants to demonstrate that concern about anything, then simply undertake one of those three proposals that I've outlined to him.

MR. CHAIRMAN: The Honourable First Minister.

MR. LYON: Mr. Chairman, I can answer very briefly and at the risk again of being repetitious, I can say I have no question whatsoever as to the integrity of the Minister of Mines and Energy. I have no question whatsoever that he ever knowingly or wilfully misled this Chamber or this Committee in any way, shape or form; that his conduct of his portfolio with respect to Hydro, even with respect to this issue that even the Member for St. Johns admits is not much of an issue, I think has been in accordance with the best traditions of the House and I have nothing further to say about the matter.

MR. CHAIRMAN: The Member for St. Johns.

MR. CHERNIACK: Mr. Chairman, it's clear that the Minister will not take any step to request Hydro to release Mr. Martin. It is also clear now that this Minister is not prepared to request Manitoba Hydro to accept the invitation by Aikins and Company to obtain further information which is on record which they requested. I assume that that is what this Minister is saying by his failure to respond specifically to the questions that were asked of him.

MR. LYON: My honourable friend for St. Johns, as is his wont, may make whatever accurate or inaccurate assumptions he wishes. My words I think are clear to normal people.

MR. CHERNIACK: Mr. Chairman, I'm glad to note that, unlike the rumours in the hallway, that the

Minister is well and is his true self in every sense of the word with his courtesy, his parliamentary proper procedures in the House. So I'm glad to know that the rumours are untrue.

Coming back to what I said, Mr. Chairman, of course whatever I assume I do, I make the assumption. I don't ask the Minister to make the assumption for me. He made the statement, and what is more important, he failed to respond to the questions asked. I don't wonder at it because he is now in a spot. He has to show all the credibility on behalf of his Minister and he dare not go beyond what his Minister said and that is a refusal to deal with issues that are still left hanging.

Now he also quoted me as saying that this in itself is not important. I wish he would watch his own interpretation because what I said, it is important only to the extent that it goes to the credibility of the Board of Directors of Manitoba Hydro, its officers and his Minister for Mines, and to that extent it's very important.

Now since he is refusing to respond I would ask him if he would at least have the integrity to justify the statements he made about trumped up charges, and I will not press the word fabrication because he did withdraw it. What trumped up charges does the Minister want to justify?

MR. LYON: Mr. Chairman, the word trumped up is one piece of the English language that I'm sure the honourable member is quite familiar with. I listened with some interest and some amusement to the Member for Brandon East trying to trump up a case just about an hour ago that everything was doom and gloom in Manitoba. I didn't take any particular offence at that all. My honourable friends opposite, in Opposition, sometimes try to trump up or to blow up or to exaggerate cases beyond their actual importance. Members of the government have been known from time to time to exaggerate or to trump up certain issues or failures of the Opposition from time to time. If my honourable friend is so thin-skinned about that word why I suggest that he'll just have to wander abroad with his thin skin and look for solace elsewhere. He won't find it from me.

MR. CHERNIACK: Now, Mr. Chairman, we find that the Minister is concerned about my skin. Let me tell him that in all the years of association with him my skin has hardened considerably as a result of the epithets he throws. So I have no concern about that.

The fact is that he used the word fabrication in the same sentence I believe, if not the same breath, as the word trumped up. That means that the word trumped up is not blown up, it is manufactured, that's what he meant. That's why fabrication and trumped up goes the same way and he hasn't got the courage or the dignity, or much less the courtesy, which I never expect from him, to answer, to respond to the question as to what was trumped up.

Mr. Chairman, I'm ready to move to another point unless my colleagues will . . .

MR. PAWLEY: Mr. Chairman, it's obvious that the First Minister is going to continue the stonewalling that we've been experiencing for the past five, six weeks on this matter. I'm disappointed but not particularly surprised.

I think that a statement must be challenged that the First Minister uttered a few moments ago. The First Minister said that he had no question of the integrity of his Minister, conduct of Hydro; that his answers provide the best traditions of the House. Mr. Chairman, I find that rather strange when we have statements first denying that there was a legal opinion and then later admissions of legal opinion. Mr. Chairman, I'm prepared to stand by that letter, that it's an opinion of legal conclusions, whatever you call it.

Secondly, the denial that there were any minutes that evidenced any opinion being presented by Mr. Steward Martin. It was the Opposition that had to bring to the House — the First Minister was in Thompson that day — that had to bring into the House a copy of the Minutes that had been earlier denied, even existed.

