



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

---

**DEBATES**  
and  
**PROCEEDINGS**

---

**31-32 Elizabeth II**

---

*Published under the  
authority of  
The Honourable D. James Walding  
Speaker*



MG-8048

**VOL. XXXI No. 83B - 8:00 p.m., TUESDAY, 7 JUNE, 1983.**

**MANITOBA LEGISLATIVE ASSEMBLY**  
**Thirty-Second Legislature**

**Members, Constituencies and Political Affiliation**

Name	Constituency	Party
<b>ADAM, Hon. A.R. (Pete)</b>	Ste. Rose	NDP
<b>ANSTETT, Andy</b>	Springfield	NDP
<b>ASHTON, Steve</b>	Thompson	NDP
<b>BANMAN, Robert (Bob)</b>	La Verendrye	PC
<b>BLAKE, David R. (Dave)</b>	Minnedosa	PC
<b>BROWN, Arnold</b>	Rhineland	PC
<b>BUCKLASCHUK, Hon. John M.</b>	Gimli	NDP
<b>CARROLL, Q.C., Henry N.</b>	Brandon West	IND
<b>CORRIN, Brian</b>	Ellice	NDP
<b>COWAN, Hon. Jay</b>	Churchill	NDP
<b>DESJARDINS, Hon. Laurent</b>	St. Boniface	NDP
<b>DODICK, Doreen</b>	Riel	NDP
<b>DOERN, Russell</b>	Elmwood	NDP
<b>DOLIN, Hon. Mary Beth</b>	Kildonan	NDP
<b>DOWNEY, James E.</b>	Arthur	PC
<b>DRIEDGER, Albert</b>	Emerson	PC
<b>ENNS, Harry</b>	Lakeside	PC
<b>EVANS, Hon. Leonard S.</b>	Brandon East	NDP
<b>EYLER, Phil</b>	River East	NDP
<b>FILMON, Gary</b>	Tuxedo	PC
<b>FOX, Peter</b>	Concordia	NDP
<b>GOURLAY, D.M. (Doug)</b>	Swan River	PC
<b>GRAHAM, Harry</b>	Virten	PC
<b>HAMMOND, Gerrie</b>	Kirkfield Park	PC
<b>HARAPIAK, Harry M.</b>	The Pas	NDP
<b>HARPER, Elijah</b>	Rupertsland	NDP
<b>HEMPHILL, Hon. Maureen</b>	Logan	NDP
<b>HYDE, Lloyd</b>	Portage la Prairie	PC
<b>JOHNSTON, J. Frank</b>	Sturgeon Creek	PC
<b>KOSTYRA, Hon. Eugene</b>	Seven Oaks	NDP
<b>KOVNATS, Abe</b>	Niakwa	PC
<b>LECUYER, Gérard</b>	Radisson	NDP
<b>LYON, Q.C., Hon. Sterling</b>	Charleswood	PC
<b>MACKLING, Q.C., Hon. Al</b>	St. James	NDP
<b>MALINOWSKI, Donald M.</b>	St. Johns	NDP
<b>MANNES, Clayton</b>	Morris	PC
<b>McKENZIE, J. Wally</b>	Roblin-Russell	PC
<b>MERCIER, Q.C., G.W.J. (Gerry)</b>	St. Norbert	PC
<b>NORDMAN, Rurik (Ric)</b>	Assiniboia	PC
<b>OLESON, Charlotte</b>	Gladstone	PC
<b>ORCHARD, Donald</b>	Pembina	PC
<b>PAWLEY, Q.C., Hon. Howard R.</b>	Selkirk	NDP
<b>PARASIUK, Hon. Wilson</b>	Transcona	NDP
<b>PENNER, Q.C., Hon. Roland</b>	Fort Rouge	NDP
<b>PHILLIPS, Myrna A.</b>	Wolseley	NDP
<b>PLOHMAN, Hon. John</b>	Dauphin	NDP
<b>RANSOM, A. Brian</b>	Turtle Mountain	PC
<b>SANTOS, Conrad</b>	Burrows	NDP
<b>SCHROEDER, Hon. Vic</b>	Rossmere	NDP
<b>SCOTT, Don</b>	Inkster	NDP
<b>SHERMAN, L.R. (Bud)</b>	Fort Garry	PC
<b>SMITH, Hon. Muriel</b>	Osborne	NDP
<b>STEEN, Warren</b>	River Heights	PC
<b>STORIE, Hon. Jerry T.</b>	Flin Flon	NDP
<b>URUSKI, Hon. Bill</b>	Interlake	NDP
<b>USKIW, Hon. Samuel</b>	Lac du Bonnet	NDP
<b>WALDING, Hon. D. James</b>	St. Vital	NDP

# LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, 7 June, 1983.

Time — 8:00 p.m.

## COMMITTEE OF SUPPLY

### SUPPLY - EXECUTIVE COUNCIL

**MR. CHAIRMAN, P. EYLER:** Committee come to order. We are considering the Estimates of the Executive Council, Item 1.(a) - the Honourable Premier.

**HON. H. PAWLEY:** I was dealing with a number of areas pertaining to economic development at the 4:30 break. I don't intend to belabour the various points but I have a number of further areas I'd like to deal with.

I dealt with the area of small business enterprise development, oil development. Mr. Chairman, as well I would like to just list some of the activities that the Minister responsible for Crown resources has been undertaking and working upon and particularly dealing with some of the questions that were posed by the Member for Lakeside dealing with negotiations and discussions pertaining to the modernization of the Manfor operation involving discussions with the Federal Government.

There is also of course, Mr. Chairman, the development of the open pit mine at Inco and the large sums of monies that will be involved in that. Honourable members heard that announcement just the other day. — (Interjection) — Well, the Leader of the Opposition refers "announced three years ago" - like everything else that was announced three years ago, the international recession did deter progress. Fortunately, Mr. Chairman, there are signs of some recovery despite the fact that unemployment levels are not expected to decrease over the next period of time.

In addition, Mr. Chairman, I could make reference to the many other kinds of activities including the agricultural industry that is still the backbone of the Manitoba economy and certainly the massive expenditure that was involved on the part of the government in respect to the Beef Stabilization Program, a program that injected millions of dollars into the beef industry and into the rural communities of this province, the program a year ago, Mr. Chairman, that Conservative members across the way, said would not work.

If I recall the estimates, I know that the estimates of involvement were very, very small on part of honourable members across the way. They said the program would be a failure, would not succeed and that scare on the part of honourable members across the way has been punctured. I think all Manitobans would witness the fact that the Beef Stabilization Program has indeed been a successful program and has been a major commitment on the part of this New Democratic Party Government towards agriculture in the Province of Manitoba. — (Interjection) —

Mr. Speaker, some reference to hoodwinking. The farmers of this province don't hoodwink; they're forthright people and I trust that the Leader of the

Opposition is not suggesting we've been hoodwinked by the farmers of this province who indicated they needed stabilization. — (Interjection) —

**MR. CHAIRMAN:** Order please.

**HON. H. PAWLEY:** Mr. Speaker, I'm always very impressed to hear the enthusiastic responses of, indeed, our most admired fan in the province. I know that the Leader of the Opposition admires this government with great gusto and I always appreciate his comments. He can't refrain from his overwhelming enthusiasm for the progressive moves of this province.

Mr. Chairman, the Leader of the Opposition says we won't be back. I would like to just remind the Leader of the Opposition that it's my understanding that only one government in the history of the Province of Manitoba was not re-elected for a second term and that was the administration led by the Leader of the Opposition, the years 1977-1981 and, Mr. Speaker, I don't know, I think whether we're re-elected or not depends upon how we fulfill our commitments to the people of the Province of Manitoba, but I think the Leader of the Opposition need not look in the mirror and assume that which he is seeing in the mirror is the present administration; he more likely is seeing the only administration that was defeated after only one term in office in the history of the Province of Manitoba.

I don't know when honourable members across the way are going to do some analysis as to why they were defeated after only one term in office. I don't ascertain any analysis taking place on the part of honourable members across the way. At least at the federal level, there's been some analysis that has been done; the federal analysis of the Conservative Party, but there's no analysis on the part of honourable members across the way because there is a weakness; there is a basic weakness on the part of honourable members across the way and I shouldn't offer them advice because, Mr. Chairman, they might accept my advice.

**A MEMBER:** Don't give it to them.

**HON. H. PAWLEY:** Well, no, maybe I'd better not. But honourable members across the way will not examine their roles, their activities, their delivery of programs, their philosophy in an objective sense. That is beyond their ability. Honourable members are very subjective insofar as they're not being able to do any wrong; they're not being able to present any programs that might contain weaknesses. Their defeat was nothing to do with their administration; their defeat was supposedly the gullibility of Manitobans and Manitobans are not gullible. Manitobans are very sophisticated. Manitobans examined the two alternative programs that were offered to them in 1981; they examined the record of the two parties. In all humility, Mr. Chairman, I do believe that they chose the correct path. — (Interjection) — Mr. Chairman, oh, humility isn't a bad - I might just mention to the Leader of the Opposition — (Interjection)

— Mr. Chairman, I'm not going to get involved in name-calling because I don't think that serves any useful purpose. I knew when I started these remarks that my advice would not be accepted by honourable members across the way, and to be very very frank and candid in this Chamber, I'm delighted that my advice has not been accepted because honourable members will continue, in fact, to carry the cost and burden of their refusal to see the world of reality about them.

Mr. Chairman, a number of other programs under Economic Development that this government has been involved in that will continue to expand and develop involves the Venture Capital Program, the continued efforts on the part of the Minister responsible for Hydro pertaining to extra provincial Hydro sales, and those Hydro sales will involve efforts to interest our neighbours south of the boundary in North Dakota, Wisconsin and other areas. — (Interjection) — Well, Mr. Chairman, I want to just say to the Leader of the Opposition that we have found certainly the response and the openness of our neighbours in various parts of the United States, particularly Wisconsin and other areas, has been very very liberal, unlike the attitude of honourable members across the way.

Northern development, the completion of the negotiations pertaining to the Northlands Agreement; Northern mining communities, the reorganization of government departments which took place including the creation of the Department of Crown Investments; the combining of Energy and Mines; the program pertaining to Buy Manitoba to revamp the provincial purchasing procedures in order to facilitate access to purchases by Manitoba firms . . .

**A MEMBER:** That's right. That's why they're incorporated.

**HON. H. PAWLEY:** . . . the Interest Rate Relief Program which was a commitment that we made during the 1981 election and, Mr. Chairman, the amount of the numbers that have been assisted businesswise have been in the neighbourhood of 800 and approximately the same number of farmers that applied and received assistance under that program.

We'll be looking at the areas of high technology, and Manitoba certainly will suit it in that respect. The reduction of the Small Business income tax from 11 percent to 10 percent; the increasing of the corporate capital tax exemption which the Conservative Party, the friends of the business community, didn't do during four years they were in office. We increased the capital tax exemption since our election to office. The introduction of Farm Capital Gains Tax Exemption which again is a measure that the Conservative Party, the self-proclaimed friends of the Manitoba farmer, never saw fit to do so far as Manitobans are concerned. — (Interjection) —

Mr. Chairman, I'm afraid I don't know what the Leader of the Opposition - he's yelling something about Cherniack from his chair.

**HON. S. LYON:** We had to take off the capital gains tax which you didn't have the guts to do in the Schreyer Government.

**MR. CHAIRMAN:** Order please. The Leader of the Opposition will have his chance to respond when the

Premier is finished his comments. Order please. You may choose to heckle when you wish, and I may choose to report you to the Speaker when I wish. Order.

The Honourable Premier.

