

# THE LEGISLATIVE ASSEMBLY OF MANITOBA

Friday March 31, 1978

Time: 2:30 p.m.

## BILL 7 — INTERIM SUPPLY

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

**MR. RON McBRYDE:** Thank you, Mr. Speaker. Before lunch, I was trying to explain to the members opposite, and there's not many more of them here now than there was then, that they are in fact the government of the Province of Manitoba, and that they should come to accept this fact and come to realize that they have been elected and they are now responsible to govern the province.

They are going to have to learn to accept the responsibility that they have acquired for themselves, and I think that members opposite, when someone's demonstrating out in front of the Legislative Building will have to realize that it is not a dream, that in fact people are out there that are being hurt by their policies and their programs as a government, and not for any other reason. They are going to have to start facing up to that reality and to that responsibility.

One of the things that the members opposite talked about a great deal during the election campaign under the guidance of Great-West Life and others, was to try and establish that somehow there was mismanagement and bungling in the previous administration, and I think if you look at any objective measure rather than subjective measure, and I think the Member for St. James, this morning, failed to quite grasp that, that this side was not attempting to blame other governments for the situation in Manitoba, but that in order to make a measurement you need some things to measure, and one measurement is what is happening in other provinces, what are their expenditures, what are their civil servants, etc., etc.

That's one way to get some ideas to how you compare, it's one method of measuring, and it's one that the members opposite don't like to use because it doesn't fit into the myth they have tried to create in the Province of Manitoba. It doesn't fit in with the way they've chosen to be irresponsible or not to accept their responsibilities as government.

But Mr. Speaker, I would like to examine the bungling, the mismanagement, the incompetence of the members opposite in the few short months that they've had the opportunity to be the government of Manitoba.

Mr. Speaker, and this started to occur even before they were the government. The not yet Premier, or the Premier elect, called certain people into his office and fired them when he wasn't even the Premier yet, which to me is a sign that he doesn't know what he is doing or that he had been chasing after that power so hard and he was so hungry for it that he just couldn't wait another day or another two days before he had the chance to exercise some of that power. So he had to bungle along and let people go before he actually became the government itself.

And then the next very immediate step was the secretarial staff of those members that he had fired before he had the authority to fire them. And how did they handle that, Mr. Speaker? How did they handle that? You know what they did? They brought in a new secretary into the office of a former Deputy Minister, and said to the secretary, "Here is your replacement." Mr. Speaker, if that isn't incompetence, if that isn't mismanagement, and if that isn't cruelty, Mr. Speaker, then I don't think the members opposite would understand those words at all.

But, Mr. Speaker, after the bungle of the firing, which is going to cost the people of Manitoba quite a bit of money to pay the severance pay of those people and at the same time to bring in somebody else to do the job they had been doing.

But they did learn a lesson, Mr. Speaker, they did learn a lesson because there were a few people who were fired a little bit more effectively after that. What they did was just took away their responsibilities and those people happened to be conscientious civil servants who said, "Well, I have no responsibilities left; I might as well quit." So they became a little bit more competent in forcing people out of office than they had been at the start of their administration.

But what happened, Mr. Speaker, and the members opposite made a big deal about the Civil Service in Manitoba and about mismanagement, what has happened since October 24th is that basically the production has stopped, that people have just stopped working, that all the things that people thought about civil servants before now became true because the civil servants became so concerned about their jobs and their security that they wouldn't do anything except just what was necessary to not be noticeable for not doing anything. But basically production came to a halt — except for a few people that they brought in to the task force — throughout the province, all over Manitoba, things just stopped. People just stopped working.

Mr. Speaker, now that's not that effective, that's not that efficient. As a matter of fact, that's mismanagement. If you have people on salary and they're not doing anything then you're not very good administrators. Mr. Speaker, that is waste of taxpayers' money in the Province of Manitoba. I don't think members opposite understand what they did or what happened or what is still happening or what do they care about? They care about the myth or the political aspect of it but not about the reality of the fact that nothing is happening, work is not being done, people are not producing because of the insecurity, because of the situation this government has left them dangling, left them hanging there. Mr. Speaker, anyone who knows anything about organizations, whether it's private or

public, knows that production stops in that kind of situation. Work just does not get done. So after they forced out — and, Mr. Speaker, they forced out some fairly competent administrative people, not political people — after they fired the ADMs or the Deputy Ministers, they forced out some very competent people who were career civil servants, who had done a lot in terms of the Province of Manitoba and the only sin of those people was, their only sin was that they had done a good job when the NDP was in office. That is the only thing. And the worst example of that comes within my old department, the Department of Northern Affairs, where for some reason, we have a Cabinet Minister who's paranoid. He could not trust anyone who had worked for the department when the NDP was in office. He just couldn't — (Interjection) — Well, Mr. Speaker, I think it's showing. One of the members opposite hollered, "Smart man."

Mr. Speaker, there are civil servants that because of the organization and the management of the department they work in do a good job, deliver and work hard. There are other parts of the Civil Service, and Mr. Speaker, there are other aspects — where not much is done people put in their eight hours and that's about it and not much takes place. But the people that were forced out by a paranoid minister were people who, in fact, were delivering, who were working hard, and their only sin was that they happened to be there and happened to be doing a good job when the NDP were in office.

So what happened then, Mr. Speaker, when they forced out the competent people who were there, the non-political people who were there? They had to promote somebody else, and Mr. Speaker, this is when the worst aspect of the organization, the worst aspect of any organization, comes out; the worst aspect of the Civil Service came out. People started spying on each other; people started telling on each other, and people started suckholing like crazy, Mr. Speaker. There were civil servants going to Ministers' offices, they were going to the Premier's office, they were going to MLAs saying, "You know, we're on your side, we're Conservative, and here's the guys who are no good in the department, and you promote me and things will happen." — (Interjection) —

Well, Mr. Speaker, what has happened — and I'm sorry that the honourable members get disturbed when the facts are laid out, when the situation is laid out before them — what has happened, Mr. Speaker, is that, because a number of competent people were gotten rid of, were forced out in certain ways, they had to promote somebody into those jobs, and who did they promote? The people who had been there for a long time and had managed to survive, or the people who were the best brown-nosers, the people who were the best brown-nosers in the existing system; the people who could run to the Minister and say, "I'm with you." They promoted the people who would only say "Yes, yes, sir, that's right; yes, sir, you're right; that's the way it should be done; that's the only way it can be done, and you certainly are a smart Minister for doing it that way; oh, you certainly are a smart Deputy Minister for doing it that way, yes, sir, yes, sir . . ."

Mr. Speaker, they appointed the yes-men and the brown-nosers and they promoted those people, and those happen to be the less competent in the Civil Service; in most cases, the less competent, and that's why we're going to see a less and less competent public administration in the province of Manitoba, because of the way they have operated. By the way they have operated, leaving people hanging, keeping that insecurity, bringing out the worst in the civil servants, cutting each other down and trying to get themselves promoted over somebody else, and the fact that competent people happen to be there and happen to work for an NDP government.

And, Mr. Speaker, we'll have more mismanagement than ever existed before; we'll have poorer organization and poorer management than ever existed before under this administration, under this government, and that is a fact of what's happening, and that is what's taking place. — (Interjection) —

Mr. Speaker, the Member for Rock Lake, I think, made another intelligent contribution to the discussion. I don't know what he is talking about, and I hope that he would elaborate on that so that it might be dealt with, if it's an important point that he has to make from his seat. I'm not sure what he's talking about, or what he is referring to.

So, Mr. Speaker, that is one example in terms of what has happened to the public service, how effective they are, what kind of people have been promoted, and how they are operating now. Because, Mr. Speaker, if you look at management studies and organizational studies, if they go into a large industry where there has been a bad mistake made, where something has been produced that didn't sell, where machinery has been bought that didn't work. You know what they have traced that back to, most often? Most often it's because that was the boss' idea, and everyone was afraid to question the boss' idea because it was his idea. So, because it was the boss' idea, it gets developed, it gets into production and they lose millions of dollars because people were afraid to question that decision; because there wasn't much input into that decision except one person, and that's the way members opposite are setting themselves up now. By promoting the yes-men, by promoting the brown-nosers, they're not getting any feedback now, good feedback in their departments.

The Minister of Highways will say, "Well, I think this road should go . . ." — "Yes, sir, that's the road that should go; obviously, that's the only road that can go," whereas they know there are other roads which have to go first, or that there are problems with doing that road this year as opposed to next year, etc. Mr. Speaker, that's what a look at organizations has shown, management studies have shown, and that's the bind that members opposite are getting themselves into.

So, Mr. Speaker, that's one aspect of the bungling and the mismanagement we have had in a short five months from the members opposite. Another example, Mr. Speaker, I think, is the unrealisation on their part of the cost of their savings. Mr. Speaker, they have no idea of the cost of their savings. And what I mean, Mr. Speaker, is, if they cut a program, what new costs are caused by the cut of that program? So they save \$50,000, and it's going to cost them \$40,000 to \$60,000 in other areas because they cut that program. Mr. Speaker, they are incapable of looking at that aspect; they are incapable of

saying, "Well, here are the other effects." Mr. Speaker, anyone who is managing, in business or government, knows that you have to realize the effects of your decisions. But they make decisions and then they are going to find out the effects; they are going to find out the effects when welfare goes up, when court costs go up, when police costs go up, when all the other social costs go up because of the kind of things they cut. And that's another example of their bungling and their mismanagement, Mr. Speaker.

Another area is in the construction field, where they have cut building construction back to the stage where unemployment in the building trades in Manitoba was 28.8 percent in March, 28.8 percent unemployment, and what is happening in this efficiency measure, Mr. Speaker? What's happening? There are a few big companies who have contracts which are ongoing, and it's going to take them a year or two to complete. There's a couple of companies like that. But what's happening is that a lot of construction companies right now are pulling out of the province of Manitoba; they are going to Thunder Bay, they are going to Saskatchewan, Alberta — they are moving out of Manitoba. And what's going to happen when the Minister of Public Works finally decides to proceed with Project A or Project B, what's going to happen? These people are going to have some work somewhere else; he's going to have a couple of bidders left in the province of Manitoba, a couple of bidders left, and they're going to have to get back some of the money they have lost during their shutdown time, and the Minister is going to pay for that, Mr. Speaker, and that's pretty inefficient, that's pretty inefficient when in fact he destroys the competitive nature of the situation and leaves himself in a situation where he is going to have to pay more to get the same work done.

I think the Member for Wellington last evening summarized some of the other mismanagement and used their terms in terms of horror stories, and I think that the striking examples are there; the Minister of Health and Social Development saying "I never sent a letter like that to the Chamber of Commerce at The Pas," and then he finds out that he did send a letter like that to The Pas. Or the Minister of Tourism, who is the most obvious one, saying "I didn't give them permission; I did give them permission," or the Minister of Northern Affairs saying, "Yes, I certainly did influence the Grants Commission; No, I didn't influence the Grants Commission." I think these are clear examples of the mismanagement and the bungling of members opposite.

Mr. Speaker, I didn't want to give the members some advice, some ways to get out of their dilemma, but I think I'm going to have to give them a couple of ways because they need some help, Mr. Speaker, because they're in bad trouble, they're in bad trouble, Mr. Speaker. If they're not willing to step aside and let someone who's willing to take the responsibility, who's willing to govern the Province of Manitoba and accept that responsibility, then maybe we'll give them some advice, Mr. Speaker. And there are a few ways, Mr. Speaker, where they can actually do worthwhile things in the Province of Manitoba, adopt a few progressive policies if that's their inclination, that do not cost money. There are a couple of things they can do.

Mr. Speaker, one example is in the area of family law. In the Throne Speech Debate, Mr. Speaker, they could have said, "The Family Law will be reintroduced in its original form, with its original principles, with some drafting improvements." It wouldn't have cost them a cent, Mr. Speaker. It would have shown that they were in fact Progressive Conservatives and not just 1930 Conservatives.

Or, Mr. Speaker, what they could do, Mr. Speaker, they could in fact have a vote for the beef check-off, Mr. Speaker. They could do that and show the people that there is in fact some democracy left in the Province of Manitoba, that in spite of the fact that the present premier likes to be known and recognized as a dictator, that there is some democracy left. But the Minister of Agriculture, Mr. Speaker, the Minister of Agriculture is saying, "Well, I know that's what the beef producers want. I don't have to ask them; they don't have to vote on it. I know what the beef producers want." Well, Mr. Speaker, on that basis, last August I could have said, "I know what the voters of Manitoba want and we don't need to have an election because I know what they want. We might as well just stay in office because I know what they want. I got the feelings from my constituents, what they wanted." But the Minister of Agriculture knows already what the beef producers want and there's no need for them to vote. There's no need to be democratic in the situation, Mr. Speaker. We don't need to do that. And that wouldn't have cost them any money, Mr. Speaker. The Department of Agriculture already has lots of money for those. I get press releases from them once or twice a week containing very vital information, Mr. Speaker. They could just convert that a little bit into a voting system and they could do that and it wouldn't cost them any money.

Another thing they could do that wouldn't cost them any money, Mr. Speaker, and something that the previous government was moving toward, was moving in the direction of, was methods of increasing worker participation in the workplace and health and safety in the workplace. Yes, it's going to cost them some money to enforce that health and safety in the workplace legislation and the Minister has already had reductions in that area. But the principle of the legislation, to announce and confirm that it's going to continue would not cost them any money and yet would show that there was a little bit of progressiveness left in the members opposite.

And Mr. Speaker, the election promise of one of their members in The Pas constituency was that he was going to bring in industrial democracy when the Conservative government came to office in the Province of Manitoba. Mr. Speaker, there are ways to improve labour relations that are not going to cost the government any money. There are ways in Crown corporations to increase worker participation. That is another area they could have moved in, Mr. Speaker, and it wouldn't have cost them any money.

