

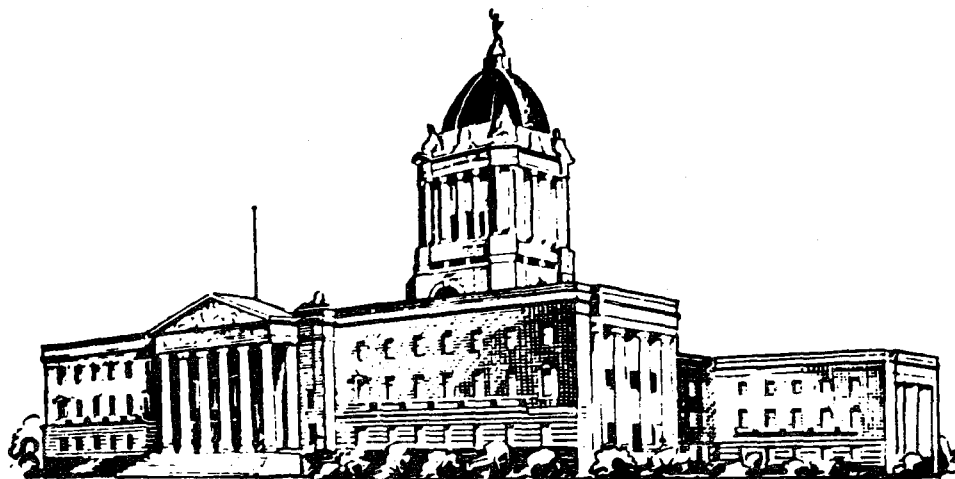


First Session — Thirty-First Legislature
of the
Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS**

26 Elizabeth II

*Published under the
authority of
The Honourable Harry E. Graham
Speaker*



Vol. XXV No. 6

10:00 a.m. Wednesday, November 30, 1977

THE LEGISLATIVE ASSEMBLY of MANITOBA

Wednesday, November 30, 1977

Time: 10:00 a.m.

OPENING PRAYER by Mr. Speaker.

MR. SPEAKER, Honourable Harry E. Graham (Birtle-Russell): Presenting Petitions . . . Reading and Receiving Petitions . . . Presenting Reports by Standing and Special Committees . . . Ministerial Statements and Tabling of Reports . . . Notices of Motion . . . Introduction of Bills . . .

ORAL QUESTIONS

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. EDWARD SCHREYER (Rossmere): Mr. Speaker, in the absence of the First Minister perhaps I could direct this to the Deputy Premier and ask him whether a mechanism has been established of a continuing nature — I underline those words — to maintain continuing contact with Canada and International Nickel in an effort to come up with ways and means of offsetting the reduction in activity at Thompson as announced by International Nickel some few weeks ago.

MR. SPEAKER: The Honourable Minister of Consumer Affairs.

HON. ED MCGILL (Brandon West): Mr. Speaker, in response to the question of the Honourable Leader of the Opposition, I think I would wish to have the Leader of the Opposition perhaps rephrase that question in view of the arrival at this moment of the First Minister, and perhaps he might be able to respond and would prefer to respond.

MR. SCHREYER: Very well, Sir, I'll perhaps not rephrase it so much as restate it, and that is to ask the First Minister whether any mechanism has been established of a continuing nature, with emphasis on the words "continuing nature", to maintain contact with Canada and International Nickel in an effort to devise possible ways and means of offsetting, in whole or in part, the impact caused by the plans announced by International Nickel a few weeks ago.

MR. SPEAKER: The Honourable First Minister.

HON. STERLING R. LYON (Charleswood): Mr. Speaker, with the permission of the Leader of the Opposition, I would take the question as notice, only to consult with my colleague, the Minister of Mines, who has attended most of the meetings along with the Minister of Northern Affairs. I would hope to have an answer for him this afternoon.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. LLOYD AXWORTHY: Mr. Speaker, I have a question for the Minister of Consumer Affairs. It was reported this morning that in a speech made last night the minister indicated that the government was presently reviewing the Rent Control Program. I'd like to ask him whether, in fact, that review is in accordance with the statement made by the now minister responsible for housing during the election campaign that the Conservative government would eliminate rent controls a period of six months after the ending of the anti-control program. Has the government now changed its mind from that statement, and is it prepared to make some other form of commitment?

MR. SPEAKER: The Honourable Minister of Consumer Affairs.

MR. MCGILL: Mr. Speaker, the Honourable Member for Fort Rouge wishes to know in more precise terms what the policy of this government will be with respect to the decontrol procedures which we anticipate will eventually take place. I would like to tell him, Mr. Speaker, that this government is not in a position to be precise in respect to the timing of such procedures. When such decisions are made certainly he will be among one of the very first to know.

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

MR. AXWORTHY: Mr. Speaker, I'll try to restrain my anxiety about the question, then, with those assurances at least I'll be the first to know the bad news. But, Mr. Speaker, the question I would have for the Minister of Consumer Affairs is whether he could tell us exactly what kind of procedure he, or the government, are following to assess the effectiveness or impact of the present rent control programs. Does he have a form of study being undertaken? Can he tell us if there is going to be any form of public hearing or submission on the impact of rent control so that this review can be taking place with the full weight of evidence that can be brought to bear.