**HON. H. PAWLEY:** Mr. Chairman, in addition the Member for Lakeside made reference to potash, to aluminum, and the then Minister responsible for Crown Resources has certainly indicated that continued efforts are being made in order to interest those in those fields, so that the Leader of the Opposition and members across the way, though this is but one component of a total economic policy, it is not a component that is being ignored by this government by any means.

At the same time, Mr. Chairman, Hydro is an area. I want to remind members that insofar as commitment to Hydro development, it was orderly Hydro development. I have here the speech by the Leader of the Opposition, October 3, 1977, and I'd like to read what the former Premier, the then Leader of the Opposition, October 3, 1977 had to say in regard to his commitment re Manitoba Hydro Development. The words were, "We can and we must replace your speech, Mr. Leader of the Opposition, to Rossmere Rally, notes prepared for a speech by Sterling Lyon. We can and we must replace the . . .

**A MEMBER:** He's got a copy of it. It's already been tabled.

**HON. H. PAWLEY:** It's already been tabled by the . . .

**A MEMBER:** Just sit down and shut up for awhile.

**MR. CHAIRMAN:** Order please.

**HON. H. PAWLEY:** "We can and must replace the waste and political interference said the Leader of the Opposition then to Manitoba Hydro . . ."

**MR. CHAIRMAN:** The Member for Turtle Mountain on a point of order.

**MR. B. RANSOM:** Is the First Minister going to table these notes when he's done, because if he's not, we have no way of knowing what he's quoting from. He is alleging to quote our Leader and I want some proof that that's what he is quoting from and I'd like a commitment that he'll table that document.

**MR. CHAIRMAN:** The Minister of Finance on the same point of order.

**HON. V. SCHROEDER:** Mr. Chairman, that document is a document that has already been tabled in the Legislature. It was tabled . . .

**A MEMBER:** I don't know that.

**HON. V. SCHROEDER:** All you have to do is check the document. I can't give you the exact date. I can tell you, Mr. Chairman, that it was tabled in 1981, during the Estimates of the then Premier, who asked me to table it after I referred to it. If he wishes to examine it, he has a place to go to it to do precisely that.

I wish, Mr. Chairman, that the former Premier would remember all of the things he was saying at that time, so he wouldn't suggest that somehow when we are quoting him, that he didn't say it. He should remember what he said.

**HON. S. LYON:** You're so untrustworthy, you . . .

**MR. CHAIRMAN:** Order please. Order please. If the Leader of the Opposition wishes to speak, he can rise to speak.

The Honourable Premier.

**HON. H. PAWLEY:** The Leader of the Opposition is accusing me of lying.

**HON. S. LYON:** I was talking to your dumb friend . . .

**MR. CHAIRMAN:** Order please. Order. I'm afraid this committee is retreating into pure chaos. If the decorum does not rise to a more suitable level, I will leave the Chair and return tomorrow morning. Otherwise, — (Interjection) — that is the ruling that is final. Anymore of these outbursts, these ill-mannered, intemperate outbursts from the Leader of the Opposition or any other member, that will be end of the committee for tonight.

The Honourable Member for Minnedosa.

**MR. D. BLAKE:** Yes, on the point of order, Mr. Chairman. I just wonder if you're going to rule on it.

**MR. CHAIRMAN:** I would refer members to Citation 327 of Beaubesne, 327(1), "A Minister of the Crown is not at liberty to read or quote from a despatch or other state paper not before the House, unless he is prepared to lay it upon the Table."

I would assume therefore that if the opposition requests this document to be tabled the Premier will table the document.

The Honourable Minister of Finance.

**HON. V. SCHROEDER:** Mr. Chairman, I had indicated that the document has already been tabled.

**A MEMBER:** We don't know whether that's the same one that he is quoting from today.

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

**HON. H. PAWLEY:** Mr. Chairman, I am prepared to table the typewritten portions, but I want to mention to the Leader of the Opposition, and if the Leader of the Opposition will not permit me to continue quoting, fine, there are written notes that were prepared in respect to this and if the Leader of the Opposition is insisting that the entire document including the written notes that are in the back of the . . .

**SOME HONOURABLE MEMBERS:** Oh! Oh!

**HON. H. PAWLEY:** I will table a copy of the speech.

**MR. CHAIRMAN:** Order please.

**HON. H. PAWLEY:** Mr. Chairman, I'm surprised at how very, very touchy honourable members are across the way to this speech. I haven't even had an opportunity to quote. It strikes me, Mr. Chairman, that honourable members must fear that which I am about to quote from this speech, because I haven't even had an opportunity to read from this speech. We'll arrange for a copy of it and I'll continue on with my speech and I'm sure that the Leader of the Opposition will enjoy a little more peace of mind.

**HON. S. LYON:** I don't recall you ever getting me upset over anything.

**HON. H. PAWLEY:** Well, Mr. Chairman, it seems to me it's rather strange the Leader of the Opposition is upset every day in this Chamber.

**HON. S. LYON:** Only at the sight of incompetence.

**HON. H. PAWLEY:** Mr. Speaker, I could also continue to refer to the work that the Minister of Energy and Mines has been doing. He's been doing a great deal of work in respect to various projects, including those projects which the Member for Lakeside made reference to earlier. There's an entire field of enterprise in Manitoba that offers increased opportunity for expansion development. That's the service industry which has consistently provided for a large proportion of the working force in the Province of Manitoba, the agricultural industry.

So, Mr. Speaker, insofar as the total economy of the Province of Manitoba, this province enjoys a diversified resource base including its manufacturing, including its Hydro potential, its mining. What this government is committed to doing is ensuring that the people of this province are given opportunity to ensure through the private sector to the public sector that the resources of this province are developed to the maximum benefit of the residents of the province. That indeed has been the approach that has been followed.

I could carry on with many other items but, Mr. Chairman, I have already been speaking some 35 minutes and I would appreciate the response of honourable members across the way.

**MR. CHAIRMAN:** The Leader of the Opposition.

**HON. S. LYON:** Mr. Chairman, when we adjourned at 5:30, the First Minister was posturing about interjections to his contribution to the debate. I always find it interesting, Mr. Chairman, that socialists try to pull on the cloak of respectability when they get into a legislative or parliamentary Chamber where, in the best of traditions in the mother of Parliament and in Ottawa and here, heckling and interjections of one sort or another are usually considered by those who are fit for the institution to be the spice that helps it along. From time to time, we get those in the House who are not fit for the institution, and they whine. They bellyache, and they fall back and say, oh, isn't that terribly uncultured, or isn't that terribly discourteous that somebody would say something across the House?

Mr. Chairman, let me say that Parliament is Parliament, and Parliament will remain Parliament

notwithstanding the advent into its Chambers, from time to time, of those who do not understand or are incapable of understanding its ways. So if the First Minister would like to go to tea parties where he is not interrupted, let him go to a socialist tea party somewhere. If he wants to come into a man or a woman's Parliament, let him come in and act like a man instead of whining or bellyaching all the time about remarks that are made across the House.

We'll maybe teach him something about Parliament before he's through his term, as he will be in about two years. In the meantime, an absence of whining on his part would add to the civility of the House and would, Mr. Chairman, indicate that the First Minister, after having been exposed to a parliamentary institution for something going on 14 years, has begun to learn something about it. That in itself would be an occasion for which people in the province should put a notch on some wall.

Mr. Chairman, this afternoon the First Minister was asked by the Member for St. Norbert, the Member for Lakeside, to indicate if he would what he has been doing through the instrumentality of the office of the Premier of Manitoba to do something that would bring about economic development, job opportunities for the people of Manitoba in substitution for, if not in revivification of those large projects that were within the grasp of the Government of Manitoba had they acted sensibly, prudently, reasonably when they came into office in November of 1981.

Through all of the diatribe that we have been treated to this afternoon, Charley McCarthy, the Minister of Finance, got up and treated us to the usual distorted figures that he gives, whether in his Budget or in his semi-rhetorical flourishes that he makes either from his seat or his place from time to time. I suppose it's lost on the Honourable Minister of Finance that the reason that we ask for documents to be tabled in this House is because we have learned that the credibility of the front bench is not one that can be taken without corroboration. If the honourable members opposite quote from something, we want to see what they're quoting from. That says much more, Mr. Chairman, about them, than it does about Parliament or about us.

That's regrettable, Mr. Chairman, but I think it goes to the heart of a lot of the problems of this government and a lot of the reason why sometimes untutored pundits and others make comment about the rancour, the debate and so on in this House. When you have a government, Mr. Chairman, in short that can't be trusted, and that's regrettably what we have today, then that leads to a fair amount of rancour, a fair amount of bitterness from time to time. Mr. Chairman, that is the situation.

I've said it before in the House. I say it again. The First Minister smiles. He's not worried about credibility, because he thinks he's getting away with his half-truths, with the misleading statements, with the rhetorical flourishes that are intended to cover up nothing which is precisely what this government has been doing since it came into office in terms of getting meaningful jobs for the people of Manitoba.

Since it came into office, proclaiming to the people of Manitoba one of the most dastardly pieces of misleading information that any government in the

history of this country has ever put before the people of Manitoba, that this government of socialists was going to turn around the harsh economic circumstances from the years prior to 1981.

Well, Mr. Chairman, in the very year, 1981, the harsh economic circumstances - and these figures they haven't fudged yet, although they have fudged through the Department of the Minister of Finance the figures that were in place, and proved by Stats Canada, for '78 and '79 with respect to gross provincial product growth in Manitoba. We know those figures have been fudged by the Minister of Finance. That's why he has no credibility in the House. But he hasn't been able to fudge the other figure, Mr. Chairman, that in 1981, the last calendar year for which our government had responsibility, the increase in the GPP in Manitoba was about 3.5 percent. I may be understating it slightly, it might have been 3.8, I don't have the exact figure in front of me.

Those were the harsh economic circumstances that this band of incompetents were going to turn around when they came into office. They were going to build immediately. Remember that promise, Mr. Chairman? Start immediate construction on Limestone, nothing short of a lie, Mr. Chairman. That was a misleading statement.

**MR. CHAIRMAN:** Order please, order please. The Leader of the Opposition is well aware that is an unparliamentary expression.

**HON. S. LYON:** Mr. Chairman, I'm referring to the election material that was proffered by the honourable members opposite, not to a speech that they made in the House. My God, as soon as they were elected, they stopped talking that kind of nonsense. It's what they printed, and what they expected and what they sucked in the people of Manitoba to believe.

The First Minister a few minutes ago said he couldn't understand why we weren't doing a review of why it was that in 1981 the people of Manitoba turned their backs by three points - a good point for him to remember - three points in the popular vote on our government and favoured his government. Accumulative total of 1,500 votes would have given our party six more seats and he would be sitting over here.

Well, Mr. Chairman, I can tell him tonight, because we didn't have to waste too much time in doing an introspective review. We looked at the NDP election material, first of all, and we saw that it was a tissue of lies. If my honourable friend wants to feel comfortable, if his conscience is at ease with the fact that he and his colleagues were elected to government in Manitoba on a tissue of lies, then let him be satisfied with that, and when his time comes to pass from this veil of tears, he'll find out how satisfied he can be to rest his reputation and the reputation of his government on a tissue of lies. Turn around the economy, indeed. Build Limestone immediately, indeed. Restore the health services of Manitoba, indeed. Restore them from what? From some kind of mythological degradation into which the socialists would have led the people of Manitoba to believe they had fallen in four years of Conservative administration.

Mr. Chairman, my honourable friend wants to do an introspective review as to why he's sitting temporarily

on that side of the House and we're sitting over here, I'll give him a short answer. He may not like it but it's the truth. The short answer is, Mr. Chairman, we told the people of Manitoba the truth, my honourable friends didn't, and they're going to benefit from their dishonesty temporarily while they're in office. But already, Mr. Chairman, as he knows from his polls, as we know from the polls we've been taking, as Brandon-Souris told him in unmistakable terms the other day, not only federally, but provincially as well, he's on his way out.