So, Mr. Speaker, in conclusion, the members opposite have to realize that they are the Government of Manitoba, that they have to accept the responsibility being the Government of Manitoba, that their self-induced hysteria of debt is just that and that in any realistic or objective assessment of the situation Manitoba is in good shape compared with all of Canada and the other provinces in Canada and that there are some things they could do to dispell that feeling and it's a strong feeling amongst Conservatives, Mr. Speaker, that this government is going backwards. There are some things they could do that wouldn't cost any money at all.

Thank you, Mr. Speaker.

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

**MR. HARVEY BOSTROM:** Thank you, Mr. Speaker. As this is my first opportunity to speak in this session of the Legislature, I would like to take this opportunity to offer my congratulations to you, Sir, on your maintaining the office of Speaker. I believe that you will conduct yourself in a fair and expeditious manner in keeping order in the House. I note that you will probably have to call myself to order at times in this House since I probably tend to get as vociferous as many others in here at times.

I also rely for advice and counsel from my seat mate who I'm fortunate to have on my left, the former Speaker of the House, who tends to keep me in line as well.

I'd also like to offer my congratulations to the new Deputy Speaker. As has already been said in the House, I believe his former experience in the football field will stand him in good stead here. This House tends to get fairly rough at times too and I'm sure he will conduct himself as expertly in this arena as he has in his former arena.

Mr. Speaker, I'd like to offer my congratulations as well to the Mover and Seconder of the Speech from the Throne. I believe they provided a very interesting outline of their constituencies in their contributions to the debate.

One of the things which I would like to touch on in this contribution to the House, Mr. Speaker, is one area which is very much on the minds of many Manitobans today, and that is the development of our park system in Manitoba. I believe that indications that have been given by this government in the kinds of things which they have already attempted to do in the area of development of parks is leading us down a very dangerous road, Mr. Speaker, a road which will lead to what is essentially privateering of our public parks. The indications that we have would also give us to believe that the administration of our parks is going to be very sloppily carried out. I would like to refer to, in particular, the development of the Whiteshell Lake and the proposal and development agreement that has been signed by this government with a certain Mr. Jarmoc in the area of the Whiteshell, Big and Little Whiteshell Lake, in the Whiteshell Park.

If I may just go back and try to go through this in some chronological order, Mr. Speaker, to bring some facts to bear on the situation. It is my information that from 1973 to 1975 the parks branch undertook a very extensive study and evaluation of the existing use of the Whiteshell Park. With all of the expertise that they could bring to bear on this matter, Mr. Speaker, they developed a zoning plan for the use of the Whiteshell Park. Mr. Speaker, I happen to have been involved somewhat in this zoning plan myself since the Minister of the day had consulted me and my departmental officials. They commented on this plan and were concurring with the plan that was eventually adopted by the department. In fact, Mr. Speaker, it was, in the view of the resource managers in my department, a very good zoning plan which took into account the areas of the park that should be kept for wilderness purposes and taking into consideration good resource management and harvesting of the renewable resources that are available there. This plan, Mr. Speaker, in December of 1975, was adopted by the Department of Tourism and served as their plan for the development of the Whiteshell. Naturally any kind of plan like this is a flexible one in that it can be changed. It certainly could be changed by this government if they so desired after looking at it and carefully evaluating it but, Mr. Speaker, this doesn't appear to be what they plan to do. The Minister of Tourism responsible for parks, admitted to this House that within two or three weeks of the Conservatives being sworn into office in this province, he met with a Mr. Jarmoc two or three times, by his own admission, and instructed his Deputy Minister to sign a development agreement with the Mr. Jarmoc, a person of unknown means as far as this Legislature is concerned. Under the instructions of the Minister, Mr. Speaker, the Deputy Minister signed what is in my opinion a binding agreement with Mr. Jarmoc for the development of quite a number of condominium units — I believe it's 200 condominium units — in the Whiteshell Lake area.

Mr. Speaker, the legal opinions that I have received on this, and I've talked to people about this, indicates to me that this is an agreement that is binding on the government. In other words, if this condominium development is not allowed to proceed, then the government will either have to compensate this individual for the expenses that he has incurred to date or allow him to get into some other area of development, possibly the privateering of some other natural resource or lake in Manitoba.

Mr. Speaker, it's interesting to note that here is a decision that was taken within three weeks of assuming office and it's difficult to believe, Mr. Speaker, that within that period of three weeks there could have been any kind of impact study done on this kind of development.

Now, Mr. Speaker, the Minister prefers to call this thing a proposal. I call it a development agreement. The document in question is titled a development agreement and, Mr. Speaker, the legal opinion I have, as I have stated, is that this agreement is binding on the government. It's a legal obligation on the government.

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Mr. Speaker, I would like to know if there was a review by departmental officials, if the departmental officials who were involved in drawing up the original 1975 zoning plan were even consulted as to their opinion. Were they asked to give the Minister any kind of advice as to whether or not this was a good plan to even look at in proposal terms, never mind sign a development agreement? Mr. Speaker, I don't think that this even occurred because I can't believe for a minute that these same officials who drew up a 1975 zoning plan which, Mr. Speaker, indicated that the lakes in question were already developed to over capacity, so why would these same officials turn around and recommend to the Minister that there should be a new 200 unit condominium development smack in an area where they had already recommended should not be developed any further?

Mr. Speaker, this decision was brought into question on February 3rd, 1978, by the Manitoba Naturalist Society who, I believe, met with the Minister and asked him what was happening with this particular development. The Minister assured them at that time, I am told, that this was nothing to worry about, that this was just a proposal. In fact, Mr. Speaker, some time after that meeting the Minister prepared a press release which was issued on March 15th and which is titled, "Response to the Manitoba Naturalists," and this was in response to their concern on this. Now in this very press release, Mr. Speaker, he makes some very inconsistent and conflicting statements, which leads us to wonder what kind of development planning, what kind of direction is this government going to give to park development in this province. And, Mr. Speaker, parks are dear to the hearts of people in Manitoba and they do not want them treated with a heavy-handed kind of attitude that seems to be coming from this government opposite.

Mr. Speaker, I would just like to quote from this document which is a press release from the Minister. He says at one point in the opening statement, "I would like to make it very clear to the Manitoba Naturalist Society and to the Manitoba public that I and my department are committed to planning prior to major developments in our parks." This statement was made, Mr. Speaker, after he had already instructed his Deputy to sign a major development agreement in a park. The statement is inconsistent with what he had already done.

But, Mr. Speaker, he is inconsistent even in this document. Further down in the same document, he says, "Permission to proceed to develop a proposal was given by the department some three months ago." Well, Mr. Speaker, that wasn't a proposal, it was not a correct statement right there, this was a development agreement, a development agreement; permission to proceed on the basis of a development agreement was given three months before he said that there would be planning prior to any major development in parks.

Further down in the same statement, Mr. Speaker, he says, "I therefore think that we have the necessary safeguards in place to ensure that the condominium is compatible with what the environment will support.

And his concluding statement of this press release, Mr. Speaker, is that, "moreover, the development is consistent with existing use of Big Whiteshell Lake."

I brought this matter to his attention yesterday in the Question Period, and I asked him if it was not inconsistent with the 1975 zoning plan. His answer to that, Mr. Speaker, which I have right here from Hansard is as follows: He says, and I quote from Page 264 from Hansard, March 30th, 1978, "All I am going to say along that line is that there are cottage owners there at present and that there has been development there, and following those lines this would be additional development." Well certainly, Mr. Speaker, this would be additional development, and it is not consistent, it is not consistent with the land use plan for this park. In one place, Mr. Speaker, he says that planning will be done prior to major developments, and in the same statement he admits that he has already given a permission to an unknown developer to develop 200 condominium units on a lake without any kind of planning or impact study whatsoever.

Mr. Speaker, it was also brought to our attention, that the same Minister was making not only inconsistent statements to the Manitoba Naturalist Society but he was making inconsistent statements to this Legislature, which I pointed out in the Question Period on March 22nd. Mr. Speaker, after he had discussed this with the Manitoba Naturalist Society on March 15th, he issued a press release which was initiated by his Deputy-Minister, so presumably he discussed this with his Deputy, and if he discussed it with his Deputy he must have had some information with what had taken place, what kind of agreement, or proposal or whatever it was that had been signed, what kind of implication this would have for his department — he must have known about that, Mr. Speaker.

Yet, in reply to a question from the Honourable Member for Inkster — which I will read — on Tuesday, March 21st, 1978, he asked the Minister if, and I will quote, "If the Minister of Tourism could reveal to the House that that professional report, on the basis of which he changed a perfectly well-planned Whiteshell cottage development by allowing a 200 unit condominium private development within a provincial park. . ." And the Minister replied, Mr. Speaker, "I thank the member for asking that question, because there seems to be a lot of misinformation floating around. The development in question is not taking place at present, the gentleman is proposing a development and has been given permission to build a road at his own expense from a provincial road to his own property and that is all." Mr. Speaker, that is all, and yet, Mr. Speaker, on the same day the Member for Inkster tabled a document in this House which was titled "Development Agreement" signed by the Deputy Minister of the Department of Tourism and signed by Joe Jarmoc, and, Mr. Speaker, when a Deputy signs a document it is just as good as if the Minister signs that document. In legal terms that Deputy is committing the government to that particular development agreement and there is no way that they can get out of that one.

Mr. Speaker, on the following day, we followed up with questions to the Honourable Minister

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asking him if it was true now after we had tabled the document, whether or not a development agreement was in fact signed by the Deputy Minister. And, Mr. Speaker, he had to admit that day, he had to admit the next day that yes, indeed, he had instructed his Deputy Minister to sign such a development agreement. And, Mr. Speaker, I challenged him on that day because I felt that he had the information that was required to answer that question in the positive the first day it was asked. Since this was not something that was just brought to his attention, it was something that was brought to his attention on a couple of occasions at least by the Manitoba Naturalist Society and was brought to his attention by members of this House. So, Mr. Speaker, he should have been able to answer that question properly the first day it was asked of him.

Mr. Speaker, in this response to the Naturalist Society, he indicates another direction of the Manitoba government which he says, "A general request for participation by the public in planning facilities in the Whiteshell will be made within the next ten days." And presumably he was referring, Mr. Speaker, to these Whiteshell review ads which were printed in the daily papers in Manitoba. Now, Mr. Speaker, I am not an advertising person; I don't claim to have expertise in that area but in attending a meeting the other night of people who are very concerned about this project, there were people there who claimed to be advertising experts who were commenting on this particular ad in the press. Mr. Speaker, I will quote from what they said. These are not my words, these are the words of people who are supposed to know what they are talking about when they talk about advertisements that are designed to solicit responses from people on a particular topic. And, Mr. Speaker, I quote from them. They said that, "These ads give no real alternative; it's obvious the government has already made up their mind regarding a development policy for the Whiteshell." Another one, Mr. Speaker: "The ads are deliberately designed for non-support." For non-support. "The ads" — and this is another one, certainly not my words, but in the words of one of the advertisement people — "The ads are an insult to the intelligence." Another comment by one of the experts of the panel discussing this, Mr. Speaker, is that "These ads indicate a 100 percent turn-around in policy established by the 1975 zoning plan." Mr. Speaker, another one is, "Greater use is the only alternative given in the ad."

I then went back to these ads myself, Mr. Speaker, to look at them further to see what, in fact, these advertising men were talking about, and Mr. Speaker, in my own judgment, looking at these ads, and I quote from the ad, it says, "These six areas have been chosen, both for their ability to sustain higher levels of use without loss of natural values, and for their ability to be developed economically." I realize, Mr. Speaker, that's what these advertising men were talking about. Here is the response these ads were trying to solicit; they were trying to get people to say, in response to these ads, that they wanted greater use of these areas.

Mr. Speaker, what areas are they talking about in these ads? They refer to them, George Lake, Crow Duck Lake, Horseshoe Lake, Mud Turtle Lake, Meditation Lake and the Winnipeg River from Lac du Bonnet to Pointe du Bois. Mr. Speaker, these people pointed out as well, that these areas they referred to as wanting to find out what greater use people wanted to make of them, in fact, it was the greater use they were trying to solicit out of people, through the deliberate design of the ads; these are the very areas that were recommended in the 1975 zoning plan to be undeveloped, to be left in their natural state, Mr. Speaker. So here is an example of a government that has already made up their mind what they are going to do with the Whiteshell Park, and they are trying to get people to send in information confirming what they have already made up their mind about. That's not consultation, Mr. Speaker.

Mr. Speaker, I would like to make some general statements about my opinions of this kind of developmental attitude on the part of this government. I would like to say, Mr. Speaker, very clearly, that this reveals a very dangerous lack of foresight and judgment on the part of the Minister who is instructing his department to do things which are not compatible with any kind of proper planning procedures. Mr. Speaker, he has already concluded that this is something that is desirable, and he is instructing his department to go ahead and make agreements with people to do these things that are going to be destructive, destructive, Mr. Speaker, to the environment.

The people who now live on that lake and have cottages on that lake are completely and unalterably opposed to this kind of development. They point out, Mr. Speaker, that on this small lake, which is five and a half miles long by about two and a half to three miles wide, which has pockets of areas which cannot be used because of the shallow depth of the lake, and which already has a potential day-use of about 1600 people; they are going to plunk down a 200-unit condominium development. And then the Minister makes a statement in a press release that says, "Moreover, the condominium development is consistent with existing use of the Big Whiteshell Lake."

Well, Mr. Speaker, the Big Whiteshell Lake is already overcrowded. Is the Minister saying, "Well, since it's already overcrowded, we might as well make it more overcrowded"? Mr. Speaker, this decision, to be most charitable about it is to say that it's a foolish and sloppy kind of administration; that's the most charitable thing I can say about it. But, Mr. Speaker, other people are saying other things, and are asking questions which are more serious than just saying that this is a foolish and sloppy kind of administration. Mr. Speaker, some people would say it smacks of something rotten in the Conservative decision-making process. —(Interjection)— I'm not saying that yet, the Minister has promised us a review, which should be very interesting to see. But, Mr. Speaker, it seems to be taking an awfully long time for him to review something which he himself had instructed his Deputy Minister to do. What is he doing, reviewing himself? —(Interjection)— Someone is saying his deputy

is in Disneyland; I would say it's probably safe to say this is a pretty Mickey-Mouse kind of development.