MR. LYON: I'm sure my honourable friend wouldn't want to exaggerate any more than he already has, but my reading of Hansard of that one incident was that there had been an opinion sought, as I recall, from the Member for St. Vital about whether the Minutes reflected any legal opinion. The answer as I recall was that the Minutes did not reflect any legal opinion but the Minutes that were subsequently produced in the House did indicate that there had been a position taken, or words to that effect, by the lawyer in question. But my honourable friend is entitled to his view of that, I don't think that anything terribly much turns on that. If he wants to attack the credibility of one of his colleagues in the House on the basis of that why he has to answer to his own conscience.

MR. PAWLEY: Mr. Chairman, it's pretty weak, some more wiggling on the part of the First Minister — some more wiggling on his part. Because what we are dealing with is a Minute that . . . it's pretty clear — I think any Grade 4, Grade 5 youngster would be able to read that Minute and understand the significance of that Minute. Mr. Wedepohl himself when questioned about the legal opinion is quoted as saying and I know the First Minister . . . that's in the newspaper. Well if the First Minister feels that Mr. Wedepohl's statement isn't accurate then let him call committee. Mr. Wedepohl himself indicated that he had no doubt it was a legal opinion that had been presented. That's the way he interpreted it.

MR. LYON: Mr. Wedepohl also wrote a letter to the paper which completely, it seemed to me, expunged any semblance of a case that my honourable friend, the Leader of the Opposition has. It's noteworthy of course that my honourable friend never quotes from that letter. As indeed he misquoted the other day when he had an alleged matter of privilege in the House, he failed to quote the full statement that had been made by the Minister of Energy. But we're used to those tactics and so I'm trying to be kind to my honourable friend to save him.

MR. PAWLEY: On a point of order, I hadn't given up my place. The First Minister seemed to assume that I had.

Mr. Chairman, his Minister denied destruction of reports by suggesting that he had only edited an early draft; it was under pressure, Mr. Chairman.

MR. LYON: I said no such thing and that's what leading this . . . because he did no such thing.

MR. PAWLEY: Mr. Chairman, what is required if the First Minister continues to challenge these facts is again let's get to the truth of the matter, let's get to the truth.

MR. LYON: The record speaks for itself.

MR. PAWLEY: I would prefer not to be hassling with the First Minister because I don't think the First Minister knows too much about this matter. I would sooner see those that are quite familiar with this matter being questioned and giving responses. If the First Minister is so all convinced that in fact we are dealing with, and he again insinuated as much, trumped up charges, then he ought not to be hesitant in a committee in bringing forth Steward Martin and getting to the bottom of this. But it appears, Mr. Chairman, and this all I'm going to say because there's no point, because with the First Minister he's obviously intent in continuing this conspiracy of silence, stonewalling that has taken place for the last six weeks and it appears if we talk from now to Christmas Day we're not going to get to the truth of this matter because the First Minister and the Minister for Hydro are going to see to it we don't get to the truth of the matter. They're not prepared to open this matter up. They're not prepared to release Mr. Steward Martin from solicitor-client relationship. They're not prepared even to obtain answers to the questions that were posed by Manitoba Hydro which the Member for St. Johns referred to, which were not answered.

Mr. Chairman, again it appears the First Minister hasn't read the two letters I've referred to because it's not my opinion. Aikins, MacAulay say because . . . again I read to the First Minister so he has no doubt that it's not only my opinion: "Mr. Martin has personal knowledge of the matters raised in your letter, such as discussions held. He's presently out of the country and is expected back on April 28. We suggest that if you require further information you contact him directly". So it's not just my opinion. Aikins, MacAulay themselves conclude that they haven't answered the questions posed by Manitoba Hydro. So there's a very simple course of action. If the First Minister is really so intent and desirous of ensuring that the full facts are made available and demonstrate that the Opposition are making unfounded allegations, there's a very easy way out for him, a very easy way out. We've offered those suggestions to the First Minister. Obviously it's falling on deaf ears. I expected it would, I'm not surprised. I had hoped that with one final effort with the First Minister directly during his Estimates of Executive Council we would obtain some information. But, Mr. Chairman, I think I was being quite naive because obviously the First Minister is just as intent as the Deputy Premier is to continue this silence and evasion and stonewalling and preventing the release of information that will lead to truthful conclusions on this matter.

MR. DEPUTY CHAIRMAN: The Member for St. Vital.

MR. WALDING: Thank you, Mr. Chairman. On this latter point of the letter from the legal company to

Hydro and what has happened to it, I'm going to raise with the First Minister the propriety of the position and the government's actions in this regard and the responsibility of the government.