I agree with the First Minister that the people of Manitoba are sophisticated. I agree with the First Minister that the people of Manitoba - and I'll tell him something else because he hasn't been here as long as I have - the people of Manitoba don't relish being misled and when they find that they have been misled, particularly by people to whom they have given their trust, temporarily albeit, they have a tendency to turn on those people as indeed they are now turning on this government with all of its falsehoods, with all of its misleading policies and with all of the printed bunk that it turned out trying to tell the people of Manitoba that circumstances were more harsh indeed than they were.

Ask any of the unemployed, ask any of the 52,000 unemployed, almost 30,000 more than there were when these incompetents came into office, ask them what they think of the NDP promise about turning around the harsh economy. They'll tell you, man and woman, what they think of those promises.

The Minister of Finance had the temerity to pick up a speech that I made in Rossmere in 1977, before the provincial election, talking about some of the things that we wanted to see done in the Province of Manitoba, talking about the squander and the waste of Manitoba Hydro that had been perpetrated while the present First Minister was a member of the Schreyer Government, a loss approximating some 600 millions of dollars, to which the First Minister was a party.

Then they complained and bellyached when we appointed a judicial commission to look into that waste, and the judicial commission came back and reported that indeed the waste had taken place and that hundreds of millions of dollars of taxpayers' money had been committed to build plant that wasn't needed, and that those hundreds of millions of dollars of taxpayers' money had done what? Had helped to prop up the statistics that my honourable friends, the socialists, always liked to rely upon so much, prop up the statistics so they could appear to be better than they were as managers of the public affairs of the people of Manitoba.

What kind of dissimulation is this to be practised by these people who presume to call themselves a government? A collection of incompetents, a collection of people who mislead at the turn of a hat, mislead daily in this House and then have the temerity, as the Minister of Finance who is certainly not one of the brightest of their number, the Minister of Finance has to say in this House that he's quoting from a speech that I made in 1977.

Well, let me remind the Minister of Finance, if he's capable of being reminded, that when we were in opposition in 1977 - and this goes to credibility and this shows why they can't be trusted, Mr. Chairman - the then Minister of Finance of Manitoba, Saul Miller, who has since gone to his reward as the Chairman of

Manitoba Telephone System at \$35,000 a year, these people who don't, by the way, believe in patronage. Saul Miller said in September of 1977 that the deficit of the Province of Manitoba was going to be in the range of \$25 million. That's what Saul Miller said. He came back from a Federal-Provincial Conference, Mr. Chairman, in September or October of 1977 and that's what the deficit was going to be.

We said at the time, Mr. Chairman, that we thought the socialists had underestimated the deficit and overestimated their expenditures, and when we were talking to the people of Manitoba we thought that the government was perhaps telling the truth about the size of the deficit. Well, we learned, and we learned painfully, Mr. Chairman, that the Schreyer Government didn't tell the truth, just as we are learning now, painfully, and that the people of Manitoba are, that the Pawley government doesn't tell the truth. They were both cut from the same cloth. It's regrettable, it's unfortunate, it's contemptible, Mr. Chairman, that people who get themselves into positions of public trust cannot be relied upon to tell the truth.

That's what Mr. Saul Miller was telling us back in 1977, everything was fine, so we were thinking that we had a situation in Manitoba where a reasonable government could carry on with expenditures and with normal expenditure increases and do some of the things that had to be done and suggested those in those months prior to the election.

Then the election occurred, Mr. Chairman, and the day after the election I had occasion to call for the Provincial Auditor and the Deputy Minister of Finance to come and tell me what the facts were about the financial situation about which the socialists had been misleading the people of Manitoba. And there's a black book - I still have it, Mr. Chairman, I could have brought it up here tonight - a black book that was produced by the present Deputy Minister of Finance. It's a shameful document because it shows the lies and the misleading statements that were being uttered by the socialists when they were in office prior to October of 1977 about the size of deficit and so on. That, Mr. Chairman, was the first introduction that we got to the credibility, the real credibility of these people across the way. They just couldn't be believed. We were told then, Mr. Chairman, that on a combined basis the deficit of the Province of Manitoba would be over \$200 million and if we did not take, and this was the advice given to us by the same Deputy Minister of Finance who serves the people of Manitoba, and regrettably an incompetent Minister today, the same Deputy Minister of Finance who was in the service, thank God, of the people of Manitoba today, said, this is what has to be done.

Not for a moment will I suggest that we acted only on his advice. We knew what had to be done when we were faced with the facts, and I don't wish to lay on the shoulder of Mr. Curtis or any of the other permanent competent Civil Service staff, not some of the other hangers on that they had around here at the time, but the permanent competent ones, any responsibility for the action that we had to take, but we knew what we had to do, to write a situation that had been allowed to disintegrate to the point, Mr. Chairman, where if we had carried on, if we had allowed after October 17, 1977 the rate of expenditure to carry on, as these

incompetents had been doing trying to buy their way back into office, then the deficit could well have run over \$300 million. If my honourable friends are looking for any corroboration for that fact, let them look to the task force report, which we commissioned immediately on coming into office to find at least some of the things that these people, who couldn't run a peanut stand, were doing to the public administration of affairs in Manitoba.

So, Mr. Chairman, yes, we couldn't build the nursing homes immediately that we wanted to build. We couldn't engage in the housing projects immediately that we wanted to engage in. Why? Because these people, Mr. Chairman, had bankrupted the province and hadn't had the guts, the fortitude and the candour to tell the people of Manitoba that's what they had done. That's why. If they want to take some joy in that fact and if they want to say that the Conservative Party, when it came into office in 1977, didn't carry out this policy or carry out that policy, then let them answer, Mr. Chairman, for the fact that they withheld from the people of Manitoba the truth about the financial affairs of this province in a way that was shameful, in a way that is and was contemptible, and in a way that is regrettably now being repeated by these same adherents of that same sterile philosophy as they sit temporarily in positions of authority in this province for which they are ill-suited and for which their incompetence is demonstrated and manifested day by day.

Mr. Chairman, if the giggling Minister of Finance would like to quote from any other speeches, I can probably set him straight just as well as I did on that one. Perhaps the First Minister won't be quite so quick to quote from those speeches, now that he's been reminded of the kind of misleading information that he was a party to, that he personally was a party to, when the Schreyer Government was trying to buy its way back into office and didn't succeed. So, Mr. Chairman, I say to my honourable friend, the First Minister, if he wants to take . . .

**A MEMBER:** He could, but you couldn't.

**HON. S. LYON:** . . . comfort in the fact that he misled the people of Manitoba, that he tricked the people of Manitoba, that he put out election material and made promises that he knew he could never keep, that if he wants that to be the blotter on which he approaches the Pearly Gates, well, then, so be it. But the people of Manitoba are going to bring him up short in the next election because they've been deceived; they've been misled. They've been led to believe their expectations have been raised by people who were incapable of doing the things they said. If anyone wants to look at the principal reason why governments change, then let my honourable friends look at that.

Now, Mr. Chairman, we heard some talk this afternoon by the First Minister attempting to get his crank started up somehow or other, talking about big bang mega projects and things of that nature about which he knows very little. I have no hesitation of giving my honourable friend advice. I gave him some good advice, as a matter of fact, when he was Leader of the Opposition sitting over here. I told him then, Mr. Chairman, that it was not seemly and it was not good practise in parliament

to go for the quick trick on truth and he used the sleazy little half-truths that he was already manifesting his ability to use at that time. I gave him the advice and regrettably he didn't follow it. It's in Hansard and I don't intend to repeat it again tonight.

I regret as a human being, I regret as a parliamentarian, I regret as a Manitoban, that he hasn't learned the lesson and that the half-truths and the obfuscations still fill this House day by day by this government which has no credibility. Not only in this has it no credibility here, it lacks credibility among the people of Manitoba, who, in effect, Mr. Chairman, have been lied to. They've banged mega projects. Nothing was going to happen, said he, as recently as this afternoon, nothing was going to happen at all. These were all - he didn't use the term "this afternoon," but wait until you get him on the platform - figments of the Tory imagination. I don't think that some of his backbenchers engage in that kind of rhetoric, but I know that he did, because he tried to say to the people of Manitoba, none of these things are real, none of them are going to come about.

Well, you know, what a difference a few days makes. These people got themselves, hied themselves, lurched themselves, oiled themselves into office in November of 1981. One of the first things they did when they got into office, Mr. Chairman, was to start to borrow money in fiscal 1981 and it's becoming clear why they did. Even though the advice they were receiving, and I know the advice they were receiving was to stay in the short-term market . . .

**HON. V. SCHROEDER:** That's a lie.

**HON. S. LYON:** . . . because the interest rates were very volatile. Well, Mr. Chairman, if the Minister of Finance is saying that the minute he came into office the quality of the advice from the permanent Civil Service changed overnight, then we know who the liar is. — (Interjection) — Well, Mr. Chairman, we know that. We know the advice we were receiving, so what did he start to do? He started, undoubtedly with the advice of that great financial genius, the former Member for St. Johns, Saul Cherniack, who just happens to be now the \$35,000 a year Chairman of Manitoba Hydro, that financial ignoramus, so designated by one of his fellow socialists from Ontario, who perhaps knew him better than any of us, he undoubtedly was giving the advice to the present Minister of Finance, who needs all the advice he can get from whatever source. He was giving that advice.

So they went to the market, Mr. Chairman, a prospectus of the Province of Manitoba dated December 23, 1981, and that prospectus was started then, and the date of the prospectus supplement was March 8, 1982. These are matters of record, but these figments of the Tory imagination that they talked about during the election campaign, what did they say? December 23rd - what would that be - a month after they came into office? What were they saying in this prospectus, which is a sworn document?

On Page S9 here's what it says, Mr. Chairman, "The information set forth herein, except the information appearing under underwriting and delayed delivery arrangements, was supplied by the Minister of Finance



of the Province of Manitoba." One and the same, sitting in the same place today, just as incompetent today as he was then, "In his official capacity as such Minister duly authorized thereto by Order-in-Council, Province of Manitoba, Signed C.E. Curtis, Deputy Minister of Finance."

So, here we have the Minister of Finance, the former Member for Rossmere, speaking a month after he got into office about these figments of Tory imagination that the First Minister talked about this afternoon and tonight, the mega projects. Well, what did they have to say when they had to start telling the truth? What did they have to say then, Mr. Chairman? Did they say that these were all figments of the previous government's imagination and nothing's going to happen?

Well, let's turn to Page 7. What do they say on Page 7? This is certified information from the Minister of Finance, Mr. Chairman, on Page 7. "In May 1981, the province entered into a Memorandum of Agreement with IMC Chemical Corporation Canada Limited relating to the construction of a \$640 million potash mine and refinery in western Manitoba with a proposed annual production capacity of 2 million tons of potash, and providing for joint ownership of the facility by the Manitoba Mineral Resources Limited, a Crown corporation and IMC."

There they were, Mr. Chairman, touting as they went and rattled their tin cup to borrow money the month after they were in office, touting the very project that they now turn around and say, well, there wasn't too much there. Well, they can't have it both ways, as the old expression goes. Either they were telling the truth in the Prospectus upon which people loaned to the Province of Manitoba \$200 million, that that had been signed, or they were misleading the House tonight when the First Minister talked about these projects being figments of our imagination.

You know, there's a third scenario, Mr. Chairman, when they wrote this - and this is already in Hansard - when they wrote this document in December of 1981 they had already told IMC that they were not going to renew the Memorandum of Agreement that they were touting in the Prospectus. Some credibility!