Mr. Speaker, there are a number of questions which must be answered about this affair, and some people would call it an affair. The whole thing appears to be, to this point in time, to be some kind of a cover-up, because there certainly is no information coming before this House. Mr. Speaker, how does a virtually unknown, inexperienced person, with no obvious financial means, receive approval to proceed with a development which, by its very nature is going to be destructive to a lake, one of our beautiful lakes in the Whiteshell, receive an approval to go ahead with a project that the officials in the department in 1975 would have advised against? Advised against.

The other question, Mr. Speaker, how does he receive this approval so quickly after an election? How does he get this immediate audience with a Cabinet Minister and convince this Minister to instruct his deputy to sign this development agreement for a major development? And then, Mr. Speaker, after this intimate discussion and dealing which the Minister had with this Mr. Jarmoc, why did the Minister suddenly have this lapse of memory where he would come into the House and try to deny that there was a development agreement? When we first asked him about it, "Oh, no, there was no development agreement, it was just a road. "And the other question that members on this side were asking, "Why would somebody build a road for no reason?"

And, Mr. Speaker, why did the Minister then, after admitting in the House the day that I pushed him on the matter, why did the Minister go outside the House and say to the Press, which was reported in a CTV interview that night, that the information he was still operating under was that all there was was permission to build a road. Mr. Speaker, this smacks of the kind of gobbledegook and stonewalling kind of statements that came out of the Nixon administration. Mr. Speaker, they were famous for coming out with the statement, "Well, the operative statement today is . . .", and they would say whatever was their "operative statement," and Mr. Speaker, that was brought to mind when I heard the Minister say on CTV that the information he was operating under at this point was that there was only permission to build a road. There's the operative statement.

Well, Mr. Speaker, that is not the whole story, so why only say that much to the media when they're asking you? There's a development agreement signed by a Deputy Minister and when a Deputy Minister signs a development agreement — a senior Deputy Minister who has many years of experience in the government — when he signed that agreement I would challenge any Minister that he did not get instructions to sign that agreement, because a Deputy would not do that.

But on top of that, Mr. Speaker, the Minister admitted — he admitted to us that he had instructed his Deputy to sign that agreement after he had had his own personal conversations and discussions with Mr. Jarmoc. Well, Mr. Speaker, the Minister then comes in and says, "Well, don't worry about it fellas, because it's just a road and we've put sort of a hold on this thing right now while we're reviewing it."

And then, Mr. Speaker, today we get the information that there's a news service called the Sanford Evans Building News Service that has put out a little blurb here which says: "The Big Whiteshell Lake, Manitoba — Work contemplated: recreation complex; Owner: Jarmoc Project Management Ltd., 200-155 Carlton Street, Winnipeg, Manitoba; Location: Big Whiteshell Lake, Manitoba; Cost: \$7 million estimated; Work covers: 150 condominiums, boat dock, sports facilities, natural swimming pools, central clubhouse and lodge. More information to follow."

Well, Mr. Speaker, I don't know if we will get more information from the Sanford Evans Building News Service or if we'll get more information from this government, but we're still waiting. Mr. Speaker, when this kind of thing comes out in a news service that serves the public — serves very specific people in this province — namely the people that bid on contracts and so on, it makes it look to a lot of people, Mr. Speaker, like this is a positive indication that this is going to go ahead. In fact I had a discussion with people this morning who are knowledgeable about these things and they claim, Mr. Speaker, that when they see an ad like this in the Sanford Evans Building News Service, 99 percent of the time that project goes ahead. They start gearing up to meet the needs of this kind of a project. The building contractors start going down to the person in question and ask for their plans so that they can prepare their estimates if there's a tender released on this.

And Mr. Speaker, we don't know if more information is to follow that this is going to be tendered, or if this is the only information that we will get until we see building actually taking place on the site. When will we know? When will we know, and when will we find out for sure that this thing is cancelled because, Mr. Speaker, I take the position personally, and I'm sure I'm supported by all my colleagues on this side of the House, that there must be no condominium development on that lake — period. And we want a clear and unequivocal statement from the Minister or somebody in that government that speaks with any kind of authority, to say that — that there's going to be no condominium development on that lake — that they're not even considering it. Because, Mr. Speaker, who wants this condominium development except for Joe Jarmoc and whoever may be his financial backers and the Minister of Tourism who has approved this so far?

And there's another question that people are asking, Mr. Speaker, another question that's on the minds of Manitobans, is who are these financial backers? How does a person who is not known to be any kind of a financial person end up producing a \$7 million condominium development? Where does he get his money and why were these things not checked out before a development agreement was signed? If the Minister does not know then he's at fault in the first place.

I mean this is the kind of thing that the Conservative Government did in the 1960s when they went over to Switzerland and in two or three days they signed an agreement with Kasser for this big development in The Pas. Mr. Speaker, they didn't know then who their financial backers were. They never bothered checking out that situation either. This is a little bit smaller development but, Mr.

Speaker, the same principle applies. Why is there no information? Why can't the Minister immediately, when we ask him, pull out his file on this and indicate to us who this man is — who are his financial backers?

Mr. Speaker, and I also take issue with the kind of statements that were made by a Deputy Minister in this statement which are reported in the press where he says he can't be fired by a bunch of MLAs. Well, Mr. Speaker, I have to quote from my friend across the House who's now speaking from his seat, the Minister of Highways, who I agreed with when he got up, when he was on this side of the House, and said, Mr. Speaker, that when he is down in the lunchroom and the cafeteria here, he talks to senior civil servants who tell him that they have no respect for what goes on in this Assembly, that this Assembly doesn't mean anything to them. Well, Mr. Speaker, that situation, and I agreed with the member at the time when he said it, that situation can't be the case. We cannot allow that. We can't allow public servants at any level to give the back of their hand to this Assembly.

Mr. Speaker, the people of Manitoba elect 57 MLAs and they bring them into this House and they expect them to have a voice, and they're sure as hell not going to take that kind of attitude from any public servant — "I can't be fired by a bunch of MLAs." I'm sure the members opposite agree with me on that statement.

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

**MR. ENNS:** On a point of privilege. Mr. Speaker, I don't like to leave things on the record, but I've just had it confirmed by an irrefutable source that I never said that — what has been attributed to me by the Honourable Member. I just wanted that on the record.

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

**MR. BOSTROM:** Mr. Speaker, the honourable member must depend on the same source as the Honourable Minister for Tourism, that is, the information is all in his head but he just doesn't always remind himself about it.

Mr. Speaker, I remember the speech that the honourable member made and I will challenge him on that, that he did say that in this House because I remember being impressed by those words, because I think that every member of this Assembly is an important member of this Assembly wherever he may sit, wherever he may sit. And, Mr. Speaker, it's not proper, nor should we allow public servants in this province to use that kind of contemptuous statements about the members of this House. Even the very words, "I can't be fired by a bunch of MLAs." Well, Mr. Speaker, if I was the Minister of Tourism I would be taking that Deputy Minister to task because, Mr. Speaker, if he is the one who is at fault over this condominium development either he will be fired by the existing government or he will be fired by us three and one-half years from now when we form the government of this province.

**MR. SPEAKER:** The Honourable Member has four minutes left.

**MR. BOSTROM:** Mr. Speaker, I believe there are a lot of questions to be answered by this and I am glad the Minister is in his seat now because, as I said earlier when he was not in the House, I hope that he will get up, I hope that he will make a clear and unequivocal statement to this House that there will be no condominium development in the Whiteshell, that there will be no condominium development on that particular lake. I would also like him to explain when they do stop this development — when they do tell this developer that he cannot go ahead with his development — how much it is going to cost us. What is it going to cost us to get out of that agreement?

And not only that, Mr. Speaker, I would also like assurance from him that if there is very little cost to the government in getting out of this agreement, that this doesn't mean that this fellow is going to be just waiting in the wings until they can find some other nice little project for him to go into, some other little area where they can make a quick decision and let him plunk his 200-unit condominium project down. Because I'll tell you, Mr. Speaker, the people in my constituency are not going to be any happier than the people who are in the Whiteshell right now that are protesting against the 200-unit condominium development. I can tell you right now we don't want it in Rupertsland. Mr. Speaker, we don't want a 200-unit condominium project stuck up on the Winnipeg River or along the shores of Lake Winnipeg to put that kind of pressure on a small little area. 43-02 Mr. Speaker, we have all kinds of areas to put in cottage lots in this province. We can put in cottage lots in a way in which they can be compatible with the environment. We don't have to build a 55 Nassau type development in our remote areas in Manitoba. We have enough lakeshore in this province, Mr. Speaker, that every Manitoban could have a cottage lot if it were properly organized. Mr. Speaker, that is the direction that I say that this government should be moving, not in the direction of putting in these kind of massive development projects, particularly in our parks, high density development in parks where it's going to be not only undesirable from an aesthetic point of view, but undesirable from an environmental point of view. It's going to put undue pressure on the environment and cause untold damage, and this is a very dangerous kind of thing, Mr. Speaker, and it makes it seem like this government is bent on a very dangerous direction in the development of our parks.

**MR. SPEAKER:** On the Proposed Motion of the Honourable Minister of Finance. The Honourable Member for Kildonan.



**MR. PETER FOX:** Mr. Speaker, was the Minister of Industry going to speak? I was waiting for someone to say something on that side of the House. I realize that the Honourable Member for St. James spoke, but he didn't say too much — he made a little bit of noise, but it didn't amount to very much logic as far as I could see. Of course, I don't understand his form of logic anyway.

But before I proceed, Mr. Speaker, let me wish you well in your further tenure in the august position you hold in this Chamber, and of course as you know having had similar experience, I often have empathy for you when things get a little difficult, but I am sure you will walk the tightrope, the narrow path, and come out well, as long as you keep trying, and I wish you well, as I said.

Let me also congratulate the two gentlemen that have been elected to assist in the Chairmanship of this Chamber and the Committees, and wish them well as well, and they too will have to adjust just through practise and experience, and I'm sure that they will carry out their duties diligently.

Now why do I get up and rise to speak on this Bill, Mr. Speaker? The reason is that I have some concerns, and the concerns have been raised by members of my constituency. Kildonan Constituency, as you may be aware, is composed of many many facets of our society but not very many of the rich facets. We have working people, senior citizens on fixed incomes, some people on disability allowances, some young folks — students, and so on, and of course they are today, and have been, questioning what is going to happen. And this is one of the concerns that I have to try to determine while I am here in the Legislature being their representative.

Now you know the message we've had since we started the Throne Speech Debate has been, it's all the fault of the New Democrats previously, and of course that we have to restrain, that we have to cut back, and we have got to put all our eggs into one basket and leave it up to private enterprise and that's going to solve our problems. And so when I speak to people in Kildonan, they say to me, "How do you look at that?" And I say, "The question is not how I look at it, what do you think of it? Is it possible for everything that has gone wrong in this country — because we have over a million unemployed at the present time — can the fact that industries are leaving Manitoba, can the fact that some industries are laying people off all be blamed on the New Democrats? Is not the rest of the country having some of these particular recessional problems too?" And of course the people say, "Is that what it is all about, we thought that it was just the New Democrats."

Again, the thing that comes to mind is what is this government doing to alleviate that situation? Are they helping the economy, are they going to put some input into the economy in respect to construction so that there will be more employment? No, Mr. Speaker, it is exactly the reverse. What is happening, they have put a freeze on everything that could have created some jobs and, of course the multiplier effects of those jobs. So again, people are wondering what direction this government is going in and what does it really mean.

Certainly they have reduced the income tax by two percentile point, but that really is no assistance to the people in my constituency. I doubt if I have any \$75,000 or over salary earners in my constituency. The majority of them are in the \$5,000, \$10,000, \$15,000 range, and for them this percentage cutback means very little.

The other thing that is occurring, Mr. Speaker, and you well know it, is that the restraint program has been foisted off into other sectors. The province is looking very good, or so it pretends, by saying it has created restraint, it has cut back, but at the same time its election promises of where it was going to not eliminate any of the services, where it was going to create jobs for students, all of these things are now forgotten.

What they have done is they have put on a restraint, not only on the municipalities, the cities, they have also put a restraint on the universities and what does that mean, Mr. Speaker? It means that in essence those other areas have now had to pick up that slack.

The cost of living and inflation has not slowed down. It has kept the pace and, therefore, if we maintain the same expenditure this year as we did last year, there is that much of a loss in trying to purchase at this time. The difference between the cost of living and the inflation is about 8 to 10 percent and that has to be picked up somehow. Where will it come from? For the students, it will mean increased tuition fees or some of them will not be able to go back. It will also mean, because of the cutbacks, that the economy is slowing down. There will be less jobs for them during the summer so many of them will not be able to get back to university for that reason.

There will also be a more stringent application of bursaries and scholarships because of the restraint and consequently less students will be able to earn their way into the university that way. The entrance fees that are being asked for at the present time are contemplated to be about 20 percent. For most students, this has been. . . even last year was a difficult time trying to get back in. At the present rate, many of them will not be able to get back into a university education.

The restraint has also affected the City of Winnipeg and the other municipalities. It will mean that people in my constituency will now have to pay much higher residential taxes or else higher rents in order to get the same services because the services are necessary and cannot be cut back, or should not be cut back. Yes, we can cut them back but then, of course, everyone will be complaining and saying they are not getting fire services, police services, or road services, and the other maintenance services that we require in a large urban centre.

We should trust the private sector to do the job for us. Well, a good example of the private sector doing the job for us was INCO. As soon as this government was elected, which was supposed to be creating a good climate for the private sector, INCO nevertheless announced that it was going to lay

some people off. We don't know the full extent of that. This summer will probably indicate more directly how much it will cut back.