It's been clearly suggested by Aikins, MacAulay that if Hydro wants the full facts of the matter, wants its other questions answered, then it should contact Mr. Martin directly. A number of questions to this regard have been addressed to the Minister involved, the political person, that is the Member for Riel, who has failed to direct Hydro to do exactly that thing. Neither has he taken the responsibility of forbidding them to do that particular thing. What has happened in fact, Mr. Chairman, is that the Minister directly and the government because it's a part of the same group, has in fact abdicated its political responsibility in this regard and has sloughed off that position to Manitoba Hydro and its Board of Directors.

Mr. Chairman, I recall it was the Conservatives when they were in Opposition had a lot to say about the politicization of Manitoba Hydro and how bad this was and how the government should be in a position to take responsibility for those actions of the government.

But what is happening in this particular regard? The Minister is not saying to Hydro, yes, you do this thing, or no, you don't do it, it's leaving Hydro to make that particular position and it is in fact intentionally dragging Manitoba Hydro into the political arena. They won't even go as far as to permit Hydro to come back to the Committee and answer those questions directly. The Minister, instead of taking the responsibility for the position that he has, is simply putting it over onto Hydro. I want to suggest to the First Minister, Mr. Chairman, that this is not a very courageous position for a government to take. I don't want to call it the opposite to that — members may take that if they wish — all I will say is that the First Minister, the Minister for Hydro is not accepting and exercising the responsibility that the public looks to the government to do; to acknowledge freely that it is the government that has the responsibility for Hydro and it's the government that takes the political positions and the political decisions.

The Minister might want to deny that this is a political problem. Well if that's the view that he has and if that's the view of the First Minister then I would suggest they both step aside and let others replace them who have a better understanding of the politics of Hydro and under this particular situation. Maybe the First Minister feels comfortable in this position. I somehow doubt it.

I have watched the faces of other members on the government side when these matters have been debated and I have seen considerable concern and agitation on the faces of members opposite when this particular matter has been debated. I don't want to ask the First Minister what happened when this matter was debated in Cabinet or anybody else, what happened when it was debated in caucus — I don't expect them to tell me — but I can suspect what happened, Mr. Chairman.

I expect the matter was raised and the Minister responsible for Hydro gave his explanation. I also suspect that there were other members of the Treasury Bench who said, why have you put yourself into this silly position? It's a politically untenable

position to be in. Why don't you simply come clean or why didn't you become clean? Those people who would say that, I'm suggesting to the First Minister, have a much better political understanding of the situation than the Minister reporting for Manitoba Hydro.

I further suspect, Mr. Chairman, that the First Minister of this province felt an obligation to back up his colleague and his Deputy First Minister by laying down the law to the government members that they have got to back up the Minister all the way and that however uncomfortable they felt about it, however agitated they felt during the debate and however right and logical were the Opposition's claim that the matter be referred to Committee, that notwithstanding any of that, that the government was going to stand up to a man and vote down the particular motions that were coming from the Opposition.

So I have to question with the First Minister the competence and the conduct of his Minister reporting for Hydro. Perhaps the Minister is getting tired after bearing such a heavy load for only three-and-a-half years now. I note he's already been relieved of one responsibility and he's looking a little bit tired in the House. I don't know whether that's just because of Hydrogate and the silly position that the Minister struck for himself at the beginning or whether it's the effect of some three-and-a-half years.

I want to suggest to the First Minister that he has a Minister in the Deputy Minister whose competence can now be called into question and that the First Minister ought to consider that very clearly, whether it's in the best interests of the province and of his own government to maintain that Minister in office or whether he wouldn't be better to replace that Minister with someone who has a better grasp of the political realities of the situation.

MR. CHAIRMAN: 1.(a) — pass — the Honourable Attorney-General.

MR. MERCIER: Thank you, Mr. Chairman. I would say to the Member for St. Vital that indeed the Minister of Energy and Mines may be tired. He has been working extremely hard and that is only because, Mr. Chairman, he has so many large projects under way which are going to benefit the Province of Manitoba for many many many years to come and that really is what concerns members opposite because they can see so many good things happening to Manitoba that they want to redirect and attempt to refocus attention on some very very minor matter, Mr. Chairman.

MR. CHAIRMAN: One speaker at a time. The Honourable Attorney-General.