**MR. CHAIRMAN:** Order please. The Honourable Premier on a point of order.

**HON. H. PAWLEY:** Mr. Chairman, just on a point of order, the record should be very very clear. At no time have I used the term "figments of the imagination".

**HON. S. LYON:** You just said they weren't going to happen. Don't try to weasel with me. The First Minister from his place tonight said these mega boom projects, oh, they weren't going to amount to anything. No. Does he want me to go and get the ads that they ran during the election campaign to put the lie to him here in the House? Come on, tell the truth! The truth is, Mr. Chairman, that these people misled the people of Manitoba to think that nothing was happening on potash or on the grid, but a month later when they had to tell the truth - and they didn't even tell it there because they didn't tell their own permanent officials that they had already failed to renew the Memorandum of Agreement when they published this false document.

So, Mr. Chairman, don't let anyone on that side of the House talk to us about mega projects.

**SOME HONOURABLE MEMBERS:** Oh, oh!

**HON. S. LYON:** Listen to this, Mr. Chairman. Mr. Chairman, let the record show that the First Minister, from his seat, is trying to suggest that the projects of Mr. Trudeau and of our government were phony projects and weren't going to take place. That's the kind of dissimulation that takes place by these people. But a month after they were elected to office, a month after they were elected to office, what did they say? Page 10. "The newly elected Provincial Government is reviewing negotiations relating to five major construction projects, including a Western Power Grid involving transmission of hydro-electric energy to the provinces of Saskatchewan and Alberta; a 1300 megawatt hydro-electric generation station on the Nelson River expected to cost approximately \$2 billion; a \$500 million primary aluminum processing plant which would require additional electrical generating capacity; a \$640 million potash mine and refinery; and expansion conversion of the Manitoba Forestry Resources Ltd. plant at The Pas."

That's what they told the borrowers. Not what we heard tonight, the kind of oily, slimy, trying to weasel out of what they said when they rattled their tin cup, when they were rattling their tin cup to borrow money, by the way, Mr. Chairman, at 14.75 percent, and let this so-called Minister of Finance say that was a good business deal.

When they were rattling their cup to borrow money, they touted all of the mega projects that only a month before, and as recently as three hours ago, this First Minister was trying to tell the people of Manitoba and trying to tell this Legislature didn't exist.

Well, Mr. Chairman, when I talked earlier about credibility, maybe the First Minister is beginning to get a glimmer of what I mean about people and the word of people being taken. I wonder to what extent this kind of dissimulation has contributed to the dropping of our credit rating in New York. Because they know when they're being fed a line of goods; look at the prospectuses that appeared later on when these people went rattling their tin cups again for money; they didn't mention anything, because by that time they'd lost the projects, even though in this House, Mr. Chairman, they were still trying to pretend that they were going concerns. That's what they were trying to pretend.

Then when the Minister of Mines and Energy reached the end of his truth tether, which is a very short one at best, he turned around and said, well, the Power Grid, we could have made a better deal and that was a giveaway of resources, and so on and so forth. This was after, Mr. Chairman, that the Province of Alberta and the Province of Saskatchewan ultimately said, thanks a lot, but no thanks. You've changed the terms. You had a deal that was signed before the election; you had a deal; but you've frittered it away.

Now we get the turnabout of the Minister of Mines and Energy having the crass gall to be still retained in a Cabinet, and secondly, having the crass gall to stand before this House and to try to pretend to the House and the people of Manitoba that Limestone and the

Grid weren't all that important, because Limestone after all would only have guaranteed 40 jobs. And yet the First Minister was out on the hustings saying, we're going to build Limestone immediately and we're going to create 2300 construction jobs. No talk about the 40 jobs then. When they thought they could still benefit from the negotiations that we had made, and they still could have. And wouldn't it have been wonderful for Manitoba if they'd been able to get that project on tap.

Let me say, Mr. Chairman, no matter how they try to distort and pervert the record of what has happened, we will not allow that perversion and distortion to take place.

There's been a debate in the Alberta Legislature in recent weeks about the Western Power Grid, because strange as it may seem for my honourable friends opposite who have, I suppose, a direct line into Mr. Grant Motley's office, because one gets the impression that they're almost trying to renegotiate or revivify the Power Grid deal through Mr. Grant Motley's office. May I say, Mr. Chairman, that's not guaranteed to be the best way to deal with any government in Canada, through a three member Opposition.

But Mr. Motley has been saying recently — (Interjection) — 2 1/2, is it? Two. That would be the most desirable state we could expect to see my honourable friends in right after the next election, and they're working toward it right now.

Mr. Chairman, what is Mr. Motley saying in Alberta? He's saying in Alberta, you know you could have gotten a better deal from the Government of Manitoba than the new project that you are now causing a \$40 million investigation to be made into. That's what Mr. Motley's saying in Alberta. And why didn't you do it? Well, in answer to this funny debate that was taking place, let me read to the House, Mr. Chairman, and into the record, an excerpt from Alberta Hansard of May 17, 1983, at Page 1040, and I'm quoting now from remarks made by Mr. Robert Bogle, who's the Minister of Energy for the Province of Alberta. This isn't the whole speech, but I'm quoting from the speech and I'll be happy to table it for my honourable friends, even though it's a matter of record in our library, which can be obtained. But I'm happy to table anything that I read from, and my credibility isn't in question.

Mr. Chairman, here's what it says, "In the honourable member's review of the discussions that took place on the Western Electric Grid, I have to stand in my place and say that it's really unfortunate that we were not able to work out an agreement with the Government of Manitoba. We thought this was an excellent opportunity to work with our sister province, to share the economic activity across Western Canada in a very meaningful way, where we could benefit from the generating capacities of Manitoba and in turn a sister province could benefit by being able to use surplus electricity. Therefore, the concept of the Western Electric Grid was developed. The irony is, Mr. Chairman, we had a deal." May I repeat that sentence from the Minister in Alberta. "The irony is, Mr. Chairman, we had a deal." I hope the honourable member is listening. "We had a deal. The Ministers of the three governments involved worked out an agreement. Unfortunately, when the Lyon Government was replaced by the Pawley Government, the Pawley Government turned around and tried to renegotiate and in that process overplayed

it's hand." That's not something that should be news to the honourable member. It's been well reported in the Winnipeg papers. The Pawley Government overplayed it's hand. It demanded more than was feasible from either Saskatchewan or Alberta.

"In July of last year, Ministers from the three governments met in Calgary and jointly agreed to postpone any further discussions on the whole electric grid for two years." He carries on, Mr. Chairman. "So if the Minister from Manitoba erred in coming to that agreement, and the Government of Manitoba is not happy today, that's something they must discuss in their own Caucus. But very clearly the agreement was reached and we intend to live by the spirit of that agreement and not initiate discussions until the two year moratorium has passed."

**MR. CHAIRMAN:** Order please. The member's time has expired.

The Honourable Member for Inkster.

**MR. D. SCOTT:** I'd like to just be able to respond to a few of the allegations and mistruths, to say the very least, that the gentleman who has the position of honourable on that side, as the Honourable Leader of Her Majesty's Loyal Opposition had just got up and tried to give us another one of his diatribes and his own translation and mistranslation of history.

I'd like to go back and go over a few items that they did when they took office. You know, when I came in here this evening I heard that man, standing in his chair, talking about the condition that government received when it came into office in the fall of 1977. — (Interjection) — Yes, the last Minister of Finance, who inherited their mess didn't have enough guts to go to the election after having called and developed a budget gets up and made some comments to his other members on his side of the House. But, Mr. Chairman, when they came into office, one of the first things we got in Finance at that time was, okay, show us the books, show us what kind of financial statements that we're looking at, and what we had received up to that time was from the Federal Government of initial adjustments, preliminary adjustments that we wouldn't know and couldn't be confirmed until the following fiscal year, and up towards the end of that fiscal year, often running into February before the figures are confirmed of very substantial adjustments to the revenues of the Government of Manitoba, and I might add to every other province in this country.

The new administration led by Lyon and Craik, who became known within the department as "Crook and Lying" because of their want and their desire to have the facts as were represented in the financial condition of the province at that time to show the most extreme position possible. They said, give us the bad goods, give us your spending estimates at the upper level and give us the worst possible scenario with revenues. They came up with a deficit figure, when they added in the capital, Mr. Chairman, of \$225 million. So as soon as they had come into office they had trumped up a \$225 million deficit, not under the old accounting system, not under the accounting system that was previously, trying to compare apples and oranges of saying that where you had an operating capital forecast before

hand on estimates that were provided for the department and were reasonable estimates at the time of some \$25 million, I believe was the figure, \$25 million or \$27 million, that now they're going to add in all the Capital on top of that. They're going to take the worst possible scenario, change the rules of accounting, which the Member for Minnedosa should know as a banker that no corporation is allowed to change the rules of accounting midstream. You've got to be able to change, if you're changing the rules of accounting, you have to be able to explain that in your financial statements of that company. You cannot do it within one year, it's got to be carried over into the next fiscal year with an explanation of why the changes have taken place, and you even have to provide comparative figures as what would happen if the figures were presented in the same way that they were at the previous year without the accounting changes.

So we had that duo of so called financial experts coming in and cooking the books to say the very least. They came in towards the end of March and they said, my God, we said \$225 million, it doesn't look like it's going to be any more than \$140 million, if that. Towards the end it was down to around \$120 million, but they weren't going to accept that. They took \$10 million out of revenues and put them into a Trust Account No. 59 for the Manitoba Health Services Commission to pay expenses in a following year. Then almost a month after the books were closed, and this in revenue accounting previously, revenue was accounted as it was received, not an accrual system, which was one of the accounting changes they brought into place.

They said we don't want to carry this \$10 million into next year's expenditures and MHSC, so let's take it out of this year's revenues because that's reflected on the previous governments. So they take 10,639,000-and-some-odd dollars out, put it into the trust account, then normally on a revenue cycle at the end of April, one month after the fiscal year end, that is a cutoff date where you can transfer any revenues from one year back to the other year, or carry revenues forward. As that carryover period, the same provision is for expenditures as well, and that's why you didn't have the accrual accounting beforehand, because government used to account on how much money they actually received, the actual cash they received.

They go back, they find out that, hey, our estimate for MHSC is going to be \$12,281,000 over our expectations. This was in May, mid-May, somewhere around May 17th or so. They go back, they pull another \$12 million out of the previous year's revenue estimates to reduce the revenue and to raise the deficit once again for the previous administration's records. Then they try to come through and say that they know what accounting is, that they are the clean people on the block.

They pulled the biggest, I can't call it anything else, but the biggest lie in presenting the accounts of the province, and the Provincial Auditor took note of it and footnoted both the Public Accounts and the Provincial Auditor's Report with special paragraphs detailing what had happened. They rolled along past it.

But they weren't satisfied with that, because the deficit was still only going to be in the vicinity of \$160 million and they wanted more than that. They said 225, so they still had to build it. They found out late in the year

again that there were going to be revenue adjustments from prior years dating back to 1967 of \$30,625,000 and they said, we cannot accept this as a revenue reduction in actual cash flow in our first year of office because it would add \$30 million already to our projected deficit right off the bat for the new government's deficit.

So they went back and they dipped into the previous year's records once again and took another \$30,625,000 out of the previous year's revenues, Mr. Chairman, to reduce the revenues again artificially and then to declare in their first year of office, 1978-79, that they had actually received \$30 million worth of revenues that they did not receive.

The first time that ever happened in this province, and that happened under the fiscal shenanigans, to say the very least of the previous administration. So, Mr. Chairman, that got them up to a figure of \$190 million and then they try to take credit from their initial wishful . . .