Hooker Chemical, that's another private firm that is cutting back, in spite of the fact that the Minister of Labour has given this company a great concession. I put in an Order for Return, Mr. Speaker, in order to determine to what degree the Minister of Labour had exempted this company from the Power Engineers' Act. Under the Act it calls for second class engineers to operate at Hooker Chemical as well as at Simplot. You know what they are operating with now, Mr. Speaker? Third and fourth class engineers. That means a saving in the neighbourhood of up to \$2.00 an hour in respect to wages for everyone of those third and fourth class engineers that they are using instead of using the proper ones that the Power Engineers' Act calls for. And nevertheless, Hooker Chemical has said, "We don't have enough demand; we're going to lay people off just the same, even though we're saving money on wages because the Minister of Labour was so good to us."

Now all of this indicates one thing to me, Mr. Speaker, and that is this, that this Conservative government says one thing and does another. It's a sort of a shell game, a con game. You know, Mr. Speaker, to say that, oh, yes, we support these services, like for instance, the Assiniboine Zoo, but we're just going to keep you at last year's level of operations, that's all the money we're going to give you so if you want to maintain the same services, you will just have to figure out another way of getting the money and probably what will occur will be a user's fee will come out of that kind of pressure. Of course, that means that the ordinary people who cannot afford to go for their vacations out of the City who will take their children on the weekend to the Zoo, will then be forced to pay in order to get in to see that particular enterprise.

We have seen that even though the Conservatives claim that the climate for the private sector is being improved — or so they claim — nevertheless, as I've said, INCO and Hooker have laid people off. Co-op Implements is having difficulty and is not getting any support from this government at the present time. There are other outfits that are leaving. Greb Shoes has left; Willson Stationery has left. And what has this government done? It has, on top of that, because it's so short of money, sold some of the assets that we used to formally own as Manitobans at fire sale prices even if they were paying enterprises and could make a profit for us. Nevertheless, because of their ideology, like one of my colleagues mentioned, dogmatic ideology, they insist on selling these things.

Where are the jobs going to come from for the young people that we shall need this summer? With all these cutbacks, with the number of civil servants that have been laid off, is there any way that this government is going to provide some kind of opportunities for these young people or are we just going to say to them, "Well, fend for yourself. We just don't have anything for you." Are we going to say to them, "Go to the private sector and ask them to give you jobs, where already the private sector is operating at 80 percent capacity because of insufficient demand. Do we expect the private sector to operate at a greater demand when they have no place to sell their goods now? I don't think so, Mr. Speaker. And again, that's the kind of a shell game, con game, that Manitobans are facing now."

You know, I think the real height of this slight-of-hand that is taking place can be attributed to the Minister of Finance as well. When he made his speech in introducing this bill, he indicated that they had cut \$300 million or so off of fat that was there. Well, I don't think there was that much fat there, Mr. Speaker, because their election promises said they were only going to do things through attrition but they had to get down to the real dire consequences of even firing and laying people off over and above attrition in order to achieve the fat that they were looking for and they couldn't find it. Nevertheless, now he builds up a straw man of \$300 million which was a first estimate, which had never even been checked or pared or anything else and says, 'that's how much he saved for the people of Manitoba.'

But the interesting fact, Mr. Speaker, is that with all his paring and cutting and budgeting and everything else that he did, he still has a budget this year of \$46 million more than that of last year so where was all that fat that he was looking for? So, again, now you see it, now you don't — the shell game, the con game is going on.

The thing that I have to wonder about, Mr. Speaker, is, you know, when there is a shell game going on, there's usually a shill involved, somebody who aids and abets and participates in making the game look good. I'm just wondering how many of the members that sit on the opposite side are participants or are going to be involved just looking at it and not knowing what's going on, just saying, "Me, too," and "I, too," and voting because that's what is expected of them.

So, Mr. Speaker, as I said, we have many concerns in Kildonan. The property taxes are apparently going to go up \$50 to \$60 for most people in my constituency. Rents are going to go up for those who are renting because if the property taxes go up the landlord is definitely going to ask for those costs. Higher transit fares are going to be the order of the day. It's already been announced by the City that this is one of the areas that they have to find some of the money that they need. Milk prices will be going up. Beer prices are scheduled to go up Monday. Legal Aid is going to have a deterrent fee as it was announced just recently in the paper. University fees are going up and so is unemployment going up.

Besides that, Mr. Speaker, you know there's one other possibility which gives me concern which is that I haven't heard the Minister of Health indicate whether he has made an agreement with the doctors yet or not, but I have read where the doctors have been urged to opt out if they don't get a settlement soon and that may create a backdoor towards the deterrent fee. If the doctors opt out and start to billing each of their patients individually and separately a higher fee than they are getting from the settlement that they have not settled with the government yet, that will just create another issue that will cost the people in Kildonan more in order to survive and exist under the present

Conservative government. So, Mr. Speaker, I think this shell game should be exposed and that's what I'm doing when I'm standing here and also what I'm saying to the people of Kildonan, that it's only a shell game. They promised a lot of things but they haven't been able to produce so they keep shifting the costs from themselves to others and saying, "Oh, it's not our fault; blame it all on the New Democrats. We're not at fault, but we've got difficulties and so therefore we have to hold the line and we don't care where you people find the rest of these costs that are involved, but you're not getting any more from us so you go ahead and tax it anyway you like, tell the municipalities, tell the universities, tell Legal Aid, put up deterrent fees, increase the university tuition fees, get the taxes through higher transit fares, through user fees at the Assiniboine Zoo, but just don't blame us. Blame it all on the New Democrats before."

Thank you, Mr. Speaker.

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

**MR. CHERNIACK:** Mr. Speaker, I was hoping that other members of the Conservative Party would be prepared to speak on an issue as important as we are now dealing with and I hesitated to rise until it became apparent that no one else was prepared to speak other than the Mover of the Motion who would be closing debate.

Mr. Speaker, I want to recall to you that I had occasion to speak, I think it was on Wednesday morning, on the Throne Speech, wherein I indicated my belief that the Conservative Party, whose program it was to reduce government involvement in matters of concern to Manitobans, who wanted to deal in highways and deal in protection and deal in other services of the basic simplistic nature, that rather than come out and say so, they were raising all kinds of charges which would make it appear that this is a very heart rending job on their part because of the problems which were left to them as a form of a legacy.

Mr. Speaker, I had hoped that what would get some element of integrity from the side opposite, and although I cannot lay blame on the backbench because I believe they have learned to mouth the words of their Leaders in the frontbench, yet I would have thought that their conscience at least, would stir them up to the extent where they would try to check on some facts rather than the fantasy which is described and painted by their Leader.

Mr. Speaker, I have to congratulate the Member for Inkster who did succeed in getting an honest response from the Conservative side because after he spoke today, we finally did hear from a member of the government's side who admitted freely and proudly — and I give him credit for that — that it is the philosophy of the Conservative Party to reduce and cut back the involvement of government in such a way as has been described by us. And Mr. Speaker, he did not use the excuses of the First Minister or the Minister of Finance or other ministers or other backbenchers in saying, well that's the legacy you left us. It is because of the problems we have that we are cutting back. He made it clear to me anyway, that he believed that that's what government ought to be doing, and I think he was honest. And so far, Mr. Speaker, I think he was the only honest member who spoke from the Conservative's side since the Throne Speech was read. Because he did describe conservative philosophy in a clear way, in a recognizable way, and I respect him for doing it.

Mr. Speaker, you may recall that my leader had occasion to say that when certain statements would be made he would be prepared to indicate that the persons making those statements were liars.

Mr. Speaker, I found that a little shocking, that a leader who has had that many years of experience in the House, both here and in Ottawa, would be prepared to say it and then I reflected and remembered, that one of the principles, one of the very reasons we call each other honourable members, is that we expect to hear an honourable statement made by members of this House. And one should not call another member a liar because one has to assume that that member is giving honest facts and responding in honest ways and in an honourable way and therefore it should not be necessary to call him to task.

But, Mr. Speaker, we have heard statements made by honourable members opposite — insinuations is fair game. When the Minister of Finance says, "Why we reduced up to \$300 million of that government's legacy in Estimates," that of course is laughable. It's an insinuation, it is not a statement. He did not say that the government — the NDP government — was prepared to accept and pass and approve and bring to this House Estimates that were \$300 million greater than he brought, but he left that insinuation — that's fair game — except it is laughable, it is ludicrous, and since it is his first time as Minister of Finance, it may be excusable only to the extent that his inexperience would have made it necessary for him to speak the way he did.

And that is why I found for my leader, an excerpt from page 958 of Hansard of April 15, 1968, wherein I had spoken on the Budget Speech and I quoted the Honourable Finance Minister's predecessor of four times back, Mr. Gurney Evans, who had said something like, "the reduction was achieved by the most rigorous kind of pruning and careful planning, I assure you, that most of these proposals were in themselves worthy and desirable but the government deliberately held the line to the present level in order to minimize the impact on the taxpayers of Manitoba." And when I responded to Mr. Evans! saying that, I didn't have to go further than to find the words of his national leader as he used them in the House of Commons only a few months earlier wherein he laughed and said it was ludicrous for a Minister to say that. He ended his statement by saying, "It is a hoax and any

small respect we had for these gentlemen disappeared last night."

Mr. Speaker, I have to confess that that is the reaction I had when I heard this, only it was compounded by the fact that the Minister of Finance attempted to make the insinuation to leave it on the table somewhere, that it was passed and approved of by the previous government and that they then took it in hand to reduce it.

Mr. Speaker, my leader presented a number of statements of fact when he spoke on this Bill yesterday. He gave statistics, he quoted the source, and I believe he threw down the gauntlet to members opposite to check his figures and see whether or not they had been giving a picture of truth to the people of Manitoba when they talk about the mess, when they talk about their problems with deficits and pointing at the NDP government as their excuse for doing what they wanted to do all along, and that is to reduce services of government to people of Manitoba.

So I want to tell the Minister of Finance that I was disappointed that the only person on his side who spoke on this bill was his legislative assistant. I have to tell the Honourable Minister of Finance that he was not present, to my recollection, when the Member for St. James spoke. And I want to tell him that the Member for St. James spoke, I believe, honestly in a sense of describing the philosophy that he goes by, which I believe was the philosophy of his party; and I want to tell the Minister of Finance that I hope that he, too, will talk about the philosophy of his party and also go one step further, since he has the capacity within his department, to review statistics and to confirm or deny them or correct them, that I would expect from him that he will look at the figures that were presented by my Leader yesterday on this debate, and respond to them and tell us whether the figures are correct or not. Mr. Speaker, I have not checked them. I would like to know whether they are correct.

I don't mind the difference of interpretation but I do mind that we are told the truth in this House, so at least we can interpret on the basis of facts. And when I hear, as I heard yesterday, that the Conservative Party, when in government in the 60s, produced deficit after deficit after deficit on the combined current and capital and that the NDP government in the 70s produced surplus after surplus after surplus for a number of years and then had some deficit, I want to hear the Minister of Finance come back with the figures and if he disagrees with any to indicate the basis for them, and to indicate where is the support for his statement. I expect that from him, Mr. Speaker, and I must tell him that I am going to be rather insistent that we get these answers from him.

I would expect that the First Minister and the Minister of Finance, who appear to be in charge of the operations of the entire government when it comes to restraint and control, that when they talk about the need to fire civil servants, to reduce staff, that they do, indeed, look at the figures which were produced by my Leader yesterday which seem to indicate that Manitoba has the third lowest civil service per capita. I want to know if it's true or not true, because if it's true, Mr. Speaker, then the Conservative Party has been spreading falsehoods. The Conservative Party has, throughout the campaign and throughout their term of office so far, has been giving a distorted and false picture to the people of Manitoba. And I think that that has to come out.

Mr. Speaker, I don't really approve of the form of debate that takes place, where a Minister introduces a bill without speaking to it. There are a number of speeches made of which he does not hear all of them because no doubt he has business to take him outside, and then gets up at the end and may not respond to them. Mr. Speaker, I'm going to be rather insistent that we get answers and that we have a debate which is meaningful. That's why I enjoyed listening to the Member for St. James because I think that was a meaningful exchange. But, Mr. Speaker, we haven't been getting very much of it from this House so far; we're going to get more because as we go into committee more and more often we will be able to force more and more discussion rather than statements that are not answered or claims that are not responded to. So I want the Honourable Minister of Finance to know that I expect that he will give answers and that he will be accountable for the answers and then when statements are made on that side of the House that they will be supported by facts and figures and not by rhetoric. I must admit that rhetoric has its place in this House, of all places but, Mr. Speaker, rhetoric also has to be accompanied by some pretty hard facts.

As I say, the Minister of Finance has the capacity within his department to confirm or deny statements, to bring in facts, and I must tell him as I have already, that I expect him to deal with that. When I put it that way I'm going to be as insistent as I can that he deal with it, because, Mr. Speaker, I am not prepared to — as I had to be when I was on that side of the House — to have people on this side of the House make statements and not be accountable for them.

And I referred when I spoke on the Throne Speech to the fact that the present Minister of Highways at least was candid enough on a previous occasion to admit that the Conservatives were not telling the whole truth in relation to income taxes when Conservatives were saying that we had the highest personal taxes and admitted that they weren't telling the whole truth. So do I expect to — (interjection) — Oh, so the Minister of Finance now responds and says: "You weren't either." Good. Now he is saying, all right then, we'll have a competition on half truths.

Let me tell the Minister of Finance that he cannot get away with half truths. I don't, for one, as a citizen of Manitoba, intend to let him get away with half truths. I don't know whether he wants to use as some precedent or some guideline what he thinks other people didn't say, he has to tell us truths and I think we intend to get truths from him. So let it not be necessary for a colleague of his to have to get up on some other occasion and admit that the Conservatives could be accused of not telling the whole truth. I'm glad he's walking into the Chamber now but of course he heard me say that on Wednesday when I quoted him to that extent.

He has on other occasions admitted that truth was not always the hallmark for members of the Conservative Party, but then I don't claim that it's a hallmark for all people, I don't claim it for myself.