MR. MERCIER: Mr. Chairman, we've seen the questions and the attitudes displayed by members opposite in the House. They are extremely worried that indeed the Minister of Mines and Energy is going to bring the Alcan Project to Manitoba, the Western Grid, the work on Limestone and so many other works to Manitoba, they are very concerned and this is their strategy apparently, Mr. Chairman, to try to redirect the attention of Manitobans to a very minor matter. They complain about being

accused of trumped-up charges and the Member for St. Vital attempts to raise in his comments the discussions he thinks may have taken place in caucus, in Cabinet, Mr. Chairman, and talk about trumped-up charges.

Mr. Chairman, I think it might be appropriate inasmuch as we're talking about the salary of the First Minister for some members of this Committee and to speak about the role the Premier has played on the national scale. By virtue of the Provincial Premiers' Conference being held in Manitoba last August, the Premier almost has been forced to take a leading role as the Chairman of the Provincial Premiers and members will recall the conference that was held here last summer, at which time the Premiers took a position not only with respect to the Constitution but with respect to the economy and they asked the Prime Minister of this country last August to call a meeting of the Premiers and/or Finance Ministers to deal with the economy.

Have we heard one degree, one utterance of support for that from members opposite? Not one ounce of support, Mr. Chairman, from them on that issue. You would think they would have some concerns in that regard and would set aside any partisan differences they might have and support the government and the Premier on that particular issue. I would think if they wanted to act in the interests of Manitobans that they would support the Premier since last August in calling for that Conference of Premiers on the economy.

Mr. Chairman, in Saskatchewan, the Progressive Conservative Opposition have supported the NDP government in its position on the Constitution, in its constitutional resolution. They have provided, they have supported, they've set aside any partisan interest in Saskatchewan, Mr. Chairman, and they're acting in the best interests of the people of Saskatchewan but not this Opposition, Mr. Chairman, and not this Leader of the Opposition. Even four members of Parliament of the NDP party in Saskatchewan have supported the provincial Premier, but not the Manitoba members of the New Democratic party.

Mr. Chairman, it's noteworthy then at the September First Ministers' Conference, our Premier at that time called for a resumption of negotiations on the Constitution and that was not heeded by the Prime Minister. We saw the leaked document from the Privy Council Office; the unilateral Federal Constitutional Process was started last October. The Premier is not acting on his time schedule, Mr. Chairman, because we have said for a long time that there are more important and other matters that have to be dealt with by the governments in Canada. The Opposition criticize him for the time he has spent on that issue. He has no other choice, Mr. Chairman, and if they would act in the interest of Manitobans and offer him some support, that would be very helpful, it might lessen the burden of the task he has before him.

As Chairman of the eight provinces it's well to note that eight provinces including Quebec signed an accord for a patriation and amending plan in Canada, Mr. Chairman, including Quebec. — (Interjection)— The Minister of Natural Resources is helping me and he is quite right, Mr. Chairman, that's more than the Prime Minister ever obtained. If

you go back in the history of constitutional discussions it was always Quebec who dropped out at the last moment and Quebec didn't need to sign that accord, they were winning that election. They didn't need to sign the accord to win their provincial election in Quebec, Mr. Chairman. But under this First Minister, the Chairman of the eight provinces, agreement was obtained with seven other provinces on a plan that would end a very divisive constitutional proposal in Canada and if members opposite think it's not divisive, Mr. Chairman, I ask them to step back and look at the state of Federal-Provincial relationships in this country.

Look at what's going on in the energy field and the result of the federal policy and the effect that that is having on this country. We read in the paper every day reports supposedly from usually reliable sources about plans by the Federal government with respect to Federal-Provincial financing arrangements and concerns expressed by educators, by health people throughout Manitoba about the effects that the reports of the proposed federal action might have on services in Manitoba and right across this country.

We look, Mr. Chairman, at the RCMP situation, a completely unnecessary and unjustified unilateral federal proposal for the paying for the cost of RCMP services. Now all of these matters point to what must be the lowest state of federal-provincial relationships that has ever existed in this country, all the result, in the main, from the unilateral federal Constitution proposal. The eight provinces with the Premier as Chairman have come up with a constitutional accord which could end that divisiveness, Mr. Chairman.

I suggest to you, Mr. Chairman, and the members opposite, they ought to think very seriously about supporting that constitutional accord because that is one method, and the only method so far it would appear, that can resolve the differences that have resulted from the Prime Minister's unilateral action. The Premiers since last August have asked for meetings on the economy; those have been ignored. Surely that should be the area of highest priority for the Federal Government.