**SOME HONOURABLE MEMBERS:** Oh, oh!

**MR. D. SCOTT:** . . . Mr. Chairman, at that time I was one of the people doing a financial forecast for this province and providing the information that these nincompoops were rejecting and saying that's not enough, give us a higher deficit, give us more, give us more. Then, Mr. Chairman, we had that classic example of their total disregard for the financial administration of the Province of Manitoba and any kind of accountability. While they preach accountability, they had none. They did exactly the opposite, but because they figure they're Conservatives and the people would believe them out there, that they would have some knowledge, they would have some credibility in scrubbing the books and fixing the books.

I must admit they did a pretty good con job because just like Goebbels did back in Nazi Germany, if you repeat mistruths long and often enough and outright lies long enough, people are going to start to believe you. That is still the tactic of the Leader of the Opposition and his clones who sit alongside of him.

We had a government in the previous P.C. administration who, after three-and-a-half years of total inactivity — (Interjection) — Right now, I'd like to just put something on the record here from some of the catcalls coming from the Leader of the Opposition. They reorganized the Department of Finance to remove me so that I would have no recourse whatsoever in taking a case against the administration for wrongful dismissal. Now, this person comes back — (Interjection) — yes, Charlie Curtis, after he passed me that letter, he could hardly face me for the next month - when we had almost daily contact beforehand - because of his embarrassment and the political direction that he had from his Minister, Donald Craik, who had the direction as well from his - you can switch the heads back and forth the same, it makes no difference between Craik and Lyon, the very same.

Then he tries to stand up, to grandstand and to make as if he is Mr. Purity, Mr. Chairman. It reeks of the strongest stench of the policies and the methodologies of that ruthless government, when it was power, how it acted; how it didn't have enough guts to come out

and say to somebody that we disagree; that we do not want you working with us; that they would have to weasel around and reorganize a department to address and to remove someone who wasn't even a member of the New Democratic Party at that point in time, maybe sympathetic. For sure, I was sympathetic to it.

When I gave figures, I gave the honest figures to them. If they didn't like the figures, that was their problem. I wasn't going to be one who was willing to manipulate figures for their benefit, and there's no way I would stoop to that, to manipulate figures and to give improper information.

**HON. S. LYON:** That's not what Curtis told us.

**MR. D. SCOTT:** Those are the simple facts surrounding that situation.

Now, when they get into their mistruths again and it gets towards election campaign, after three-and-a-half years of a totally inadequate government, they said that we've got to rescue ourselves. Let's dig in something. Trudeau's talking about mega projects in Alberta and Northern Quebec and God knows where else. They're going to solve the country with mega projects and it became mega problems for them.

When we took office, our Ministers went down for the first meetings with the Federal Government on the economic condition of the province, all they had was a slough of mega projects. We're going to make Canada into the mecca of the world again, put it all back on line, stay in the courts. What's happened to all those projects? One after another they fell apart because they were the wrong projects for the wrong times, Mr. Chairman.

We have now chippings from the former Minister of Finance, the Member for Turtle Mountain. He did not have the gumption to say to his government, wait for the spring of 1982 before you call the election. Let's go after we present a Budget. No, he didn't want to present a Budget. Sure, four years had been up and almost to the day when they called the election. There is nothing wrong with going four-and-a-half years in a term. It was a very controversial decision, to say the least, within the caucus when you talk to members of the caucus who were there at the time.

They came up with their "You're sitting on a gold mine." Now, if we were sitting on a gold mine, why didn't they present the Budget to the Province of Manitoba so the people of Manitoba could know what kind of a gold mine they were sitting on? Or were they planning on doing the same thing that Nova Scotia did, that Ontario did, of going through an election early and then coming back with massive tax increases because they had misled the public of their respective provinces before going into the election, going in with this talk about wind and rabbit tracks as this "you're sitting on a gold mine"?

**MR. CHAIRMAN:** Order please.

The Member for Turtle Mountain on a point of order.

**MR. B. RANSOM:** The Member for Inkster has alleged that we have misled the people. I ask the member to withdraw that remark. It's unparliamentary.

**MR. CHAIRMAN:** The Honourable Premier.

**HON. H. PAWLEY:** Mr. Chairman, it was only but a few moments ago - and I notice the Leader of the Opposition is laughing because he knows how asinine the point of order is - the Leader of the Opposition, in shielding himself from a similar point of order dealing with reference to supposedly the New Democratic Party having misled the people in the 1981 election, made reference to the fact that he wasn't referring to members in this Chamber.

**MR. CHAIRMAN:** The Member for Inkster.

**MR. D. SCOTT:** I should continue?

**MR. CHAIRMAN:** The Member for Turtle Mountain.

**MR. B. RANSOM:** Mr. Chairman, the Member for Inkster has alleged that we misled the people and I asked that he withdraw that remark, or if he wishes to substantiate it, that's quite all right with me as well, but it's unparliamentary in your Beausheune.

**MR. CHAIRMAN:** The Member for Inkster to the same point of order.

**MR. D. SCOTT:** Mr. Chairman, I don't think that I misled this House one bit or made a statement that was incorrect at all when they say that "you're sitting on a gold mine." They advertised throughout their campaign for some 35 days that they were sitting on a gold mine. If that wasn't misleading the people of Manitoba when they had the financial facts of the province, when they could have called a Budget, when they could have waited until the spring of '82 when they had more complete information before calling their Budget and presenting their Budget to the people of Manitoba, all I'm suggesting is that what they have done was the very same thing that the Tory Governments of Nova Scotia and Ontario did, Mr. Chairman.

**MR. CHAIRMAN:** Order please. I would like to direct the member's attention to Beausheune where we find "mislead" in both the accepted list and the unaccepted list, parliamentary and unparliamentary expressions. The Honourable Member for Inkster.

**MR. D. SCOTT:** Mr. Chairman, are you ruling that I should withdraw that remark?

**HON. H. PAWLEY:** We'll remember that next time we hear the Leader of the Opposition use it.

**MR. CHAIRMAN:** To repeat for the Member for Inkster, the term "mislead" is both in the parliamentary and the unparliamentary list of expressions. In the context in which it occurs it is neither parliamentary nor unparliamentary and the latitude allowed is fairly broad so that it is not a point of order.

**MR. D. SCOTT:** Thank you very much, Mr. Chairman. My problem was in hearing the comments that were coming from the side of the House the first time you read that. I apologize.

Next, when we came in with our election commitments moving into the election, we said that we would review

the mega projects to see if there were anything to them, to see what the actual conditions of those mega projects, how close the previous government was to telling the truth, how much of the facts were out in the public, whether those things, as the phrase the Leader of the Opposition loves to use, are actually rabbit tracks or wind and rabbit tracks.

I suggest, Mr. Chairman, that the kind of information that we received when we took office and especially from the previous Minister of Mines and what that man had said, and as the so-called chief negotiator on these projects, we found when we came to office that indeed it had mostly disappeared. Most of the so-called hard facts that they had been negotiating with had been shredded. If you check with the Minister of Mines, the Minister of Mines can tell you today how much of those records were left when he took office.

About the only thing that was left on Donald Craik's little computer that they forgot to destroy was one of their pre-election polls that said to the people of Manitoba, the only message they liked hearing from the government was mega projects. So repeat it often enough and people may start to believe you, and God help us, what did we hear all during the campaign, mega mega mega. From the mini mini mini you got mega mega mega.

So, Mr. Chairman, when we were making our election commitments we said we would review, we said that we would undertake the immediate orderly development of Limestone and that is exactly what we are doing. The orderly part of that was put in for a very specific reason, so that we could do an analysis of the project because you don't go ahead and develop something without an analysis of the project and find out what is there. Find out what kind of surplus we have in our own power reserves here in Manitoba and our production capacity now; find out how much we would end up subsidizing, or the potential for us to end up subsidizing customers to the west of us, subsidizing Alberta. How much of the people of Manitoba, a relative have-not province, expected to turn around and subsidize the richest province in this country with cheap hydro-electric power? — (Interjection) —

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

**MR. D. SCOTT:** He didn't go back to the same deal at all. I do not accept the reverberations and whatnot that come out of the present government of Alberta and our present government particularly of Saskatchewan and the sorts of innuendos that they may wish to try and make as to the state of any negotiations where they may or may not have been.

On the potash deal, we get in and we find that the equity position of the Province of Manitoba is a very weak position. It's basically a guarantee and a low cost to the other corporations involved in the project, being able to turn around and buy us out down the road for next to nothing.

Beyond that, you have at the same time a glut on the market with potash mines closing down in Saskatchewan, without having the rosy futures they had seven or eight years ago when they were developing those mines; and going into areas in Saskatchewan

where the percent K, I believe it is determined, the amount of the potash in the soil is a much higher grade than what they would be running into in the Manitoba mine. Now, unfortunately, with a wish that the potash deposits of Manitoba were richer and had a higher percentage of potash in the raw compared to what one has and a higher degree of potassium, I believe it is in it - or K stands for potassium, does it not - in the ore body. But, unfortunately it's just not there.

So there again, we had the Tories talking subsidy subsidies to large corporations and to other provinces in the name of job creation and in the name of industrial development in this province.

When we get into the Alcan situation and the Alcan plant, we see that they wanted to give away 50 percent interest in a new plant for 25 percent of the cost of developing it - a \$2 billion plant - put up \$500 million and get 50 percent of the reliable production of that plant. It's not a good deal for the Province of Manitoba. I don't blame Alcan for trying for it. They were very successful in B.C. in similar arrangements, in Quebec in similar arrangements, but why should we go into the same arrangements of moving into a position where we're going to have to end up charging our customers here for excess capacity when we already have excess capacity. — (Interjection) — Sure, go into the Interlake.

There it is right on the head, go into the Interlake and talk about it, he says. If you go into the Interlake, and I was working with people in the Interlake at the time who were anything but excited about the project coming in, and the communities were very divided on the kind of benefits that the project may bring to them.

I am not in any way against the new aluminum smelter coming into Manitoba, and I stated that over and over again during the campaign and since then. When those plants come in, when we can be secure in our confidence that those plants will be clean, that those plants will be efficient, that those plants will have a future and that those plants as well will not be here simply because of a massive subsidy by the public ratepayers and the public owners of Manitoba Hydro. That is exactly the situation.

If companies want to come in and expect us to subsidize their hydro rate in a massive way that could end up costing the citizens of Manitoba doubling of hydro rates, or even trebling of hydro rates over time because of the tremendous interest load by the time that they were going to be starting into this project, then I will say to my Premier and to my Minister of Mines, that I do not think that we should be going into the agreement, that those projects should be self-standing.

We know the kind of deals that the members opposite, that the Leader of the Opposition, who when he was I believe Attorney-General back in the late '60s, when he had signed an agreement to move in with Kasser, when they even had a Deputy Minister within their own department at the same time that those agreements were being negotiated, had already accepted a position to take one of general manager or the president of that firm, of that CFI. That is the sort of negotiations that the public of Manitoba were afraid of happening again. That's what they were afraid of happening again, Mr. Chairman.

Now, at that time, Mr. Chairman, I was studying business administration at university and we heard,

when we were studying that, of the projects that were going on in Manitoba at the time in a kind of stupid and blind sort of consultation that the Government of Manitoba in that era, how blind they were going and just trying to get jobs at any cost at all. — (Interjection)

Something else I would like just to comment on briefly is, the Leader of the Opposition made some comments about borrowing, our borrowing abilities and making particular allegations to one of the most distinguished members that has every served this House as a former Member for St. Johns, the Honourable Saul Cherniack. That gentleman did probably serve this House better, better I would suggest, than any four or five of those members opposite, even if you could get four or five that can come and match, collectively, the contribution that gentleman gave to this House.