MR. SPEAKER: The Honourable Minister of Consumer Affairs.

MR. MCGILL: Mr. Speaker, I can assure the member that careful consideration and reviews will take place, not only in this province but we will avail ourselves of the experience and the information and the planning that is being undertaken in other jurisdictions, in order that we may ensure that we have the best of information and the best of material upon which to make our future determinations.

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

MR. AXWORTHY: A final supplementary, Mr. Speaker. While this review and assessment and re-examination is taking place, can the minister indicate whether he intends any changes in the enforcement or administration of the present Rent Review Board considering some of the major delays taking place in the decisions of the board and the court cases involved. Can we expect to have any alterations in the procedures of that board while it is still in force?

MR. MCGILL: These, Mr. Speaker, are matters of policy that are under review and I have no announcements or information to provide to the member at this time.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SCHREYER: Well, Mr. Speaker, again to the First Minister. Could he indicate whether a definite date has been set for meeting of first ministers or ministers of finance, of a dominion-provincial nature, relative to either the generality of the domestic economy or specifically as regards the aftermath of the anti-inflation controls, or both.

MR. SPEAKER: The Honourable First Minister.

MR. LYON: Thank you, Mr. Speaker. I can't speak accurately for the Minister of Finance, Mr. Speaker, in response to the Leader of the Opposition's question, he himself being in attendance at an energy conference in Ottawa today. It strikes me that there is some forthcoming meeting, the date of which I'm not sure of but which can be confirmed by him. I know only by newspaper account and will await, naturally, confirmation or suggestion from the Prime Minister, when he visits Winnipeg next week, as to some suggestion that he is making in this respect for meetings for ministers with respect to the matters that my honourable friend has spoken of.

MR. SPEAKER: The Honourable Member for Burrows.

MR. BEN HANUSCHAK: Yes, Mr. Speaker, I would appreciate having leave of the House to make a non-political statement.

MR. SPEAKER: The Honourable Member for Burrows.
MR. HANUSCHAK: Mr. Speaker, I have waited, I'd hoped to make a non-political statement. The government side would remind honourable members of this fact, and I think this should be drawn to our attention, that today is St. Andrews Day, a day which is observed not only as — I suppose, Mr. Speaker, that traditionally it's regarded as a day observed only by the Scots, but the fact of the matter is that St. Andrews is also the patron saint of an ethnic group closely related to mine, Russia, and of Greece. And, I think what's even more significant and important, Mr. Speaker, — and I would hope that this government would keep this in mind — St. Andrew, who was a brother of St. Peter, was involved in one incident with Jesus Christ — which I think the government would be well advised to read as reported in St. John. It was an exercise in the distribution of wealth as you will recall, Mr. Speaker, the sharing of six loaves and two fishes amongst a multitude of 5,000, which is probably one of the first lessons in equitable distribution of wealth that is recorded. And, I would hope that the government would be mindful of that in the drafting and the presentation of legislation to this House for its consideration.

MR. SPEAKER: The Honourable First Minister.

MR. LYON: Mr. Speaker, speaking on the same non-political matter that my honourable friend has just raised, may I say first of all how very appropriate it is that the Honourable Member for Burrows, with his particular background representing as he does that great segment of our population who are not Scottish — there are the Scots, of course, who say there aren't enough Scots anywhere and the people in Scotland say you've got too many of them in Canada. But, how appropriate it is that the Honourable Member for Burrows should stand in this place and mention this today, and mention the fact that, of course, the Scots, those of Scottish ancestry, do share the common Saint, St. Andrew, with the people of Russia, with the people of Greece, and indeed, the college at the University of Manitoba, St. Andrews College is named after the same saint. It is fitting that we do pay that tribute as indeed these are occasions in our mosaic of Manitoba where we all share in the haggis, or we share in the hoolubtis or we share in the various other foods and the cultural delights that all of these races have brought to our country and to our land. I would remind him, with respect to the second part of his statement, that the sharing of wealth, the story that he refers to, the parable from the Bible, is not unrespected on this side of the House. Indeed, we manifested our belief in that distribution only

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yesterday when the Minister of Finance made a statement about how some of the people's money would be given back to them in fulfillment of that biblical injunction.

On the third point, I can say to my honourable friend that I hope I would have his permission and the permission of the House to represent them tonight at the St. Andrew dinner's I am sure that some others may be coming as well to pay tribute to that great common saint that we all share in and at the same time to maybe listen to a bit of bagpipe music, eat a bit of haggis and otherwise partake of other Scottish delights, not all of which are . . . some of which are in liquid form.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SCHREYER: Well, Mr. Speaker, while restraining myself completely from commenting on some of the observations that have been made with respect to St. Andrew and what he stood for or what Holy Scripture may have to say with respect to questions of material well-being here on earth, may I just say this, Sir, that I think it will be fair to say that they too, in those earlier days found more than a few problems of trying to reach the concrete realization of more equitability here on earth.

ORAL QUESTIONS (CONT'D)

MR. SPEAKER: The Honourable Member for Brandon East.