So, Mr. Chairman, in the face of this proposal I suggest to you, Mr. Chairman, that the Premier has carried out a very difficult burden in the last year. It's not over without the support of, in effect, the Official Opposition in this Assembly. They would be well advised, Mr. Chairman, I would think, as I've said, to reassess their position, look seriously at the state of federal-provincial negotiations, look at the manner in which the Conservative party has acted in Saskatchewan, as its Official Opposition, where it supported —(Interjection)— The Leader of the Opposition says it's a good party. That good party he refers to, Mr. Chairman, is taking the very same position that our government is taking. Mr. Chairman, it's time for the Leader of the Official Opposition and the members of his party to re-examine their whole position with respect to federal-provincial relations.

MR. CHAIRMAN: The Member for St. Boniface.

MR. DESJARDINS: Mr. Chairman, this is a bit much having to listen to the Attorney-General. I always felt he didn't really understand the role of government, the role of Opposition, and he made it quite clear today that for the good of Manitoba the Opposition

has to agree with the government any time the government decide on . . . Oh, on this issue, the Attorney-General of a province will determine at what issue we'll have to be unanimous.

Well, Mr. Chairman, I've got news for him. That might have been possible but they blew it and the Attorney-General is the guilty one. Mr. Chairman, we asked to discuss this question of the Constitution, the amendments, we asked over a year ago to set up a committee; we asked to be invited to some of these meetings as observers; we asked that this be done before the referendum in Quebec and this was never done. The First Minister and this government announced quite clearly that position on this; they said they would never change; they would go down fighting — and this is their right on this. Then we set up a committee, after the fact, after the government had gone to court, we set up a committee to hear briefs. This committee met; the members of the government didn't even have the decency of, after listening to the briefs, of saying, "Let's get together and discuss that"; it came here with their own resolution, let it railroad through with the majority they had, as is their right. Now on the 12th of May, when everything is passe, when there is no point to any resolution in the House anymore, we are asked to support a resolution that was never discussed with us, that was presented formally to us yesterday. If the Attorney-General thinks this is right he's got another guess coming.

That could have been discussed at the time. We wanted to participate. We might have been able to have something that could have been supported by all the members of this House but this was not possible. It was after the fact, there was a resolution and we're asked now to bail him out because it is passe and it doesn't mean a darned thing, Mr. Chairman. So I think the Attorney-General, before making these lovely speeches about divisiveness and about fighting together and so on, should see what they have done and the position they place themselves in.

I took a few notes. I might say, Mr. Chairman, I had no intention of speaking at all but that was a little much, it's rather unusual for the Attorney-General to have to come to the rescue of the First Minister. Now he talked about a formula, the package of the Federal Government is divisive. Well, that's in his mind, maybe it is. I say the position of the provinces is as much if not more divisive. It is the same thing; let's make no bones about it; it is an out-and-out confrontation of the two sides. It's not all the Liberals together or the Conservatives or the NDP, they're split right down the middle, federally and mostly every province and that is the situation.

Now the big thing is this Charter of Rights; that is divisive. If the Minister wants to take the trouble of reading today's paper he'll see there's about 15 percent that are against that and 62 percent that are in favour. So how divisive is that? We can talk about the unilateral position of the Federal Government. It was the same thing with the Provincial Government. Unilateral means one side only. As I say, we were presented with a policy resolution; we were given a chance to speak on this yesterday; we were told that the First Minister — he might have good reason, I'm not debating that — but he won't even be there; made a speech and then he'll have to go

unfortunately. This is the situation that you talk about other people being unilateral. You've got close to half of the population of Manitoba and you think just because you take this stance you can go ahead and decide for all Manitoba, you're not even supposed to discuss it in the House. What is the point? Then you ask for unanimous support for this kind of resolution. Aren't you going a little too far? Do you think that's fair? —(Interjection)— No, you don't think it's fair, neither do I.

Mr. Chairman, this is the situation we have now. This is the very situation, we're talking about unilateral; we're talking about a give and take; we're talking about the arrogance; it's exactly the same thing. The First Minister of this province got up and said, "This is what I want" and he hasn't gone back one iota. He's supported the western provinces. I think he's being used by the other provinces. What did he get in return? He got his opposition to the enshrined Charter of Rights which most, if not all, of the First Ministers of these provinces said they could negotiate that, it wasn't the main thing. But for their support, because the First Minister of this province wanted it so badly, this is what they got. There has been no going back.

I don't doubt the sincerity of the First Minister. I'm not like him; I don't doubt the sincerity of people on the opposite side. If it's a question of conscience, if he's sure he's doing the right thing he should fight and say, I'll go down swinging. But then don't accuse other people of doing the same thing and say they don't want to move. You know this big show of unity of the eight provinces is a joke. For months and months they couldn't get together and at the end they were so embarrassed they had to come on with something. They didn't really want the Prime Minister of this country to meet because they didn't want to negotiate it. They wanted a surrender, no-condition surrender. They say if you don't do that then it's divisive. It is unfortunate because the First Minister of this province was placed in a position where he could have led, he could have done something for this country but you've got to give and take.