But we look at the other rates. He's talking about in 1982, until December of '82, the highest interest rate the Province of Manitoba paid was 13.75 percent. — (Interjection) —

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

**MR. D. SCOTT:** We look at Nova Scotia Crown Corporation - 16.75 percent - 3 percent more than what ours was in this province that we negotiated, the highest we negotiated last year, and we also negotiated back in 1982 going as low as 11.75 percent for another \$125 million.

Quebec - 16.75 percent, 16.5 percent, that's the kind of rates that they were getting. Hydro-Quebec - 16.625 percent, 16.75 percent, 14.625 percent, they didn't get anything down as low as ours was in our borrowings last year.

Ontario Hydro, the mecca of Tory-blue Ontario, 15.75 from Ontario Hydro, a very stable corporation, to say the least - 15.75 for \$200 million. — (Interjection) — They're in 1982, and we're looking at the rates from when they went to the market, what they borrowed for when they went to the market, how good a negotiator they were to get the best possible deal for their utilities, the best possible deal for their citizens and we see Manitoba down substantially from the others. Even Saskatchewan had one at 15 percent. B.C. Crowns, 15.25 percent; 14.75 percent.

In Manitoba what do we have? The highest of 13.75 percent and then another one 11.75 percent, through the efforts of our Minister of Finance, through the efforts of Saul Cherniack, acting alongside our province, alongside Manitoba Hydro, as a chairman of Hydro, working for the betterment and the financial arrangements that they can bring to those corporations, and we have the likes opposite to get up and try and criticize a man who has served so well, and so remarkably in this Legislature, that none of their predecessors, I would say, have ever come close to matching that man's record.

Mr. Chairman, I'm sorry, I just could not . . .

**MR. CHAIRMAN:** Order please.

**MR. D. SCOTT:** I could not sit here and take the diatribe from the Leader of the Opposition, without getting in and putting across a few points, to show just how narrow

and how simple and how dishonest his remarks were previous in this House.

**MR. CHAIRMAN:** Order please.

**MR. D. SCOTT:** Thank you, Mr. Chairman.

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

**HON. S. LYON:** Mr. Chairman, since we had the intrusion in the debate by the Member for Inkster, who reminds us . . .

**MR. CHAIRMAN:** Order please, order please. The Member for Inkster on a point of order.

**MR. D. SCOTT:** Mr. Chairman, I don't know where that gentleman gets his idea of British Parliamentary system, but any member in this House has the right to make a presentation, make a speech in this House; and for him to make allegations that these are intrusions, or whatever, I think is a discredit, to all members of this House.

**SOME HONOURABLE MEMBERS:** Oh, oh!

**MR. CHAIRMAN:** The Leader of the Opposition.

**MR. F. JOHNSTON:** And you cheer for that kind of a statement?

**HON. S. LYON:** Mr. Chairman, since we have the intrusion, which he's pleased to call a speech, from the member - does he want to try it again maybe - from the Member for Inkster, Mr. Chairman, perhaps we can get back to some of the facts. We learned, however, in the course of the remarks we've just heard, that the Honourable Member for Inkster was emptying wastepaper baskets, or something, in the Department of Finance, until competence caught up with him in 1977 or 1978. I guess he still has some of those ripped papers around that he likes to fondle at night and read over and perhaps, he would like to continue doing that, but not on our time, or on the time of the First Minister's Estimates. The rest of us are involved in serious - or we thought it was relatively serious discussion, until we heard the Member for Inkster participate in it.

Mr. Chairman, I make one reference to the Member for Inkster in his rather wild and disjointed comments about his version, which is sort of like Alice in Wonderland of the state of the Department of Finance, when he was obviously not a career civil servant, when he was one of the hacks that they'd hired in - whom we got rid of - to the ultimate benefit of the people of Manitoba. He talked about the books of the province, and what a great job the former government was doing with respect to keeping the books properly, and so on.

Mr. Chairman, I merely remind the Member for Inkster and his colleagues across the way, that one of the first reforms that we had to institute and that we promised before we came into office, and we put it in before us right away, was that there would be compulsorily, a Quarterly Report issued by the department, so that never again would we be placed, and the people of

Manitoba placed in the invidious position of having Ministers of the Crown tell the people one story and then the true story coming out after they were defeated. And that Quarterly Report and accountability system that we brought in to government shortly after we came in 1977, is in place at the present time and I know, Mr. Chairman, that the people across the way, with their desire to obfuscate facts and to tell half-truths and to skate around all of the facts of life, don't like the Quarterly Reports.

In fact, I'm sure that the present Minister of Finance regards the Quarterly Reports that his department turns out - whether he wants it or not - he regards those Quarterly Reports as a form of brand that he has to carry on his back. But they're there for the benefit of the public, to protect the public from people like the Minister of Finance and people of his ilk, who would try to mislead the people of Manitoba, with respect to the actual situation of the finances of the province. So, we're waiting, Mr. Chairman.

The First Minister's yelping from his seat, as usual. I'm not going to whine about it as he does, Mr. Chairman. The First Minister is saying that the Member for Inkster's going to table some documents. The Member for Inkster, in and out of employment when he was feeding at the public trough in the Department of Finance, used to write Letters to the Editor all the time; so I daresay there's nothing within his ken that we haven't already seen in that business of writing of letters, and so on, where he was trying, in effect, to tell the people of Manitoba that Charlie Curtis was not telling the truth. That's what I heard him say here, that the people who prepared the books for the Province of Manitoba, prepared wrong books.

Well, the Member for Inkster knows very well that we have the same people in charge of the department and I have faith in Mr. Curtis, even though the current left wingers don't, and I know, Mr. Chairman, that they would probably like to get rid of somebody honest like Mr. Curtis.

**MR. CHAIRMAN:** Order please. The Honourable Premier on a point of order.

**HON. H. PAWLEY:** Mr. Chairman, the Leader of the Opposition made a statement in the House that does require correction. In waving his hand and pointing his hand in this direction, he suggested that we did not have confidence and faith in Mr. Curtis. I would like it to be clear on the record, because clearly the Leader of the Opposition is attempting to create some type of tension or division. There is no lack of confidence on the part of members on this side of the Chamber in respect to the Deputy Minister of Finance.

**HON. S. LYON:** I'm happy, Mr. Chairman, to have the First Minister say to the Member for Inkster, that what he was saying was a packet full of lies, because it was in the comments of the Member for Inkster, where he was trying to suggest that in 1977 and 1978, the Department of Finance turned out statements that were not correct. The same people are turning out the statements today as turned them out then, and so — (Interjection) — Well, now, Mr. Chairman, the First Minister is whining from his seat and said, no, it's the Minister. Well . . .

**MR. CHAIRMAN:** Order please.

**HON. S. LYON:** . . . all I say is that you can't have it both ways. Charlie Curtis prepares the reports for . . .

**MR. CHAIRMAN:** Order please.

**HON. S. LYON:** . . . this government; he prepared them for our government. He was and he is an honest man.

**MR. CHAIRMAN:** Order please. The Honourable Minister of Finance on a point of order.

**HON. V. SCHROEDER:** Mr. Chairman, on a point of order. The Leader of the Opposition, just a little while ago, was quoting from some document signed by Charlie Curtis and attributing those documents, and the statements therein, to me and alleging that they were false. Now he is standing up and saying that the documents that had been prepared by the previous administration in 1977-78 were simply done by Charlie Curtis, and therefore, if we were to suggest that any of that was wrong, that somehow we were accusing Charlie Curtis of doing something wrong. Mr. Chairman, that is totally untrue.

**MR. CHAIRMAN:** The Leader of the Opposition.

**HON. S. LYON:** Mr. Chairman, there was no point of order, but we realize that sometimes we have to say things three times in order to register across the way. What I read was, "The information set forth herein was supplied by the Minister of Finance of the Province of Manitoba in his official capacity as such Minister, duly authorized thereto by Order-in-Council, signed Province of Manitoba by C.E. Curtis." The Minister of Finance takes responsibility for the report, and he's the one who was touting the mega projects in December of 1981 and March of 1982.

**SOME HONOURABLE MEMBERS:** Oh, oh!

**HON. S. LYON:** Mr. Chairman, if the Minister of Finance wishes to amuse himself at the expense of the House, let him do it outside of the House because his antics in here are really not terribly edifying.

**A MEMBER:** Oh, you don't like heckling now. I thought heckling was a good part of the parliamentary process.

**HON. S. LYON:** Mr. Chairman, I like heckling, but the sounds I was hearing from the Member for Rossmere sounded like sounds from a jungle where he perhaps would be more at home.

**A MEMBER:** If you think you're a wit, you're half right.

**HON. S. LYON:** Mr. Chairman, the Member for Inkster paid no attention to the Quarterly Reports and we now and the people of Manitoba now are able to find out just how bad the mismanagement of the affairs of Manitoba are, because we are guaranteed that the full-time professional civil servants in the Department of Finance will turn out honest Quarterly Reports as I say,

much to the chagrin I'm sure of those opposite, because accountability was never their strong suit in or out of government.

The Quarterly Reports tell the truth, and we're waiting for the first Quarterly Report, which will be due in due course in 1983, to tell us how they're coming along with respect to the management of their expenditures; how they're coming along with the revenue items that they expect to come in; what the state of the deficit is and so on and that's true accountability.

You wouldn't hear anybody on that side of the House - we don't expect them to give credit to our government for instituting that process - but let the record show that the process is there. They commissioned Professor Barber from the university to try to tell them how they could change the books a bit. Professor Barber came back and said, in effect, there's no need to change anything much in the books. The Member for Inkster just took his seat after saying that we had changed the system of accounting in Manitoba when we came into office. — (Interjection) — Yes, we did, Mr. Chairman. We changed the system of accounting when we came into office to accord with the same system of accounting that seven other provinces and the Federal Government were following at that time, but which the Schreyer Government had chosen not to follow because they could give a slightly better obfuscated picture of the finances and they didn't have to tell the truth as soon as they do now under the Quarterly Reports.

Indeed, here's what Professor Barber says on Page 5, and this is the most up-to-date report on the methodology of showing the accounts of the Province of Manitoba that we have, obviously a person who finds favour with the Minister of Finance because the Minister of Finance commissioned him to make the study. Here's what he says, "The present accounting treatment of capital expenditures was adopted in '78-79. The new approach had been recommended by the Provincial Auditor and was viewed sympathetically by the Canadian Institute of Chartered Accountants in a publication, "Financial Reporting by Governments." It is a method now followed by many of the Provincial Governments in Canada, the principal exceptions being those in the Atlantic provinces . . ." and so on.

Now is this what the Member for Inkster was complaining about; that we instituted a system that the Provincial Auditor had been asking for year after year; that the Association of Chartered Accountants want to have? Is that what the Member for Inkster is complaining about? Well let's not have these childish intrusions into what could otherwise be a sensible debate. — (Interjection) —

Mr. Chairman, we heard the Member for Inkster, and I linked the statement of the Member for Inkster because the First Minister was here and I can only presume that he heard, he understood and agreed with what the Member for Inkster said about the mega projects and this was the Grid, the potash mine, the expanded development that we were working on for the Manfor project, then for Alcan. Here are the brilliant words of wisdom just uttered in this House by the Member for Inkster, "These were the wrong projects for the wrong time."

Well, Mr. Chairman, that isn't what his colleague, the Minister of Finance said in the Prospectus a month later. He didn't say, we came into office and found a

whole pack of phony projects that were in place. No, he didn't say that at all. He said, these are some of the exciting things that are going to be happening in Manitoba. That's what he said.

So my honourable friends, if we must have these monkey-like interjections from the back bench perhaps could we have them in language that is intelligible and that is relevant to the debate that's going on? That is the art of heckling. — (Interjection) —

Now, Mr. Chairman, "the wrong projects for the wrong time," my honourable friend, the First Minister, can't have it both ways. He can't say earlier this afternoon or leave the implication that there was really nothing to the mega projects. He can't sit in his place and listen to one of his backbenchers tonight talk about them as "the wrong projects for the wrong time" when he and his government certified to the people who loan money to Manitoba that they were good, and that they were something upon which the people who loan money should know something about because this was something that was going to strengthen the economic sinews of the Province of Manitoba.