But I do claim that in this House if people don't tell the truth, then they are liable to be called liars, Mr. Speaker, and they have to be prepared to stand up to that. That's why I, at the conclusion of my remarks the other day — and again I'm glad the Honourable Minister of Highways is here — took the occasion to point out that he and others before him on that side, on the Conservative side, have used as their Bible a document which they have turned — the NDP Manifesto — which they know by now was a draft document, a first draft document prepared by some lower level adviser within government and they are using that as their way of dealing with government policy; that they have been quoting that as being the intention of the NDP.

Mr. Speaker, it is absolutely phony. The fact that the Conservative Party found it advisable to go to the expense of reprinting this document and using it as an election issue, is an indication of their lack of integrity, because they knew full well from the very beginning that the document was not a published document, was not a formal document, was not a document that they obtained in any proper way but fell into their hands in some surreptitious manner and for them to use that shows a complete lack of integrity.

Now, Mr. Speaker, it should be noted that that is the case because in their case it is deliberately designed to mislead. —(Interjection)— Mr. Speaker, you know I didn't mind. I've often said the Honourable Minister of Highways, who speaks very well when on his feet, often speaks better when he is seated and he gave us one of his seated speeches which is welcome to me. Because I said that one can draw conclusions, and I don't mind his drawing conclusions as to what I believe in, but I say he has no right to use a piece of printed paper, especially one printed by the Conservative Party, to use it and throw it back to me as being my words because, Mr. Speaker, he knows very well it's not my words. He knows very well it's not the words of the NDP Party. —(Interjection)— Did I say NDP Party? He knows very well they are not the words of the New Democratic Party. —(Interjection)— That's right. He knows very well that they are not the words of the NDP government when it was in government. He knows those things. So I don't mind his saying that he believes that I believe in certain things, but don't let him give the false deliberately designed to mislead words, that these words that he waves around and that the Conservative Party does, are indeed the words of the former government or of the New Democratic Party.

But that kind of ties in with what I said the other day when I described demagoguery and labelled that as being the Conservative attitude of the present time. False promises and false claims. False claims when they said — and isn't it in writing somewhere — they had no intention to cut Civil Service except by attrition. Wasn't that a pledge made to certain voters in Fort Rouge?

Indeed, it has not been denied and yet, I have a clipping here which quotes a certain Mr. Jackson, who for awhile seemed to be a supporter of the Conservative Government, to me, who said in a newspaper comment quoted on March 20th of this year that: "He was bitterly disappointed with the Lyon government over the handling of the layoffs and renegeing on promises. Mr. Lyon said repeatedly during the election campaign that any reduction to the Civil Service would only be achieved through attrition." Then he's quoted directly as saying, "We may have had our differences with the previous government, but at least they were honest and had integrity. I don't think the PCs can be trusted." Mr. Speaker, the Progressive Conservative Party is proving these words all along.

Has it not been stated, and did we all receive today, a comment by one Mrs. Paxton, quoting what was said to a group of women of a women's organization, to the effect that a representative — Mr. Speaker, I forgot, but I believe it was the Minister of Finance who was being quoted — I'm not sure, Mr. Speaker, but he's going to speak today so he can really tell us the truth, as he saw it. Mr. Speaker, I am pretty sure now that he is the one who was involved in what was told us in Committee — although the lady who told us that in Committee did not name him I believe he was the one — because I believe that it was later indicated that she was a constituent of his, and she had spoken about speaking to her MLA, and I can name her. —(Interjection)— Mrs. Goodwin, who is, or was, the President of the Provincial Council of Women.

And the statement was told to us that her MLA, Progressive Conservative MLA, made the statement, and I think it was suggested that a letter was written to the effect that, "Mr. Lyon had indicated to him that if elected, the Conservative government would not hold this new legislation back," the new legislation referring to the Marital Property Law, and the Minister of Finance can tell us, if he wishes to, whether or not he had made a promise which was apparently repeated to all members of the Provincial Women's Council to the effect that the Conservatives would not back away from the law that was being proposed, or brought in, by the New Democratic government in relation to Marital Property Law. He can deal with that if he wishes to, and he says he will.

Mr. Speaker, I must say that I had a pamphlet distributed in the constituency of River Heights by the Conservatives; I thought it was only the one, I somehow assumed that only the Member for River Heights had distributed this pamphlet and I was rather amused to read how happily the Premier thanks all people in River Heights for supporting the candidacy of the Member for River Heights. Now I've learned that this is a form pamphlet that was sent around in other constituencies as well, and I see that in relation to Family Law the statement is made, and therefore it's not only the statement of the Member for River Heights. There was one thing wrong with that law, it wouldn't have worked. So, the statement was made, "Your new government has put the implementation of that law off until later this year to give us time to" — and I quote directly, "make sure that the law we finally pass really will provide practical protection for everyone's rights when marriages break up."

Mr. Speaker, I have mentioned this, and attribute it to the Member for River Heights, the

Honourable Minister, because he is one who voted for the NDP government law. I therefore felt that here he was assuring us, "Look you constituents of mine I will maintain what I did before. I will see to it that indeed we will make the law workable but we will bring it in to provide practical protection for everyone's rights."

We have yet to see what will be produced. But I predict, Mr. Speaker, that what will be produced will be more in line with the thinking of that person who has already proved the ability of his Cabinet, of his people and of himself to breed concern amongst people who are now learning that Conservative promises will not be kept, who has shown his ability to breed fear in the minds of civil servants — none of whom know exactly when the axe may fall on them. Who has proven — and he has expressed pride in their ability to breed — that they can breed concern amongst electorate, amongst voters, amongst people of Manitoba. Mr. Speaker, I must suggest that it is a breeding shame the way they behave on that side of the House.

Mr. Speaker, I want to take the occasion to comment about someone who writes on matters of great economic concern. I don't direct this at any member of the Conservative government, I just direct it at one of their strongest supporters, a great economic genius working for the Tribune by the name of Harry Mardon. I want to refer to him only because he and I have been friends in the past and we still have that friendship between us, except that he knows I have no respect for his economic opinions. But I quote him by saying, Mr. Speaker, on March 22nd, 1978, and I do say that he is a person who is a supporter of the Conservative Party. "Perhaps the CMA" — that is the Canadian Manufacturers Association — "should have gone further." And I want to just interrupt that by saying — dealing with their saying that the government should ban strikes by public sector employees in essential services.

So Mr. Martin seems a little critical. He says, "Perhaps the CMA should have gone further and demanded that such a strike ban also should apply to those of the private sector who provide any essential service."

Of course to Mr. Martin I suppose essential service would be newspaper publications, delivery boys — as was said by the Minister of Finance but I know he didn't associate himself with this; I don't think so.

Then I quote again. He says, "No sane society should permit itself to be held up to ransom by greedy strike-happy unionists who only constitute a minority of the population." I wonder what the Minister of Labour would think about that?

**A MEMBER:** She would say "Amen".

**MR. CHERNIACK:** Well, I leave it to her to respond. She may yet make a speech in this House.

Mr. Speaker, here is a full page story of Mr. Mardon dated March 10th, 1978, "What The Military Means To Our Economy." And he speaks at the beginning, "The tremendous impact of the expenditures" — that's the military presence in Manitoba of some 150 million a year. "The tremendous impact of these expenditures and their multiplier affects is often overlooked by the average Manitoban, probably because the military tend to keep a low profile."

Imagine, Mr. Speaker, the military tend to keep a low profile. They don't go around advertising the fact that they are there spending money, building munitions, in the event that they are needed to carry out a defense of the realm, for which I don't think anyone will fault them, but one has to have a sense of proportion.

He says, "Besides about 4,000 soldiers and airmen stationed at bases in the province the military employ about 2,000 civilians, and that jobs of thousands more Manitobans depend on the big military payroll and heavy local purchasing program."

Mr. Speaker, Mr. Mardon thinks highly of the contribution to the economy of Manitoba made by the military presence. The same Mr. Mardon has applauded time and again the Conservative government's cutting of staff, reducing of services, because he says that's taxpayers' money. Does he have any concept in his mind who pays for the military presence in Manitoba? Do the members opposite? Are they prepared to reject the military presence? No, they're not, Mr. Speaker, but they are prepared to cut down the incomes of people who work in Manitoba providing you services, such as people who work in mental institutions, people who work in hospitals, people who provide services of a personal nature. That they cut down without recognizing the damage to the economy that they are bringing about. And the fact that Mr. Mardon seems to support them to me is often an indication that they are so dead wrong in what they are doing.

Mr. Speaker, I can't help but mention something about the gentleman named David Young whom I don't know — I don't believe I've ever met him — who has been cited by the Department of Agriculture as being an advisor to the Progressive Conservative government in Manitoba. We have yet to find out how come they quoted him that way. But, Mr. Speaker, he is an advisor. He may not be paid. He may not have been hired. But, Mr. Speaker, he is an advisor because this document which he prepared called "An Essay on Bureaucracy" and which is some 47 pages long, and which I do not attribute to the Conservative government nor to the Conservative Party but I attribute it to one David Young, on how one deals with the bureaucracy, is very interesting reading. Not because he wrote it and it's interesting but because it so interestingly parallels actions of this five-month old government, starting from two days before it was born until today.

Mr. Speaker, I just want to read certain comments of this and see whether there is a parallel to be drawn. And I say that because, again, I don't mind if they say "Yes, David Young wrote something. We used that. It's interesting. We didn't necessarily follow it completely." But rather that they denied

using it and that cynically he makes certain recommendations which they must clearly have in mind.

Mr. Speaker, on Page 21 he says "The first prerequisite for controlling government spending and growth of bureaucracy is a change in government — a change from the party in power, whatever it may be, to the opposition." It matters very little what Party is in power.

Then he goes on to say "Newly elected representatives and those members of the backbench who are present today who are newly elected"; I see no newly elected Ministers in the Chamber. He says this to them: "Newly elected representatives will not thoroughly understand the capacity of the bureaucracy to control."

So then he says "Many of the elected representatives must accept the policies on faith until they obtain experience in the art of government. This then constitutes a second prerequisite. Any political party wishing to regain control of government must be strongly led and must avail itself of the knowledge of at least two or three persons with a thorough understanding of the bureaucratic process."

And whom do we see but the First Minister who, before he became the First Minister, on a Saturday afternoon summoned three men to his office in order to have the gleeful opportunity to tell them not to dare come into the office, not to dare be in the building at the time when his new Cabinet is being sworn in. That's my interpretation of the newspaper reports. I believe they were told to be out of their offices by noon, and I think the swearing in was about noon.

Mr. Speaker, I read further. He says on Page 23, "The party wishing to regain control must be prepared to apply a great deal of energy to the struggle, must be prepared to suffer some loss of popularity, at least in the short-run, and must be prepared to innovate solutions to problems created by recalcitrants in the Civil Service. They must be prepared to accept the charge that they are meddling with the Civil Service, that they are injecting politics into the public service, and that they are destroying an organization carefully nurtured over many years."

Now, Mr. Speaker, note this, and I ask the Minister of Highways to note this. "These charges will be particularly difficult to confront because they will be well-founded." Mr. Speaker, they will be well-founded.

But he says further on, "It seems probable that all of these criticisms will fade after 18 to 24 months and that the government which seizes control will not on this account be confronted with electoral difficulties after four years." That's their reason for haste. That's their reason for throat-cutting quickly, because it will take a few years for people to forget what they have done up to now.

Then he speaks about a core group of tamed bureaucrats, whose job it is to reorganize the bureaucracy. He says it will be absolutely essential that this core group have the full confidence of all members of the Executive Council and of the caucus of the new government. And it follows that the core group must be carefully selected and prepared in advance for the task.

Mr. Speaker, later on he deals with the need to set up a body to do the advising on how to cut down on the bureaucracy, which body will be self-destructive within twelve months or so. So that the enemy, the perceived enemy will have disappeared. And he advises, really, that the people who are responsible for running the government should sort of stand back and should then be able to be spared the accusations for the harshness with which they dealt.

This is another interesting and cynical, so cynical a comment to read, Mr. Speaker, on page 32, "When the trauma of staff reduction was over, the intellectual challenge of re-organization and redevelopment of the bureaucratic machine would occupy the time and talents of the two senior echelons of the bureaucracy, and since reasonably good staff morale is in the interest of a healthy and growing organization" — note the words, reasonably good staff morale — "energetic efforts to restore orders could be expected of their part. At this point, perhaps twelve months from the date of the announcement of the cut a modest increase in staffing would be permitted, perhaps something in the order of five percent."

Do you remember the Minister of Northern Affairs didn't wait. He said, "I am now through firing, I am going to start hiring." Do you remember he said that, Mr. Speaker, just within the last couple of weeks? He said, "I am not firing any more, indeed I am going to start hiring."

**MR. GREEN:** Not according to the chart.

**MR. CHERNIACK:** Though, Mr. Speaker, the Honourable Member for Inkster says it's not in accordance with the chart, I do say that they did depart to some extent from this blueprint that Mr. David Young left.

**A MEMBER:** Maybe they didn't need it.

**MR. CHERNIACK:** Oh, he says that they didn't need it. Maybe they wrote it, I don't know, Mr. Speaker. Mr. Speaker, that is the point, the Minister of Finance says we didn't read it. I do not believe that statement. If he said, "I didn't read it," I would accept the statement. If he said, "We didn't read it," I don't believe him, because he now speaks for everybody in the Conservative hierarchy and I don't accept his statement, because I don't believe that it's true, and I don't think that he knows.

They go on to say, "In general, rapid reductions would be proposed in those areas where services have grown most rapidly and in those functions of government which are least traditional." Because he says, "Little public satisfaction would derive from reducing the numbers of police or from reducing the staff of Law Courts." Did that go up in the estimates? Police protection went up in the

estimates. Slowing the administration of justice would be unsatisfactory from a public point of view.

On the other hand, reducing extension programs of the Department of Agriculture, public awareness programs of an Immigration or Manpower Department, consumer education programs, curriculum review programs and the like can be achieved with little public impact. That is the direction in which this government is going, whether they read this or not, is of little concern to me. The fact is that somebody set out in paper a devious way of operating in order to establish fear in the minds of people and in order to accomplish a purpose without having the courage or the conviction of saying we don't believe that we should have whatever it is that they want to cut, but rather to say we are sorry, we have been left a legacy.