I daresay, Mr. Chairman, there's practically a position for every Canadian on this issue. It's not cut and dried, there's a lot of things I don't like on this thing. It would be so nice if you had all the brains of this country sitting around a table discussing it and try to bring something up but it doesn't work like that. There's different interests and you negotiate and you bargain. You might bargain on the golf course; you might bargain in the men's room if that's where those things are done. Unfortunately you've had to give. But Manitoba and other provinces, had they been able to say, all right, we'll negotiate everything including the Charter of Rights, they might have had a lot more. They could have insisted because the First Minister of this land, the Prime Minister would have had to give like he gave to Ontario.

There's a lot of things, for instance, that the language rights should be guaranteed in other provinces but not Ontario. This is ridiculous. There's a lot of things I don't like but I can understand the situation; if it's not brought to a head we'll have nothing at all. I think we had a chance to gain something for the west. Other things that I don't like that they're not going to touch, the Senate. That was

a chance of bringing the Senate in a position, with some reform, of having better representation for the west; that wasn't done. I think there should be less opting out also. I want a strong central government. It's fine to say, "Oh, we've got Lougheed on our side". Well of course, and Saskatchewan also. They've got something and they're trying to protect it in a selfish way; they don't want to share. But the First Minister should represent Manitoba and Manitoba is a have-not province and we need a strong central government.

We need a position where people will not opt out of everything and then you will not have any national programs. We need these things. I think that could have been negotiated; I'm sure we could have obtained more. There's rumours that Saskatchewan had a chance to get something, that there was a letter all ready, you know, because there's bargaining. We're not so naive as to think these things are not done by the back door; that's exactly what is going on. All right, we create a Frankenstein here in the west. There's been so much anti-Trudeau that people have to take polls to see if they support a position where they're going to go. That's exactly what Saskatchewan has done and I don't admire them, I don't give a damn what colour of government they have; that's exactly what was done.

So I don't think we need the Attorney-General to lecture us about the role of the Opposition and that we should go on our bended knees and say: Yes, we'll go along with you. Then you bring something without any discussion at all, not even have the decency of pretending to discuss it after listening to the briefs in this House, because that's exactly what happened. I've never heard of any committee that listened to people bring briefs and then, without getting back together to discuss this and to see if you've arrived at a consensus, that one side of the government come in and say this was the position, this was the report, with a resolution. This is the way we arrived at what we have in front of us.

I think the Minister is on shaky ground when he tries to lecture us. He talked about the RCMP, for instance. You know, you're going to hit the Federal Government because they want to cut down. The First Minister himself said that he approved of the Crosbie Budget about a year ago, just before the federal election, but it didn't go far enough. How in the hell do you think they're going to save money if they don't cut anything? It's the same, don't cut me, cut anybody else; tighten the belt, but not with us. That's exactly what happened with the RCMP. If they're going to cut down, they're going to cut down on certain services and the RCMP is not paid; two of the largest provinces do not have RCMP, they have their own provincial police.

I'm not saying that, as a province, we shouldn't fight for that, we shouldn't try to get it. But you can't say, on one hand, cut down, you've got a deficit but then keep on paying. That's exactly what happens in all sections of the country, in all provinces of this country and therefore nobody wants to give, everybody is complaining. He's talked about the energy policy of this government, this is another area. Now maybe we disagree on this but I happen to think the natural resources of this country should belong to all Canadians. I'm not saying that there should be a share that goes to a province but I think

it should be split and I don't want to be ripped off by any big company outside of Canada.

You've talked about PetroCan, what you're doing now. You're putting a tax on the tax, it's a tax on tax and your criticizing the Federal government for doing it. —(Interjection)— Yes, it's his word. I had no intention of speaking. I was perfectly happy but there's a damn limit to what you have to listen to in this Committee and I can assure you that it's not going to finish today, unfortunately. We were ready to go along today but not after that. We can't just sit down and take that, just a damn rooky at that who's going to come and lecture us and tell us the role of the Opposition. —(Interjection)— You're worse than the rooky, you're a silent rooky, so shut up. So, Mr. Chairman . . .

MR. CHAIRMAN: One speaker at a time. Let's bring some order to this Committee.

The Member for St. Boniface.

MR. DESJARDINS: Mr. Chairman, if the Attorney-General wants to go on with this debate, fine. I'll be only too glad to accommodate him.