So, Mr. Chairman, credibility, we come back to it again. Always looming with every statement that this government makes, credibility. They haven't got it. They try to say different things at different times to different people. I read tonight before the Minister of Energy came in what his counterpart, the Minister of Energy in Alberta, says about his negotiating style and technique with respect to the Power Grid, and that he lost and that he fumbled away from the people of Manitoba.

Well, Mr. Chairman, there was some talk about there being - the First Minister used the expression - there was no agreement when he came into office. There was an agreement. Mr. Bogle said there was an agreement. Mr. Blakeney said there was an agreement. Mr. Lougheed said there was an agreement. I knew there was an agreement because the Ministers had signed the agreement and then referred it and recommended it to their respective governments and that was announced with the full approval of Mr. Lougheed and Mr. Blakeney. So my honourable friend isn't quite telling the truth when he says, there was no agreement. Of course, there was an agreement, and there was further work to be done on it.

But my honourable friends can now try all they wish to denigrate the Western Power Grid which was one of the greatest development projects that this province could have hoped to have. They have no more wit; they have no more concern for the public interest than to sit in a slovenly way in their seats and do nothing about it and, worse still, try to denigrate it for their own cheap, crass political reasons in the eyes of the people of Manitoba. Well, that isn't going to wash either.

Mr. Chairman, when we go into Northern Manitoba as we do and have occasion to say to the people of Northern Manitoba, where are these promises that they were going to build Limestone immediately, that the Native population were led to believe was going to help them out of the situation of unemployment in which they still are today? Where, Mr. Chairman? Of course, it's just another hollow promise by these socialists across the way. — (Interjection) —

Mr. Chairman, the First Minister across the way was talking about Reaganomics. He always has to touch



on that lily pad of Reaganomics in the course of some of his comments to the Legislature. I read something not too long ago that reminded me of, as I reminded him the other day, the situation of the socialist now. He's just like Olof Palme and all that same crew. There was a meeting recently of Olof Palme, Andreas Papandreu and four other, as this magazine would refer to it - the magazine by the way is National Review, it's a good magazine, I would commend it to my honourable friends, I'll read from it - socialist honchos in calling on the United States to get its economic house in order. I'm quoting, Mr. Chairman. "Through his" - my honourable friends might benefit from hearing what . . .

**A MEMBER:** A learned document.

**HON. S. LYON:** . . . well, it's just, Mr. Chairman, I think it was the First Minister quoted, or somebody here in the House today quoted to us from the Commonwealth, which isn't exactly the essence of academe.

**A MEMBER:** Have you ever seen anything like it? He's just a childish, little boy . . .

**HON. S. LYON:** In any event, I think my honourable friends might benefit from this. "Through his Prime Minister, Pierre Mauroy, he called France's current recession 'The crisis of a system that is not ours. It is the crisis of the capitalist system.' The real problem it seems is the U.S. budget deficit. It has caused high interest rates and an excessively muscular dollar. The American wit, William Safire, comments 'After years of blaming his recession on our recession, he is now blaming his recession on our recovery.'"

And it sounds to me very like the First Minister is caught in the same web of nonsense as the four socialist honchos, his friends from the socialist international, as William Safire commented upon.

Mr. Chairman, I remind - and it came in a letter to me just the other day - the First Minister of the statement - I'm sorry, I can't put my hand on it at the moment. The truth is everlasting, however, and it will be equally valid at another moment in time.

I merely say to my honourable friend, the First Minister, this is an interesting dissertation that he's been involved in. He made the mistake, Mr. Chairman, of allowing the Minister of Finance to get into the debate this afternoon and that caused a fair amount of the degradation that has occurred in the quality of the debate, although I believe the First Minister and myself have been trying to uplift it until the Member for Inkster got into the matter again.

Mr. Chairman, there are a couple of other matters that I want to refer to tonight that refer back to comments that were made in the course of the Estimate debate last evening. First of all, I thank the First Minister for sending across the way the information on Communications Expenditures which show that Information Services, as budgeted and under his Estimates account for \$553,200; and then of course, Agriculture, he shows at \$807,800, that's in addition to Information Services; Education \$315,000; Natural Resources, Public Information Services \$502,900; and I read the caveat that the officials attach, "These are

the major areas of expenditures of the Department of Finance, and the Provincial Auditor's office have commented that in many departments it is impossible to segregate such expenditures. There are fewer communications staff than one year ago." That's the caveat attached by the officials which I read onto the record.

But I ask the First Minister, with respect to this document and an attempt to arrive at a ballpark figure for what information and communication is costing the taxpayers of Manitoba - we know that there is a large establishment in the Department of Health for communications - could we have the figures on that? We know that there is a large establishment in the Department of Community Services. We know that Manitoba Housing and Renewal Corporation - these are only three examples that I cite - where further substantial amounts of money, I would venture to say, exist with respect to communications and information budgets for the Government of Manitoba. Some time before we're through with Legislation perhaps the First Minister would be good enough to give us those additional figures from the Estimates so that we may continue to have that overall ballpark figure.

Mr. Chairman, last evening, to conclude on this point with respect to the proposed agreement that the First Minister and his Attorney-General are offering to the Legislature of Manitoba for approval as a way around the Bilodeau case going to the Supreme Court of Canada, the First Minister last evening expressed some concern that I did not understand, said he - to put it this way to be fair - he couldn't see the difference between the action that was being taken by our government and the present Government of Manitoba with respect to French Language Services in government departments and the difference between that and the agreement which he had tabled. And I believe that I used the expression in trying to point out the difference that it was the difference between proceeding with something that was enunciated as government policy and the difference between proceeding with something that is chiselled in stone.

It was only when I had the opportunity, Mr. Chairman, to review the opinion that was tabled in the Legislature yesterday by the Attorney-General, an opinion from A. Kerr Twaddle, Q.C., dated April 14, 1982, that I found really the kind of difference - Mr. Chairman, if the First Minister is not interested in the agreement on the Bilodeau case I can understand that, if he is more interested in talking to the Minister of Sleaze, why, that's his problem - but I would like seriously, because it is a serious matter, to bring to his attention an opinion that has been given to him and to his government which, in words better than I could find, tells him, not me, but tells him, what is the difference between the program that he is attempting to enact by way of a constitutional amendment and the previous program that was being implemented by our government and continuing to be implemented by his government.

I quote from Page 11 of that opinion, and I want this to be on the record, Mr. Chairman, it's a document that was filed in the House yesterday: "In return for waiving their existing right to have all statutes translated, La Societe Franco-Manitobaine would require a constitutional extension of their language rights. This will be included in the draft amendment to be prepared

by Mr. Tallin, but essentially would give a constitutional right to French-speaking Manitobans to receive bilingual services from government and its agencies where there is a significant demand for such a service or where it is reasonable due to the nature of the office that communications be in both official languages. These are somewhat similar to the constitutional right supported by The Constitution Act 1981 with respect to the Federal Government in Western Canada."

Continuing with the quotation, "It will be appreciated that such a constitutional extension cannot be imposed on Manitobans, as there remains an excellent chance of success in Bilodeau before the court. Careful consideration should be given as to whether it should be agreed to as the price for relief from the obligation to translate all existing statutes. The difficulty with the suggested extension of constitutional rights . . . " - may I read those words again, Mr. Chairman, "The difficulty with the suggested extension of constitutional rights is that the extent to which bilingual services must be made available is unknown.

At present the government can, itself, decide and alter the provision of such services on grounds of cost or lack of demand as perceived by the government. If the obligation is constitutionally entrenched, the courts will determine what "significant demand" is and when "it is reasonable due to the nature of the office. If the obligation is construed more widely than the government thought would be the case, the government is none the less bound by the interpretation of the courts."

Now, Mr. Chairman, I offer that quotation from Mr. Twaddle's opinion because it expresses, I think, more concisely and with an accuracy of language that most of us do not use in the House, an accuracy of language, the problem that the present Government of Manitoba is getting the people of Manitoba into if it insists on proceeding with the agreement as that agreement has been tabled in the House. So I proffer again the advice that I proffered to the First Minister last night, that this agreement that he is putting forward on behalf of the people of Manitoba, this agreement is one that needs much more study. Much more care has to be taken before the extension of the rights that are contained in that agreement are imposed upon the people of Manitoba, because it must be remembered as Mr. Twaddle has said in his opinion to the Attorney-General, no one else can impose those conditions on the government and the people of Manitoba. No one else can impose those conditions.

So, Mr. Chairman, while I have not been successful in engaging the full attention of the First Minister; nonetheless the record has that information; the people of Manitoba will have that information and I hope that when the First Minister and his colleagues get around to making a decision with respect to this agreement and its importance for the future of Manitoba, that they will remember the words of advice that I have just read into the record with respect to the agreement.

Now, Mr. Chairman, there are other topics that undoubtedly will be dealt with in the course of further discussion and debate on the item of legislation and so on. There are other items that the First Minister has undertaken to provide to us. I believe we may have all of the information that he has offered to give and if so, I'll check my files and see if there is anything left

outstanding, but in the meantime I have no further comment on the debate that he has offered thus far.

**MR. CHAIRMAN:** The Honourable Premier.

**HON. H. PAWLEY:** Mr. Chairman, I would be rather tempted to get into some of the discussion pertaining to some of the early remarks by the Leader of the Opposition but I think it is only right when the Leader of the Opposition attempts to remind us of civility in the House and lectures us on this side of following the best of parliamentary traditions, that we certainly agree that there is a place for heckling.

I was rather astonished though a few moments ago when the Minister of Finance heckled the Leader of the Opposition, that the Leader of the Opposition would invite the Minister of Finance to leave this Chamber when the Leader of the Opposition had lectured to us a few moments ago about the importance of heckling, the goodness of heckling.

Mr. Chairman, my objection to sometimes the rancour in this House is to the extent that often it prevents us from offering our views without being shouted down. Heckle yes, but when it becomes such a course of noise that honourable members are unable to voice their views and opinions, then it becomes, as the Minister of Finance described it but a few days ago, more like a beer hall in Munich. That is what we are addressing; it's not good legitimate heckling, it's the constant attempt to shout down views and beliefs that honourable members across the way, Conservative members across the way, disagree with. Let honourable members heckle, but let honourable members not try to shout down by a course of shouts and screams at honourable members that are trying to address.

Mr. Chairman, we heard a dissertation from the Leader of the Opposition in connection with the 1977 election and the 1981 election. The Leader of the Opposition dealt extensively with the 1977 and the 1981 election as though, Mr. Chairman, the history that was relevant was that which lead up to 1977 and that which involved immediately around the 1981 election. I want it not to go unnoted in this House, and I think I would be doing a disservice to one that served this House long, faithfully, and competently to permit the Leader of the Opposition to leave any impression in this Chamber that the former Member for Seven Oaks mislead, or lied, or tried to hoodwink the people of the Province of Manitoba.

Mr. Chairman, that indeed was a cowardly process by the Leader of the Opposition to attempt to muck one that served in this Chamber from 1966 to 1981, to attempt to muck one that is well respected by all segments of the Manitoba economy, by one that served this province competently and honestly, to try to muck one who is not in this Chamber to defend himself with such outrageous charges as the Leader of the Conservative Party registered against one that we respect and we respect unanimously and strongly on this side of the House, and I believe that that majority of Manitobans respect.

I want to say, Mr. Chairman, that I found the Leader of the Conservative Party's remarks in respect to the Member for Seven Oaks, who served in this Chamber from 1966 to 1981, to indeed be nothing short of vulgar, vulgar this evening.