Mr. Speaker, I want to hear more about that legacy, because I remember we were left a legacy called CFI and we were able to overcome that. It is true that we have been able to bring in surplus after surplus after surplus and that the Conservatives came in at a time, and probably because of a time, of inflation and of unemployment. That is a difficult time and one which does reduce their revenue, but rather than face up honestly and squarely and say that we have a great challenge before us at a time when Canada and Manitoba and the western world is having economic problems we are prepared to do something about it, and we believe what we should do is to cut services, instead of having the guts to say that — and I exempt the Member from St. James, because he said it in effect — they are still saying look what we inherited. Look what happened to us. How unfortunate it is, indeed how we regret doing what we have to do.

Then the Minister of Health has the — I don't know if he was joking when he said it, he said, "This is a great opportunity for the hospitals" — did he say it about the hospitals? — with a 2.9 percent increase, which is less than the increase of inflation — "why this is a great challenge to them to accomplish a reduction, to do things of an imaginative nature." I know that I am not quoting him precisely, but that's almost a joke. They needed that to give the challenge. Well, they have the challenge. I think they should face up to it; I think that they should accept the fact that they have the government in their hands and have to direct it in the way that they think that they ought to do it, but, Mr. Speaker, it falls on unbelieving ears to hear them talk about the difficulties that they have inherited. Let them have the guts to go ahead with their program and announce it as a matter of principle. I challenge the Minister of Finance who apparently is the only other person on the government side prepared to speak on this bill in the face of the number of speakers that we have had on this side, to respond to it.

I tell them again that I am looking forward to the Committee stage when we can really explore these things in greater detail if he avoids talking about them now.

**MR. SPEAKER:** On the proposed motion of the Honourable Minister of Finance. The Honourable Minister of Finance will be closing debate.

**MR. CRAIK:** Mr. Speaker, in closing the debate on this bill, there is quite a number of topics that will lap over into the Budget Debate which we will be into very shortly and as a matter of fact by the looks of the way that the session is starting out this year, Mr. Speaker, we are almost going to have a period of free-wheeling debate for eight days of Throne Speech and three days or two days of Interim Supply debate on second reading of this bill, committee stage, and we'll be then into the Budget for another eight days of free-wheeling debate, so, Mr. Speaker, I expect that we will have things pretty well threshed out by the time. . . as far as getting the points across that the members on both sides of the house want to make. So, Mr. Speaker, if the opposition, which seems to have some concern over the fact that there are a limited number of people debating this particular bill, have a real concern, I can tell them that the reason is that most of the people will be participating as they did in the Throne Speech Debate, again in the Budget Speech Debate very shortly and the purpose is because of the sitting of the Legislature being somewhat later this year than usual there is some intention, not necessarily urgent, but preference to have this particular bill pass as close to the first of April as possible.

I think the point was raised during the debate, Mr. Speaker, and these again are ones that are. . . particularly in relation to the bill there was a question raised as to why the amount was 30 percent of the normal supply rather than the figure that sometimes before ranged 25, 27, somewhere in that range.

The reason for it is that in other years the Legislature has usually began its sitting in February or early March and therefore the Estimates were begun earlier in the year and as a result of that, terminated earlier in the year and the amount of supply on interim required for the new and upcoming year, didn't take as much time in the new year.

I am sure that the Member for St. Johns understands what I am saying here. What I am saying is that 30 percent of supply will take us presumably, well, to the point where the Estimates should be finished. However, at 25 it may have been marginal as to whether we were finished or not, if you take the history of the Estimates Debate as being some sort of a guideline. So, Mr. Speaker, that is the reason for changing it although the change has not been great, it has been a matter of a few percentage points.

So, therefore, Mr. Speaker, that deals with one of the very few technical items about the bill that has been brought forward. Other than that, the debate has been mostly on a great number of matters that really don't have a very close relationship to the bill itself, but in fact have allowed a repeat of the Throne Speech Debate and many items as I said that would normally appear under the Budget Debate.



The First Minister took the opportunity and rightly so to take issue with some of the coents that had been made with regard to the opening statement that I made with regard to the tabling of the Estimates, not this bill, but the tabling of the Estimates. I think he felt beyond any doubt, and certainly stated beyond any doubt that we were misrepresenting what he thought was a misrepresentation of the former government's performance, and a misrepresentation of the legacy, whatever that legacy may be, of the former government in turning over the financial responsibility to the new government in October.

Not only he, but a number of the other members took severe issue, and I missed one of the debates this morning, but I gather it came up again, Mr. Speaker, with us being as critical as we were about the inherited deficit. What seems to be overlooked, Mr. Speaker, is that during the course of the election campaign in October, and two weeks, roughly two weeks before the end of that campaign I raised the point publicly that three political parties were going through the campaign and were making statements and making promises of one sort and another, some were making more promises than others, and I had an uneasiness, as I stated publicly I had an uneasiness about all three political parties making these statements because there was some doubt as to the financial position of the province that whoever came to power to be able to carry that out.

Now, I said that because I had an uneasy feeling last year when the Estimates went through that the stated deficit of the former government at 25 million, probably was set as an unrealistically low deficit. One of the media people picked this up in the campaign on the Peter Warren program and said that is a good point, I am going to check that out and so he questioned the political parties and he invited the Premier at that time on to his program. So, he asked me if I would phone into the program and raise the point, which I did. I repeated my concern, and I repeated the concern also that we still didn't have the public accounts analyzed from the previous year and we were well into being six months beyond the close, March 31st of the former year. And the answer was on the first question, which is the one in relation — we will get the tape if it is important. I have been unable to get the tape today, I have tried to get it. I don't know if it is available or not, but if it is important, and I am sure that it is, we will get the tape, and get the actual reply. The actual reply was to the extent that really you know, the estimates stand as they were last spring; we've got a \$25 million deficit, that's it.

Now, that is two weeks before the end of the campaign. Mr. Speaker, it was stated as being for all intents and purposes, two weeks before the end of the campaign in October, that we, whoever came to power would be sitting with a deficit as stated in April of

\$25 million, and that would be it. Two weeks after the campaign when we walked in the door, we are faced, based on the work of the Finance Department, analyzed by the Auditor, who I think commands the respect on both sides of this House and has over the years, and projecting that to the end of the year on the course that the government was on a deficit not of \$25 million a year, but of \$129 million on current account, a difference of four weeks, Mr. Speaker. Now, they are trying to say, that we are trying to set up a false situation in order to discredit the government. Well, Mr. Speaker, let me tell you one other thing, that the government, the former government knew before the election date on October 11th, already that there was a \$48 million shortfall in federal revenues. They knew that. They never told the people.

**A MEMBER:** Leadership you can trust.

**MR. CRAIK:** Well, Mr. Speaker, I am not going to use the words that are starting to come across from the other side about lies and some liars, never saying that you are a liar or anything else but let us not use that. I am not going to suggest that the public was lied to, I am going to say that if the government knew that that situation existed then there was a misleading of the public.

There was a misleading certainly on that day, in that conversation that is on the public record which is approximately two weeks before October 11th. I know, and I don't think anybody will refute it across here, know they can't. It was known before the election campaign that in addition to that \$25 million there was also a \$48 million shortfall on federal revenues.

When you got into the uncontrolled spending of the departments upon one week's, two week's examination upon taking office and you found the other shortfalls and the other overexpenditures, you added it up, \$129 million is not a distorted figure. It is a figure based on fact. No ifs, ands or buts. —(Interjection)—

**MR. CRAIK:** No, but the suggestion is this morning, I understand, that somehow we knew in advance and we were just keeping this and, well, we were going to try to create a straw man out of it and then destroy it and discredit the former government. The fact of the matter is that the former government, if they knew, withheld the information from the public prior to the election; if they didn't know, Mr. Speaker, they are guilty of bad management beca'se they should have known. So you can't win on either way on that argument. You should have known. If you did not know, you should have known.

I suspect that you did not ully know for, Mr. Speaker, I don't think the government was in complete control management-wise and financially of what was happening in the former government. They did not badly up until 1974 and the First Minister has made the statement here, "Don't use the last three years as your yardstick to measure our performance," and he goes back and he talks about the first three, four or five years.

Well, Mr. Speaker, the whole difficulty was in the last three years, an accumulated deficit that has been quoted by the former First Minister, the Leader of the Opposition, of the Conservative government in 12 years he said had \$157 million in 12 years. They piled up the \$487 million in their eight years of total combined deficit which he didn't mention was piled up almost exclusively, or in the majority in the last three years and the most of it was in the last year.

Mr. Speaker, he suggests that somehow we shouldn't use the last three years. Well, the last three years are the problem and the government did not know what was happening. If they did know they didn't tell the people. That's the situation the former government is in, so let them do all the writhing, all the screaming, all the squealing, all the accusations — unparliamentary accusations coming across the House — to suggest that we are being dishonest about this, we're trying to not show what we stand for but we're trying just to discredit the former government. Well, Mr. Speaker, it's kind of difficult to carry out the programs you might want to carry out when you are left with that situation that we inherited from the former government. So let's be clear about what the situation was.

Mr. Speaker, on the one hand we're getting the suggestion from the former First Minister, the Leader of the Opposition, and from other members too that we can't compare ourselves to other jurisdictions, then they turn around immediately and start comparing us to another jurisdiction.

**A MEMBER:** Who said we can't?

**A MEMBER:** We have never said you can't.

**MR. CRAIK:** It has been said many times. In the debate in the last few days I have heard it said across the way, "Don't compare us with Saskatchewan; don't compare us with the rest of . . ." And then the Leader of the Opposition launches into these massive statistics to try and defend the size of the public service in Manitoba, what Ontario is doing. He has twice got up now to tell us about Ontario's debt. He never gives us the per capita performance in Ontario. He uses the total debt and how it comes to billions, four billions, and has gone up to a total of six billion and so on, Mr. Speaker.

Well, Mr. Speaker, you know, then it comes down, and I'm going to repeat what they say, let's not compare ourselves to other provinces then.

**A MEMBER:** He never said that.

**MR. CRAIK:** Oh, it's been said several times. Well, if you want the record, Mr. Speaker, it will be found in the records. I'm not going to dig up the Hansard for the honourable member right now. I sat here and listened to distortion after distortion across the way without interruption . . .

**MR. GREEN:** Fine, Mr. Chairman, you will have it in . . .

**MR. CRAIK:** Let's not suggest by that . . . I know, you are going to say that that's a distortion.

**MR. GREEN:** You will have it in Committee; you will have it in Committee.

**MR. CRAIK:** Well, fine, say it in Committee then.

**MR. GREEN:** We have all the time we want in Committee.

**MR. CRAIK:** It's up to you. Nobody is denying the Member for Inkster.

**MR. DEPUTY-SPEAKER:** Order please. Did you have a point of order? The Honourable Member for Inkster.

**MR. GREEN:** No, Mr. Speaker.

**MR. DEPUTY-SPEAKER:** Proceed.

**MR. CRAIK:** On the same topic, the Member for St. Johns raises the questions here of how the PCs distorted the question of the size of the Civil Service. Mr. Speaker, the main issue, and then the Leader of the Opposition goes in to use massive statistics, Canada-wide, province-to-province and back and forth, not recognizing that in many cases such things as police, in some provinces, are included as public employees, teachers in other provinces are included, and the statistics go back and forth.

Let's not look at the other provinces. Let's look just at Manitoba and the fact of the matter is that over the period of the tenure of government held by the members opposite, the Civil Service grew, the public service grew, by a multiple many times the rate of the growth of either the population or the general work force in Manitoba, many times greater. That is what is at issue. The percentage of the gross provincial product occupied by government grew by somewhere of the order of 50 percent during the tenure of government of my friends opposite. The size and growth of the public sector as the total piece of pie in Manitoba grew from something like 11 percent, to somewhere in the order of 15 to 16 percent, in that order, during their tenure of government.

Let's just look at Manitoba. Let's look at how the growth of what they were doing in terms of

building their own bureaucracy outstripped the growth and the capability of Manitoba to try to pay for all the things they were wanting to do as a government. Mr. Speaker, they were starting programs left, right and centre. They suggest that there is a lack of, or a declining morale in the Civil Service in Manitoba. Mr. Speaker, let me tell you that one of the problems that they got into politically in the last election was the result of their meddling in the Civil Service and there was nobody that was more effective in destroying the morale of the Civil Service than their now Member for Transcona, because his planning and priorities committee, Mr. Speaker, his planning and priorities committee of whom he was the chief architect or mandarin or czar of, Mr. Speaker, was setting up programs and shoving them into the departments to be administered, wiping their hands of it and moving on to other programs, getting them going, Mr. Speaker, and the departments were so demoralized that that former government, whether they realized it or not, lost the majority support by far of the Civil Service. Not because, Mr. Speaker, as in our case where we are having to take a very stringent approach in these early days of the government with regard to trying to get the size of the government and the size of the budget and the size of the expenditures to a point where at least they are livable, Mr. Speaker, at least livable. Despite our attempts to do that the vast majority, in spite of the doom and the gloom and the nonsense that is being preached by the opposition, the vast majority of the people in the government service believe in what we are attempting to do.

So, Mr. Speaker, we have had enough of these harum-scarum type of suggestions across the way. They suggest that somehow Manitoba is being demoralized. Well, I'll tell you, there is nobody that is demoralizing Manitoba more rapidly, or attempting to, they are not demoralizing it, but they are attempting to mire down in their own self-pity because they are not longer a government. They find that they have to now become the doom sayers, the doom and gloomsters, which they don't realize that they are portraying in spades on that side of the House.

Well, Mr. Speaker, they can keep doing it and I'm sure they will. There are able speakers across the way. But eventually it will all come out and, Mr. Speaker, we are going through a tight period in Manitoba as far as the financial situation is concerned. That has been said over and over again. They know it on both sides of the House except they cover off both sides. One speaker gets up and says, you know, you are criticized because our Estimates are up some \$40 million over last year, and the next speaker gets up and says they are not high enough.