MR. CHAIRMAN: The Member for St. Johns.

MR. CHERNIACK: Thank you, Mr. Chairman. I must say that it's amusing to see the Attorney-General rise to move from a red lion to a red herring which he did in order to take the focus off the First Minister and what I think is his embarrassment in having to be accountable for his Ministers. I would say to the Honourable Attorney-General, that this tribute which he paid to his leader is probably one which ought to be done by him, maybe on this occasion — I don't fault him from doing it — but the fact that he felt it necessary so to do should not let us be sidetracked into discussing not only this Minister, but his responsibility.

The Attorney-General referred to the lowest state ever in Federal-Provincial relations, I think he's right. I think when it comes to discussing the economy it is pretty difficult to discuss it in the climate created by the leaders of Canada and of Manitoba ably assisted by their colleagues such as the Attorney-General and when you find two people in the persons of the Prime Minister of Canada and the First Minister of Manitoba, who are stubborn and intransigent on their positions on this issue, neither of whom I believe made any effort to meet with each other in order to attempt to arrive at a conciliatory or at least a compromising position, then you do have the lowest state of Federal-Provincial relations because confrontation is good up to a certain extent and then you have to start talking.

The fact is, we find the Government of Manitoba apparently is incapable of talking to our neighbor to the east, the Government of Ontario, on matters of economics, on matters of equalization because I've not heard of anything like that. So let us worry about the economy and we are the ones who worry about the economy. It so happens that the First Minister who may have said let's deal with the economy, certainly has tied himself up so much on the entire question of his focus, his complete attention to this constitutional resolution, I believe he's been neglecting his job as the head of the Cabinet of Manitoba and that's why we find there's problems

with his Ministers who aren't doing their jobs, there's a problem with his First Minister who is not monitoring whether or not they are doing their jobs and when he has a Deputy Premier who has created some of the real problems, then how can he expect the Deputy Premier to look after his own affairs?

I say the First Minister has paid so much attention to the national scene as the Attorney-General says, that he has neglected the Manitoba scene and particularly proved incapable of having his Provincial government work in the direction of dealing with the problems of the economy of Manitoba to seek — at a time when we're able to see that Manitoba which was never to my recollection better than the average in Canada — to deteriorate in its position in relation to Canada. I'm not talking about comparisons with previous years or previous months; I'm talking about the role of Manitoba within Canada deteriorating on the economic basis; that it is the biggest problem the government of Manitoba has and that will be shown if we'd only get to an election, which I think on our side we'd find something that's devoutly to be wished.

In my mind, the problem that the Premier of Manitoba felt it necessary to be the leader of the eight provinces — and I accept the statement of the Attorney-General that he was a leader — and he's given so much time to that that he has not led his team in Manitoba to deal with the real problems in Manitoba; that is the criticism that has been launched and has shown up on this particular Hydro matter.

Imagine the lack of statesmanship on the part of his Minister of Hydro, the lack of statesmanship on the part of the First Minister, to hide behind the Board of Hydro to say, what, we go to the Board of Hydro and suggest to them to do something in relation to their lawyer? We, we go to Hydro and suggest they do something about getting clarification to questions that they asked and didn't get answers to? We would not do a thing like that and yet they are the people who said and the Minister for Hydro said, "I requested them to delete that reference to Bateman". That's typical.

It's also understandable when you know the Minister for Hydro is the man who fired Bateman out of hand, fired him on a cross-examination which produced certain answers, which were no different than answers that can be shown or given by Wedepohl — I think also, yes of course, by Mr. Kristjanson who admitted quickly that there were three little words he shouldn't have used which were misleading, absolutely misleading — and the Minister for Hydro kept silent on that. So I can well understand why it is that he asked for the deletion of a tribute to Mr. Bateman, of a recognition of Mr. Bateman's service, and that I will not let the First Minister or anybody who is within hearing of my voice, I will not let them forget that the manner used was exactly duplicating the manner used by this First Minister when he fired three Deputy Ministers before he even had the right so to do, before he was sworn in, 48 hours before he was sworn in.

Forty-eight hours before he was sworn in he summoned them to his office here in the Legislature, on very little notice, and then said to them, "you get out" and I assume he gave them notice to be out by Monday noon. He appears by his nodding to

acknowledge that what I said is correct and he would do it again, he said. Of course he would, and I never faulted the First Minister —(Interjection)— the First Minister I do fault him for not sitting and keeping quiet, I fault him for that and I know others feel that I shouldn't do it because on occasion — and on many occasions I interrupt — I don't mind their reprimanding me as well.