**MR. CHAIRMAN:** Order please.

**MR. F. JOHNSTON:** You corner a socialist and they change the subject.

**HON. H. PAWLEY:** Mr. Chairman, when the Leader of the Opposition wishes to talk about records, about economic performance that took place - Mr. Chairman, I'm going to deal for a few minutes with record because the Member for Portage la Prairie and the Member for Gladstone is present in this Chamber and they were not present in 1977. I do not know whether they were involved in the 1977 campaign when Manitobans were told by the now Leader of the Conservative Party in Manitoba, by the Leader of the Opposition — (Interjection) —

**MR. CHAIRMAN:** Order please.

The Honourable Member for Portage la Prairie.

**MR. L. HYDE:** The First Minister of this province is wrong. I was involved in the 1977 campaign. — (Interjection) — He did refer to me, he did mention my name.

**HON. H. PAWLEY:** Mr. Speaker, then I haven't noticed, but I will take the word for the Member for Portage la Prairie that he was involved in the 1977 campaign.

**MR. L. HYDE:** Another point of order.

**MR. CHAIRMAN:** The Member for Portage la Prairie.

**MR. L. HYDE:** Mr. Chairman, I want to inform the First Minister of the Province of Manitoba that I won that seat in 1970 handily and he'll not forget it for the years to come. — (Interjection) — 1977, pardon me.

**MR. CHAIRMAN:** I thank the member for that clarification.

The Honourable Premier.

**HON. H. PAWLEY:** I don't know whether that was a point of order.

But, Mr. Chairman, what we do know when we talk about campaigns and when we talk about tissues of lies, that whereas the honourable members across the way that campaigned during that election campaign on misrepresentations to the people of the Province of Manitoba, and they said that they were going to spark economic recovery in the Province of Manitoba, they encouraged Manitobans to believe that they would reduce unemployment, that they would be able to keep - and I refer to the speech in Rossmere by the Leader of the Opposition - that they would keep sons and daughters in the Province of Manitoba, Mr. Chairman, and what we saw during the period 1977-1981 was a mass exodus of young people from the Province of Manitoba under the previous Conservative administration in the Province of Manitoba. That's what we witnessed, Mr. Chairman, in the Province of Manitoba.

So, when we talk about representations, Mr. Chairman, and what we know too, and honourable members didn't like these figures, but my colleague,

the Member for Brandon East, repeatedly, on an annual basis demonstrated to the former Minister of Economic Development how poor and how badly the economic indicators for the Province of Manitoba had slipped under the Conservative administration in the Province of Manitoba to the point that we were ninth or tenth on a repeated basis in the Province of Manitoba insofar as all provinces in Canada were concerned.

Mr. Chairman, during the process of this, I remember a very famous press conference by the Leader of the Conservative Party, a press conference to the effect that he was sleeping well at night, that the problem involving the exodus of unemployed young people, young men and women in this province were not of concern to him, that all was fine.

I remember another address by a former Minister of Finance in the Province of Manitoba, Budget Address, 1980, that blue skies - and some of my colleagues recall that address - that blue skies were just a little far ahead, that there were blue skies ahead. Yet, it was 1980, I believe the only year in the history of the Province of Manitoba, that Manitoba had net economic loss . . .

**HON. S. LYON:** . . . fudge the figures those two years.

**HON. H. PAWLEY:** . . . under the Conservative administration in the Province of Manitoba.

**HON. S. LYON:** He got his department to fix them up.

**HON. H. PAWLEY:** Now, Mr. Chairman, we are . . .

**HON. V. SCHROEDER:** Pathetic little liar.

**HON. H. PAWLEY:** . . . struggling under difficult circumstances . . .

**HON. S. LYON:** Mr. Chairman, I put on the record that the Minister of Finance from his seat has called me a pathetic little liar. I don't require, Mr. Chairman - that is truly out of order - I don't require a withdrawal from him because a withdrawal from him wouldn't be worth the words that he would utter, he is inconsequential to me and to the House.

**HON. H. PAWLEY:** Mr. Chairman, what I would like to point out, and I point this out recognizing it is but cold consolation to those who are unemployed in the Province of Manitoba, is that despite the difficult circumstances that we as a province have been working under, that Manitobans had moved shoulder-to-shoulder, farmers, labour people, business people, professional people in this province, and through activist government policies, in order to ensure that those comparative statistics in relationship to the position of Manitoba and relationship to the rest of Canada have improved.

Mr. Chairman, despite the difficulties thrust upon Canada by tight-money high-interest-rate policies, by the kind of authors that write the national review that the Leader of the Opposition referred to, by the Buckleys and by all the others that are involved in the national review, despite that, Mr. Chairman, we have managed to move the Province of Manitoba from third lowest, from what is its traditional position in respect

to unemployment amongst provinces in Canada, to the second lowest. Mr. Chairman, despite the difficult international recession, we have been able to move the Province of Manitoba to a situation by which — (Interjection) — Mr. Chairman, I'm just going to pause very briefly to offer the Leader of the Conservative Party a challenge.

Since he feels so strongly that this government has done nothing, that this government has been a failure, I challenge the present Leader of the Conservative Party to carry on through this term of office and to lead his party into the next election. I challenge him to do that.

**HON. S. LYON:** Mr. Chairman, I said it before, my honourable friend wants to do his little macho challenge and pretend he's a man, let him issue an election writ tomorrow. Let him issue an election writ tomorrow. If he wants a challenge, we'll give him a challenge, and we'll see the last of him on that side of the House for a long time. Let's have the election.

**HON. H. PAWLEY:** Mr. Chairman, we're not going to be irresponsible, we're going to live out the term of our mandate. We are going to go to the people of the Province of Manitoba on the basis of our mandate. But, the question is: Is the Leader of the Opposition prepared and has the Leader of the Opposition got courage to lead his troupes into the next election in the Province of Manitoba and does he have support from honourable members across the way to lead them into the next election? Does he have the courage, Mr. Chairman? That is the question. — (Interjection) — Mr. Chairman, let me tell the Leader of the Opposition I have — (Interjection) —

**SOME HONOURABLE MEMBERS:** Oh, oh!

**MR. CHAIRMAN:** Order please.

**HON. H. PAWLEY:** Mr. Chairman, my challenge still remains for the Leader of the Opposition to carry on through this term and to lead his party into the next election in the Province of Manitoba. That's my challenge. Come on, into the next election. I sense the Leader of the Opposition has support from the Member for Turtle Mountain, he's got support from the Member for Portage, he's got support from the Member for Gladstone, the Member for Radisson.

**MR. CHAIRMAN:** Order please. The Member for Turtle Mountain on a point of order.

**MR. B. RANSOM:** The First Minister has challenged me to say whether I support my leader or not, yes, I support my leader and if he'll screw up his courage and call an election, I'll show him that I support my leader.

**HON. H. PAWLEY:** I think it is clear that the Leader of the Conservative Party can rest confident that he has the support of all his members in this Chamber to lead them into the next election in the Province of Manitoba. — (Interjection) — I suspect Vaughan Baird as well. — (Interjection) —

**SOME HONOURABLE MEMBERS:** Oh, oh!

**HON. H. PAWLEY:** Mr. Chairman, on a serious note. We have also been able to ensure that Manitoba has the second best job retention record in Canada in 1982. Our job loss remains the second lowest. Bankruptcies for April, Mr. Chairman, which are the last figures that I have, were down 50 percent over a year ago, and that was the best improvement in the country. Oil production, Mr. Chairman, although the honourable members want to take all the credit for what's happening in respect to the oil industry, but the fact is that it was pretty tired for four years. Oil production last year in the Province of Manitoba increased for the first time in 14 years.

For the first four months of this year, construction starts . . .

**SOME HONOURABLE MEMBERS:** Oh, oh!

**MR. CHAIRMAN:** Order please. Order please.

**HON. H. PAWLEY:** . . . construction starts for housing in the Province of Manitoba increased by 400 percent, the highest increase of any province in Canada. — (Interjection) — Mr. Chairman, Conservative members across the way might like to know that the figures were very low in Saskatchewan, Alberta, New Brunswick last year too.

**HON. S. LYON:** Tell them what the Manitoba figures are. Don't obfuscate the truth.

**HON. H. PAWLEY:** Mr. Chairman, insofar as total public and private investment intentions for 1983, the Conference Board of Canada indicates - and honourable members should be pleased to hear this. I don't know why honourable members are so jumpy and fidgety and uneasy about hearing good news, about hearing positive news. Why are honourable members so fidgety about positive news? - the third best of all provinces by way of public and total investment for 1983. Mr. Chairman, — (Interjection) — That looks like a good one, too, to make some reference to.

Mr. Chairman, what is also very very interesting - I would like to register it with honourable members and it's a matter that should be recorded in this Chamber - that last year we experienced a net migration of almost 4,900 people to Manitoba, a total population increase of over 13,000. What did we face under the years 1978-81 in Manitoba? We faced constant decrease by way of population in Manitoba, because the sons and daughters of Manitobans were unable to obtain employment in Manitoba and they had to go to other areas of the country.

**SOME HONOURABLE MEMBERS:** Oh, oh!

**HON. H. PAWLEY:** Mr. Chairman, if the honourable members would have listened to my earlier comments, at least during the times of the Conservative administration in Manitoba when we had unemployment in this province, when sons and daughters were leaving this province, it was part and parcel of economic health nationally. When there was economic health in British Columbia and Alberta and Saskatchewan, there were jobs out in those provinces. Yet were there jobs in the Province of Manitoba? No.

**HON. S. LYON:** You haven't got a full load of bricks tonight, Howard.

**HON. H. PAWLEY:** Mr. Chairman, honourable members don't like, of course, any information that is positive, that reflects well in respect to the Province of Manitoba, but I want to just leave again my challenge to the Leader of the Conservative Party.

**SOME HONOURABLE MEMBERS:** Oh, oh!

**HON. H. PAWLEY:** I just leave my challenge again with the Leader of the Conservative Party. I'm sure he's got support from two potential leadership contenders there, the Member for Tuxedo and the Member for Turtle Mountain, to carry on. It's his view that he is fighting some tremendous socialist conspiracy in the Province of Manitoba; that the Marxists are under every bed; that there are "left-wing kooks" that are in control of every hospital, every municipality, every provincial government agency and commission and department in the Province of Manitoba. The threat is there. The war clouds are developing.

Mr. Chairman, if indeed the situation in the Province of Manitoba is as chaotic and as bad as the Leader of the Opposition has indicated, and if the need is so great, and that is the opinion of the Leader of the Opposition, then I suggest that the Leader of the

Conservative Party in the Province of Manitoba, the present Leader of the Opposition has no choice as a patriotic Manitoban to wait until the next election, whether it be in 1985, 1986, when we've had an opportunity to respect the mandate given to us by Manitobans to lead his party into the next election and fling out those terrible socialists that the Leader of the Opposition repeatedly, hour by hour, makes reference to in this Chamber.

**MR. CHAIRMAN:** The Leader of the Opposition.

**HON. S. LYON:** Mr. Chairman, I regret that after listening to that sort of kindergartenish, rhetorical tirade by the First Minister, who didn't get quite a full load of bricks at the dinner hour tonight, I guess, because he has slipped a few cogs in his facts as usual, there is really nothing to respond to. As I said earlier, many of us on this side of the House suffer fools badly. Why don't we just pass the item and spare him any further embarrassment?

**MR. CHAIRMAN:** Item 1.(a)—pass.

Resolution No. 5: Resolved that there be granted to Her Majesty a sum not exceeding \$1,857,000 for Executive Council, General Administration for the fiscal year ending the 31st day of March, 1984—pass.

Committee rise.