**MR. GREEN:** I said they weren't high enough?

**MR. CRAIK:** I didn't suggest it was the Member for Inkster, there has been other speakers. — (Interjection) — I heard it today; it was said again today. They have already come with, you know, "They are \$40 million over last year."

**MR. GREEN:** You said you were going to reduce . . .

**MR. CRAIK:** Mr. Speaker, I have to tell you that the ones that are critical of our low budget outnumber the ones that are critical of us being \$40 million up are of the ratio of about two to one, or three to two. But they have got both sides covered off.

Now I suppose, Mr. Speaker, they can get busy in the next week or so and they can start preparing two speeches getting prepared for the Budget to come in because they don't know at this point what it is going to be, whether the budget is going to be balanced or whether it's going to be deficit or whether it's going to be surplus. But they will have two speeches. They will have the whole field covered off and the vitriol will pour out by the gallon regardless of what the budget comes in at. You can see it all coming. A member stood up today in this House and castigated the Minister of Tourism because he should respect a high-ranking deputy minister who was given authority to enter into an agreement, as he called it in his opinion, an agreement, and that man, he cannot slough off the responsibility. Ten minutes later he was calling for the same man's resignation — ten minutes later. Mr. Speaker, how incredible can you get? That is what we are getting across the way. That is from one individual and when they don't do it as an individual they do it collectively. Two are saying, "You are spending more than last year." Three are saying, "You are not spending enough." I can tell you that next week, the week after, next week when the Budget comes in, they are then going to have their two speeches ready. They will split about 50-50 on that, Mr. Speaker, in their preparation, but they will have the waterfront covered, you can bet on that.

Mr. Speaker, there have been a number of other items. The one that I do want to mention has been raised several times and I mention it only because it involves a constituent of mine, Mrs. Goodwin, who appeared before the committee when the Family Law bill was up, who raised the question of whether or not the new government was betraying some obligation it had to the people to continue on with the former Family Law bill as it was. In the course of events, I wasn't on the committee, Mr. Speaker, I sensed after the last session, from the remarks that were coming back across, that somehow I should be concerned about my own involvement in her reaching that decision.

So, Mr. Speaker, after the last session was over I did dig up the Hansards to see what had been said because I don't mind what I'm called across the way. It's got the point in this House that nothing matters any more. You can call anybody anything in here now. I happen to think that the former Member for Crescentwood, Mr. Gonick, who made the statement at the university the other day, I read his comment about the perception of how the House is perceived. I'm sorry to say that I happen to think maybe he is not very far off in his assessment. But I do get concerned when somebody imputes or suggests that I have somehow done to a constituent what they attempt to do every day

across the way, Mr. Speaker, to make other people look dishonest. Because I looked up the record and Mrs. Goodwin said, as I recall, that she felt deceived. I recalled that I had a call from Mrs. Goodwin, like I had many calls during the election campaign about many issues, some of which were on the Marital Property Act, she asked me what the Conservative Party's position would be on it. I said that she would be aware of the vote in the House on The Marital Property Act last year where I think all Members of the Opposition supported it in principle at Second Reading — the then Opposition — and in the Third Reading of it that the split had gone something like 13-5 or whatever the number was, 15-5, 17-5, the majority against and the minority for and that of course would be why she would be concerned.

She wondered what we would do and I said at that time that I would expect that the bill would go in — it had been proclaimed — and that the bill would not be deproclaimed because it could not be deproclaimed, the bill was in gear, and that it would be reviewed probably in the upcoming session if the Conservative Party happened to form the government and it would be assessed as it went along. Mr. Speaker, that's in essence what Mrs. Goodwin said as well, that she had been given that information.

Well, Mr. Speaker, you know it is suggested over here that somehow I . . . this was a phone call. The Member for St. Johns is now trying to suggest that some sort of legal document exchanged hands or a letter or something. —(Interjection)— No, I want to finish, Mr. Speaker.

Mr. Speaker, at that point in time little did we know that thanks to the sheer incompetence of the former government, was a special session going to be required to fix up legislation, to do by legislation which they thought they could do by Order in Council, which was to bring Manitoba and the public sector settlements under the AIB Guidelines.

Mr. Speaker, that was not known at that time. —(Interjection)— Well, Mr. Speaker, at least I am telling you what the facts of life are. Mr. Speaker, at that point in time there was no special session on the horizon. The special session of this Legislature came into the picture at the time when it became known that thanks to the former government and their own incompetence, it became necessary to have a special session. It was then a decision was made that the review of The Marital Properties Act was going to take place and it was. Now, if I had been Mrs. Goodwin, I think I probably would have said also that I felt deceived. —(Interjection)— She can feel anything. She would feel more than deceived, I'm sure.

But, Mr. Speaker, let me say that I want to make it perfectly clear that that is what has happened. When I was asked by that group on the telephone, at a constituency office or at home, wherever it was she phoned as I recall — and I don't suppose other members get any phone calls during election; I don't suppose that other members get phone calls on this issue — I said, "I'll let you know." I checked it out and I do remember, I discussed it with some members and I said, "Look, I don't know at this point but I'll tell you what I think will happen, and this is what I think will happen." I explained it to her in spades, Mr. Speaker, and I would think that that's good reason for her to feel deceived. Whether or not she was deceived, I am sure that they have no doubt. They'll say, "Oh, yes, she was deceived." Lies, lies, lies all over the place just like everything else. But I am telling you that I think that there was full right to follow the procedures and there certainly would have been a serious mistake made to have followed through with that legislation with the loopholes in it, which can be fixed up properly, Mr. Speaker, and dealt with at this Session of the Legislature.

So, Mr. Speaker, I want to straighten that matter out and straighten it out on the record.

It hasn't been suggested to me by the party in question. She hasn't raised the matter with me in the context that the members opposite are attempting to raise it. —(Interjection)— Well, Mr. Speaker, I read the record and I saw what was on the record and I saw the attempts of the members opposite to bring this thing to a pyramid and create another one of their crisis-type of situation.

**A MEMBER:** Like Wabowden.

**MR. CRAIK:** Like Wabowden? Well, Mr. Speaker, talking about Wabowden reminds me of Wrong Lake and listening to the Member for Rupertsland today discussing the condominium at Whiteshell and taking the stand of, with a cheering background, "We shall not permit a condominium at the Whiteshell." I couldn't help but sit and think about the development at Wrong Lake and the environmental impact statement that was done there. I couldn't help but think about the road across Black Island, one of those beautiful natural preserves —(Interjection)— and the environmental impact statement that was done there. You know, Mr. Speaker, what a difference a day makes. Yes. It happened very rapidly.

Mr. Speaker, there was some session mentioned here also of the impact of The Succession Duty Act and the callousness of making the changes there. Again, I'm sure this will be covered in the debate that takes place on the Budget.

I want to point out again the sort of picture that's attempted to be painted across the way of the impact of The Succession Duty Act. I pointed out in the last session that this had a significant impact . . . well the picture that is being painted by the opposition is that the succession duties were being paid by millionaires who were in Manitoba and didn't have any right to take this money to their grave and so on; it was deserved and should come back to society.

I recall last session being called a liar once across the way by figuratively giving the case of the impact on farmers. I went back and looked up the statistics and found out that something like 27

percent of the people that were paying these Succession Duties were farmers who were not allowed to transfer their land on in a fashion that allowed them to do it without paying succession duties in many cases, or whatever the case, it was 25 to 30 percent were farmers. If that wasn't enough they still want to portray this image of The Succession Duty Act still being a method of extracting millions out of millionaires. That's the basic philosophy across the way. Even though the First Minister told the people in Gimli that left the impression that he certainly was going to remove that tax as well, Mr. Speaker, they're still putting up this sort of a front.

I've also found, though, since coming to office and having had the odd appeal on The Succession Duty Act, which is to no avail because the law was the law before October 11th and that was it; but let me tell you of a sample case. A school teacher, retired, TRAF pension, a private pension that would, between the two of them, bring in \$2,300 a month to the widow. Half of the house, estimated at a value of \$48,000 — not an expensive house — and a life insurance policy of \$44,000.00. The pensions, his pension, two pensions to her which in total would give \$2,300 a month, are discounted, taken to the present value at a discount rate of 5 percent, hardly a realistic discount rate but one that was applied before under the laws that applied. You'd say that's a situation where the person would be, I think, modestly well off providing inflation doesn't. . . she doesn't live . . .

**A MEMBER:** Well, it's not \$3,000 a month, that's true.

**MR. CRAIK:** It's \$2,300, the total pension, \$44,000 life insurance policy, half of the house and that was the size of the estate. She was asked to pay on the basis of the — taking the present value of those pensions and taking that as an inheritance — she's required to pay \$23,000 up front.

**A MEMBER:** Up front.

**MR. CRAIK:** Up front, \$23,000. —(Interjection)— I gave you all the factors. I gave the member all the factors that are in this.

**A MEMBER:** You don't want to tell us the value.

**MR. CRAIK:** What's the value of the estate? How do you know what the value of the estate is? What's the value of an estate at a 5 . . . Do you want the value of the estate at a 5 percent discount rate? —(Interjection)— No, okay. You know, you try your diversions again.

I'm telling you a case that a John Doe citizen understands. —(Interjection)— Okay, you thought you were getting millions from millionaires.

**A MEMBER:** How much is the value of the estate . . . ?

**MR. CRAIK:** Mr. Speaker, let me repeat. This is a person who inherited a pension from her husband, TRAF pension . . .

**MR. GREEN:** How much?

**MR. CRAIK:** . . . plus a private pension, the total of which would give her for the rest of her life, \$2,300 a month. —(Interjection)— Mr. Speaker, the value of the estate when you discount that at the 5 percent discount rate, I think if you add up the \$44,000 in life insurance, the half of the house — the \$48,000 house, \$24,000 — which would come to 44 plus roughly 24, that the values of the pension come out — and I'm going from memory now — at that discount rate the value of the pension would be around the \$200,000 mark. —(Interjection)—

Well, Mr. Speaker, that is a sample case. The total estate, Mr. Speaker, will come out whatever you want to calculate it at, if you want to discount her pension. This is the type of estate that is being hit by that law that they say is taking the millions from the millionaires, Mr. Speaker. That is the sort of false argument they put up.

You go through the analysis of it and you'll find out that the argument that was put up by the former government and the one that caused probably the Saskatchewan government to make their changes and the other governments in Western Canada to make their changes — although I don't think Alberta ever had it on after the Federal Government opted out of it — that what it really was doing was catching the unsuspecting people who did not escape it because the people who knew they had a succession duty problem were getting around it. Mr. Speaker, they were either getting around it by leaving Manitoba or they were getting around it by some other means. So it was a self-defeating tax, Mr. Speaker, a self-defeating tax that was more of an ideological hang-up of the former government, Mr. Speaker, where they were getting money from the unsuspecting; they were getting it from the farmer; they were getting it typically from this case, this example case that I'm indicating to you here. If the Member for St. Johns wants to calculate it, he'll find out that those facts will bear themselves out. He knows very well that that's what was happening during the application of that particular tax.

Mr. Speaker, the Member for Fort Rouge, I had some comments that were made during his presentation and I couldn't help but draw as a total conclusion that he probably has been in opposition too long. I think he's suffering from the opposition syndrome which unfortunately everybody falls into over on the opposite side after awhile. Some get there faster than others. It's fun for the first year, fellows, but after that it's a drag. You can do all the cowboy tactics you want to for the

first year but after that you're an echo in the hallway.

So, Mr. Speaker, I'm afraid that I didn't have any further comments on the Member for Fort Rouge's except to perhaps try and suggest to him that rather than to spend what talents he has in this type of an arena, that he ought to maybe head for an arena where he can have a better chance, at least, of getting on the government's side.

I couldn't help but be amused by the Member for St. Boniface and there is nobody that has reverted back to opposition form as rapidly as the Member for St. Boniface.

**A MEMBER:** That's right.

**MR. CRAIK:** When I first came into this House, he was sitting in back over here in the second row on the end and I was in the back row here, and I sat and listened to him the first year and really he sounds very much the same. His philosophical bent is a little bit different but he still has the same "bull in the china shop" type of tactics. He's much better in opposition than he ever was in government and he's in the right place. There's no doubt about that.

Well, what really bothered me on one issue, when I listened to him, I got the impression — I might have been right or wrong — that he was really pleading to the Member for Inkster to keep him in his party. I really got that he wasn't really talking to the government. He was talking to the Member for Inkster and he was saying, "I really am one of you. I hope you'll keep me in your party. See, I really don't like those fellows over there. I really am an NDP."

You know when I listened to him and thought about one of the first debates when I heard him participate in this Legislature, where he stood up and he said, "The government is a gutless government." He said, "They're a gutless government because they won't give aid to private and parochial schools." And that was his one and only issue that he had when he was in opposition. — (Interjection)— . . . one and only major issue. He talked about a lot of things in the same fashion, but that was his major issue. I thought it was kind of ironic to hear this man back in opposition sitting there, was pleading to the Member for Inkster who was a man' if anything, led the cause — was in the government of the day — to see that aid to parochial and private schools didn't happen. And now you have got the Member for St. Boniface pleading to that same man to keep him in his party. A baleful plea, a baleful plea. His attack on the government wasn't any different than it was back in the days when he got the party that he was with at that time into adequate trouble that we now see has reduced it to the Member for Fort Rouge. And he was very much a part of that happening.

Mr. Speaker, I want to thank you for the opportunity of having covered, like the Opposition did, quite a number of topics that haven't related specifically to Interim Supply. I didn't have a chance to speak on the Throne Speech debate. I intend to have a good goal like many others do in this House when the Budget Speech comes up, in the meantime I commend this Bill to you.

**MR. SPEAKER:** The Honourable Member for St. John's wish to ask a question?

**MR. CHERNIACK:** I am wondering if the Honourable would permit some questions.

**MR. SPEAKER:** It is highly irregular to accept questions after closing of debate I believe.

**MR. CHERNIACK:** I never heard that. Is it irregular?

**MR. SPEAKER:** If the questions are purely for clarification of some of the points raised by the Minister.

**MR. CHERNIACK:** Well Mr. Speaker, now that I have your permission, do I have the permission of the Honourable Minister of Finance?