So I tell the First Minister, I have never found fault with the right of a Minister or the First Minister to tell a Deputy Minister that his services cannot be continued as a Deputy Minister. I have never faulted that. As a matter of fact when I reflect on eight years of NDP government I'm sorry that we didn't do that on occasion. But the manner in which it was done is an inexcusable manner of human relations. The manner in which it was done was demeaning of the person who did it and of the government he represents so I will not forget. Obviously the First Minister is not only satisfied but he appears to be proud of the way he handled it and somebody said something about Steward Martin. Would somebody own up? —(Interjection)

The Attorney-General asks whether I will tell him what Steward Martin recommended for the school board. Now he's moving from a red herring to a school board herring or some trumped-up means by which he would like to distract me from attacking his First Minister. I don't know why the Attorney-General feels it necessary to be the guardian on behalf of the First Minister, who is usually capable of answering for himself and usually answers in such a way that makes it very clear what he thinks about the people who answer.

So, Mr. Chairman, the fact is that Steward Martin gave a recommendation to Hydro in a draft letter which he wanted to send, which I think was somewhat emotional. That's why when it was pointed out, all that the Minister had to do is to say, I don't think that letter should have gone, and the matter would have been resolved but he didn't do that; he created a whole problem for himself.

He got himself entangled in a web which indicates — I suggested lack of integrity — I certainly suggest lack of competence. The First Minister, I suggest, is tied and he is now unable to extricate his Minister for Hydro nor himself from having become involved in a very foolish situation, all of it because of the arrogance of the people involved assuming that by the way they handle matters they can brush them aside and hope that nobody will notice it. Now they find that on this issue which the Minister would like to make very light of . . .

MR. CHAIRMAN: I have to ask for some instruction from the Committee. I believe it's in order to move back to the House in time for rising at 5:30 as the Mace is still in, unless there is mutual agreement to carry on beyond. I don't know the feeling of the Committee.

The Honourable First Minister.

MR. LYON: Mr. Chairman, I would have to indicate that there is some serious doubt as to whether I can be in the Committee again and if honourable members wanted to finish questioning me I would appreciate it if they could do it this afternoon. That doesn't mean the item can continue but . . .

MR. CHAIRMAN: The Leader of the Opposition.

MR. PAWLEY: It was understood that indeed the Premier might not be able to be in attendance subsequent today and we would be prepared to accept the Deputy Premier in place of the Premier tomorrow to continue with the Estimates.

MR. LYON: Well, I will designate him to take my place.

MR. CHAIRMAN: The Member for St. Johns.

MR. CHERNIACK: Mr. Chairman, I was planning to ask the First Minister to tell us about two matters which I raised with him months back and which he said he would into and I was going to ask him about that. I don't know whether he would respond to my questions but I'll tell him now what they were and he can then decide whether he wants to make his substitute aware of what his response would have been.

They both relate to Orders for Return. One of the Minister of Agriculture, one of his own. The last time I raised it I asked the Minister if he would look into it. He said I will look into it. I then asked him if he would inform us about it and all he said was I'll look into it. So in his absence I do intend to raise both matters and I hope there will be a response to them.

MR. LYON: I can indicate to my honourable friend that the order in my name, according to the information I've just had, should be capable of being tabled within a week or ten days. That's the voluminous one on boards and commissions. The one on Agriculture I'm also informed has some administrative problem with it but I'm assured they're working on it trying to get it in and we'll try to accommodate, not only my honourable friend by the House with it.

MR. CHERNIACK: Mr. Chairman, this is a good response but I just want to ask the Minister if we expedite matters so well that we're out of the House before the order is ready, can we expect it to be circulated as soon as it's ready?

MR. LYON: My understanding, Mr. Chairman, always is that orders when they're ready can be filed, and customarily are filed, between Sessions with the office of the Clerk of the House.

MR. CHERNIACK: Will be?

MR. LYON: Well that's the rule and we happen to follow the rules.

MR. CHERNIACK: Good.

MR. DEPUTY CHAIRMAN: I move Committee rise. Committee rise.

The Chairman reported upon the Committee's deliberations to Mr. Speaker and requested leave to sit again.

IN SESSION

MR. SPEAKER: The Honourable Member for Virten.

MR. MORRIS MCGREGOR: I move, seconded by the Member for Dauphin, that the Report of Committee be received.

MOTION presented and carried.

MR. SPEAKER: The hour being 5:30, the House is adjourned and stands adjourned until 2 o'clock tomorrow. (Thursday)