**MR. CRAIK:** Yes.

**MR. CHERNIACK:** Mr. Speaker, I do not have the record of the transcript of the statement given by Mrs. Goodwin which the Honourable Minister has read, but I have some recollection that she said that her MLA, whoever he was, said he would check it out with his Leader, and on a second occasion, informed her he had discussed it with his Leader, the then Sterling Lyon, and then responded on behalf of his Leader. Is that not correct? Was not Mr. Lyon's name referred to in that by Mrs. Goodwin?

**MR. CRAIK:** No, as I recall Mr. Speaker, that was essentially the procedure that followed. I did receive a phone call on the matter and returned the call after having checked with two or three people including the Leader of the Opposition at the time, the Leader of the Progressive Conservative Party and nobody had any different feeling with regard to what was involved. The statement was, keep in view the picture that at that point in time there was not on the horizon, a session of the Legislature prior to the end of 1977. The reply to her was, "The Act has been proclaimed, the Act comes into effect January 1, the Act cannot be deproclaimed, the Act will be reviewed and probably dealt with at the session of the Legislature," which at that time was assumed to be right now. That Mr. Speaker, was the information that was relayed to the party in question. Had it been known at that time that there was going to be a special session of the Legislature, that in fact the proclaiming of the Act was not

necessarily going to be what would actually happen, the answer may well and would have been different.

**MR. CHERNIACK:** Mr. Speaker, a further question. Had not both the Leader of the New Democratic Party and the Leader of the Conservative Party indicated that they would, if elected, call a special session to deal with AIB? Was that not said by both of them sometime prior to the election? I see the First Minister shaking his head? May I then recall that they both appeared on the TV show which I saw and that —(Interjection)— I said before the election. Mr. Speaker, do I have to tell the Honourable, the Premier of this Province . . .

**MR. SPEAKER:** Order please. Order please. May I suggest to the Honourable Member for St. Johns that this is not a period for debate at all. This is a time for asking questions purely for clarification.

**MR. CHERNIACK:** Mr. Speaker, on the point of order, I asked the question, did I not? However, Mr. Speaker, let's go to the Committee and then he can answer the questions. **MR. SPEAKER:** The question before the House is the Second Reading of Bill No. 7, moved by the Honourable Minister of Finance.

**QUESTION put, MOTION carried.**

**MR. SPEAKER:** The Honourable Government House Leader have any further business?

**MR. CRAIK:** Mr. Speaker, I move, seconded by the Minister of Highways, that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee of the Whole to consider the following Bill, Bill No.7.

**MOTION presented and carried** and the House resolved itself into a Committee of the Whole, with the Honourable Member for Radisson in the Chair.

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

### COMMITTEE OF THE WHOLE

**MR. CHAIRMAN:** The matter before the House is Bill No. 7. Are you ready to proceed? Section 1—pass; 2—pass.

**MR. CHAIRMAN:** The Honourable Member for St. Johns.

**MR. CHERNIACK:** Mr. Chairman, I would like to make a few comments and elicit some responses. We are now dealing with an appropriation of close to half a billion dollars, which includes in a small amount, the salary of the First Minister and the salary of the Minister of Finance and I think that when we deal with the salary of the Minister of Finance there are some questions which I have which I would like to pose to him.

One occurs to me, Mr. Chairman, I must admit, I haven't thought of it for awhile, but it occurs to me, to inquire about the occasion when he was telling us he had some conversations with a Mrs. Goodwin and wherein he indicated to us after some pressing for the second time, that he had conferred with the Honourable First Minister, who was then his Leader, the Leader of the Opposition about the attitude of the Conservative Party, and he said that had he known that there would be a decision to have an earlier session, an emergency or speedy session, that he would have not have answered her the way he did. I asked him whether it was not known during the election campaign, and at the time when she asked the question, and before the election — I'm sorry the First Minister isn't here to learn that an election takes place on a certain day and that this is before that day — that both the Leader of the Opposition of that time and the Premier of that time had each undertaken that they would call a special session or an early session of the Legislature to deal with the AIB, and that therefore the Minister of Finance should have known that they would have been there.

**MR. GREEN:** Now we will stay here and talk about up front.

**A MEMBER:** Blame it on Ontario.

**MR. CHERNIACK:** Well, Mr. Speaker, since the Honourable Minister of Finance is speaking from his seat and obviously not attempting to stand up and answer, I will ask him a few more questions. When he talked about that succession duty case, of the person who was to receive a paid-up home and a lump sum insurance policy and in addition, an income of some \$2,300 a month, I would like to know what was the assessed value of the estate? And I would like to know what was the exemption or deduction for preferred beneficiary who is also a spouse, so that we get better clarification of the case he was describing since, as a competent Minister of the Crown as he suggests he is, he should be able

to deal with the full picture when he presents a partial one.

**MR. CHAIRMAN:** The Honourable House Leader.

**MR. JOHNSTON:** Mr. Chairman, I rise to express some concern over the somewhat broad interpretation that the Member for St. Johns has placed on this particular section. I do think that the questions you ask are perfectly legitimate questions, but I think they would be more appropriately asked when we come to the title of the Bill rather than on this particular clause. —(Interjection)— Yes, I realize that it is a money bill but if you will read the particular section, I think that it precludes that the kind of a discussion that is now taking place, a discussion that is quite appropriate under the title but not under this particular section of it.

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

**MR. GREEN:** Mr. Chairman, the Bill includes the salaries of all of the Ministers and hopefully it could have gone a little quicker. Since it includes the salary, I submit that the question could be asked. But what's the point of arguing about it. Is the honourable member saying that we should wait till we get to the stage that the Bill is reported and then deal with it then? It won't make any difference. We may as well deal with it where the Minister is receiving his salary, which is in that appropriation.

**MR. CHAIRMAN:** The Honourable Member for St. Johns.

**MR. CHERNIACK:** The Minister of Highways noted the silence and so did I, so I thought I would rise. You know, Mr. Speaker, I am debating in my mind whether I ought to bring in a motion to be questioning the reduction of this particular Minister's salary to a dollar and that being the case, I think it would come in here.

But as the House Leader of our Party has indicated, the questions may be asked if they are valid questions, and I would like to invite an answer.

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

**MR. CRAIK:** Mr. Chairman, I have no hesitation in discussing this matter. I would not have answered his initial assertion if it was not his usual slippery, vitriolic way, for about the third time tried to suggest that there was something untoward in what I had said to a constituent, which I took exception to Mr. Speaker, and which I think I have adequately clarified. If there is any differences on this matter, it's not between myself and the member opposite, it's with the party mentioned here whose words he is attempting to use, and if he wants to use them, let him go ahead, fine, that's his tactic. But let him at the same time, tell us why two weeks before the election the head of the government told the people that the public deficit of Manitoba was \$25 million when it was \$129 million, Mr. Speaker? Let him answer that rather than his diversion that he is attempting to do.

These two fellows over here, Mr. Speaker, the Member for St. Johns and the Member for Inkster are the greatest diversion experts, quite apart from the South Indian Lake diversion, Mr. Speaker, which we will get into on another occasion hopefully, they are the greatest diversion experts you ever have seen in this Legislature. They don't want to talk about what they tried to tell the people. They want to talk about some side issue over here or over there, but don't talk about the issue as to whether or not the people were told the facts before the election about the public debt, about the public financial position and how they had accumulated \$487 million of debt during the last, roughly, three years of their administration, Mr. Speaker. That is the point that is the main issue.

But we don't want to talk about that because that's not a very pleasant issue for friends opposite. They want to talk about the Family Law Act and whether or not there couldn't be a wedge here, or a wedge there. They want to talk about a particular case on the succession duties, Mr. Chairman, because they've raised that several times. My answers are all in response to these assertions coming from across the way in both of those cases.

Well, Mr. Chairman, in the particular case of the succession duties I think the member knows that the best way to demonstrate this is to draw up a typical case. And I can draw up a typical case, in that case if he wants it on paper the typical case can be drawn up and given to him, and he will see that it's a fact of life. And the members, when they see it, I think will agree that the Succession Duty Act was unfair to people when the uncertainty of the future impact of inflation on what now appears to be a high salary, or a reasonably high income, what that will be when you carry on the inflationary rate, pay the front-end charge, have to pay it either out of savings or go to the bank and borrow to do it which happens in some cases, not maybe in this particular case. The typical case can be outlined for the member, and that is no challenge to have that done. We will do that if that's what he wants.

**MR. CHAIRMAN:** The Honourable Member for St. Johns.

**MR. CHERNIACK:** It was not my intention to exchange insults with the Honourable the Minister of Finance, and I will try to avoid it. I don't think I've insulted him yet today, and the day is running short.

I want to point out to him that he has forgotten that it's his salary that he is concerned about, not mine, and that I have a right to ask questions, and that I have a right to probe and he has to answer if he wishes to have these items passed, as long as they are reasonable and within the rules.



So, Mr. Chairman, he is the one that I have to ask about whether or not certain facts are true. And it's not to me he is accountable, indeed it is to Mrs. Goodwin, who already called it deceitful — her words which he quoted today. So let him tell us the facts. Was that not her word that she felt "deceived"?

**MR. CRAIK:** That's right; that's not what you said.

**MR. CHERNIACK:** Oh, not deceitful but deceived. Now the Minister is becoming an expert at saying, Oh no, it's not deceitful. It's just that she accused him of having deceived her. All right, all right, fair game.

Mr. Chairman, I also point out to the Honourable the Minister that he gave us this heartrending description of a poor woman who has a house clear of encumbrances, who is in receipt of cash from an insurance policy, who gets \$2,300 a year, and who is being called upon to pay \$23,000 in taxes. And I asked him what was her assessment? And obviously he doesn't know or he is not prepared to give it to us, because now he is going to build up a fictitious case. And I asked him what were the exemptions? And I am under the impression that the assessment had to be over \$300,000.00.

So I will add one more question. Did he exercise his rights — which is his right under the Act — to give her a postponement because of hardship? Did he exercise his right to extend to her the repayment over an indefinite period of time which he had a right to do since it would have been a hardship on her so to do?

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

**MR. GREEN:** Mr. Chairman, I think the Minister of Finance has something to learn. The Minister of Finance has got a lot to learn, Mr. Chairman. You know when we are debating Interim Supply and dealing with those questions certainly he is entitled to participate just as much in the thrust of debate as anybody else. But when he makes deliberately provocative remarks he should expect that we are going to deal with those remarks.

The Honourable Minister said two things, Mr. Chairman. He said that there was a session because of my legal incompetence or your legal incompetence. I presume that he was referring to the entire government. And I suppose he expects us to take that.

Well, Mr. Chairman, let's equate that to the legal competence of all of the law officers of the Province of Ontario. Let us equate that to the legal competence of people on our staff. Let us equate that, if that's not enough, to the legal competence of Mr. Justice Nitikman — a Conservative — and let us equate that to the legal competence of four Judges of the Supreme Court of Canada.

And when the honourable member says that a difference of opinion results in a charge of legal incompetence to those who have taken another opinion, then let him know that that is not going to be stood for, and it is unacceptable, Mr. Chairman. Unacceptable and a remark that the honourable member if he had an integrity, any professional integrity, because he is an engineer, and he is a professional engineer, and even amongst those people, where we are dealing with a fine science, there are differences of opinion which does not result in a charge of legal incompetence.

If he had any integrity — and I don't expect it of him — he would apologize for the statement that there was a session necessary because of a government's illegal incompetence. Unless he intends that legal incompetence to be charged to Mr. Justice Laskin — the highest judicial officer in this country, three of his colleagues on the Supreme Court of Canada and a judge, a former Conservative, a good strong Conservative, Mr. Justice Nitikman, who sits on the Supreme Court of the Province of Manitoba.

**MR. CHAIRMAN:** The hour of 5:30 has arrived. The Honourable First Minister.

**MR. LYON:** Mr. Chairman, on a point of order. On a brief point of order dealing with the Business of the House. I was under the impression that the Leader of the Opposition had said at the opening of this debate on Thursday, and that there had been other discussions with honourable members opposite, that this bill would be allowed to proceed and pass today and that Royal Assent would be available, as it is available, for the bill to pass.

Now, if I'm in a misunderstanding about that, I heard the Leader of the Opposition say it's not our intention to delay this, and so on, and I took that as being an undertaking that there would be no delay.

Now just a minute, Mr. Chairman, on the point of order. If I'm wrong on that then the Leader of the Opposition can tell me I'm wrong — not my honourable friend from St. Johns.

**MR. GREEN:** Mr. Chairman, we all heard what the Leader of the Opposition said. There is no doubt about that, and I can tell the honourable members that I said to the Clerk of the Court that he should have Royal Assent ready for today because I hoped that we would reach it. I told the House Leader that I fully expected that Royal Assent would be given today. But there was no undertaking that Royal Assent would be given today, and I specifically told my honourable friend, the Leader of the House, that he could not commit every member of this group to see to it that Royal Assent was given. — (Interjection)— Yes, I couldn't and I never could; I never would. And I never said so, and the Member for Morris will agree with me.

What I do say to my honourable friend is that if there is a particular problem — and I understand

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that there may not be — if there is a particular problem, if the honourable member will make it known to us he may be able to urge honourable members to stay and get the bill passed.

If there is no particular problem and we can do it on Monday, then it is best that we come back on Monday. But if there is a particular problem, and the honourable member indicates to us that that is the case, we don't intend to create a problem if it's not necessary.

**MR. CHAIRMAN:** Committee rise. Call in the Speaker.

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

**IN SESSION**

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

**MR. KOVNATS:** Mr. Speaker, I beg to move, seconded by the Honourable Member for Emerson, that the report of Committee be received.

**MOTION presented and carried.**

**MR. SPEAKER:** The hour of adjournment having arrived I declare the House adjourned until 2:30 Monday afternoon.