MR. LEONARD S. EVANS: Mr. Speaker, I would like to ask a question of the First Minister. Is it the intention of his government to make representation to the Air Transport Committee of the Canadian Transport Commission when it holds public hearings in Winnipeg on January 16 regarding the Prairie Air Service?

MR. SPEAKER: The Honourable First Minister.

MR. LYON: I think that question should more properly be directed to the Minister of Industry and Commerce.

MR. SPEAKER: The Honourable Minister of Industry and Commerce.

HON. ROBERT (Bob) BANMAN (La Verendrye): Mr. Speaker, in reply to the question from the Member for Brandon East, I would inform him that we will be making representation. I met with staff this morning. We will be formulating a policy and will be making a representation to that committee.

MR. EVANS: Mr. Speaker, I thank the Minister for his answer. As I understand, there is more than one Manitoba carrier involved so there are some problems. At any rate, I would ask also whether the government is going to continue to fulfill a pledge which I believe the First Minister made during the campaign to the City of Brandon to make his best efforts to bring about first-class service to the City of Brandon. These hearings, of course, are with regard to third-level service and I wondered if the minister could advise us whether he will be pursuing the other matter in addition.

MR. BANMAN: Mr. Speaker, the December 5th hearings which deal with the PWA takeover of Transair and the other hearings I think to a certain extent are related and the staff is right now formulating a policy which will indeed encompass the question that the member was talking about, and one of our prime concerns will be to see that a possible jet service could be obtained for the City of Brandon.

MR. SPEAKER: The Honourable Minister of Health with a point of order.

HON. L. R. (Bud) SHERMAN (Fort Garry): Mr. Speaker, on Monday of this week the Honourable Member for Fort Rouge asked me a question which I took as notice and I would like to reply to it now. It was a question relative to the fulfillment of psychiatric services under government programs in the Parklands Region related specifically to the cutback in air travel that had been imposed. I want to assure the Member for Fort Rouge that all such services are being maintained. It is a fact that psychiatric service into that particular region was suspended for one week. That involved two days of service. It has now been restored by my department and all service-related flights are being maintained.

MR. SPEAKER: The Honourable Member for Rupertsland.

MR. HARVEY BOSTROM: Thank you, Mr. Speaker. My question is to the Minister of Northern Affairs responsible for renewable resources. Will he indicate to the House if it is the intention of his ministry to change the system of licensing of fishermen on Lake Winnipeg and the system which was developed by the previous government of having individual fishing quotas for each fisherman.

MR. SPEAKER: The Honourable Minister of Northern Affairs.

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HON. KEN MacMASTER (Thompson): Mr. Speaker, I believe it's a matter of policy that you're talking about, but I will comment on it. There have been presentations by fishermen from one end of this province to the other in relationship to the fishing industry. There is no question in my mind, and I hope not in the questioner's mind, that there has to be some drastic changes made in that particular industry in Manitoba, and I'm prepared to make every effort to implement changes in that particular industry. Thank you.

MR. SPEAKER: The Honourable Member for Rupertsland, with a supplementary question.

MR. BOSTROM: Well, a supplementary, Mr. Speaker. I was referring to one particular lake and a system of licensing and individual quotas which have been established. His party made references during the election to changes that they intended to make with that system. I would like him to indicate what changes, if any, he proposes to make on the particular system of licensing and individual quotas on the lake.

MR. MacMASTER: Mr. Speaker, I'm sure that the member is aware that if I was to dig any deeper into this, I'd be talking about a future policy of this government.

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

MR. BOSTROM: A supplementary, Mr. Speaker. Are the reports of the media true that the minister is intending to, in some cases perhaps, opt the fishermen out of the operation of the Freshwater Fish Marketing Corporation in this province.

HON. WARNER H. JORGENSEN, Minister Without Portfolio (Morris): It's a well-understood rule in this House that no minister should be asked to confirm or deny newspaper reports.

MR. SPEAKER: The Honourable Leader of the Opposition, on a point of order.

MR. SCHREYER: Certainly, Mr. Speaker, the rules are clear that it is quite in order to ask a question of a Minister of the Crown to attempt to ascertain whether a reported statement is accurate, and to ask for further elaboration. The minister may not choose to answer, but it is within the rules to ask for that clarification.

MR. SPEAKER: The Honourable Minister of Northern Affairs.

MR. MacMASTER: Mr. Speaker, there's no hesitation on my part to answer this question or any other question from the opposition that I've been involved with. There has been a great number of fishermen, groups of fishermen, right throughout western Canada, that I'm sure the Honourable Member for Rupertsland is aware of, who have asked for some massive changes in the Fresh Fish Marketing Corporation system that's established in this country. I intend to endeavour to make some changes. They're policy changes — I'm not running away from your question — but you're aware — there's correspondence on file indicating that you're aware of a concern of a great number of fishermen in some other province, so I hope you bear with me, and we'll be endeavouring to bring in some new policies.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SCHREYER: Flowing from the last reply, I should like to ask the minister whether, in proceeding with this review, the ultimate objective is to attempt to obtain refinement of the present marketing system or whether it is, indeed, to go beyond the days of the MacNamara Royal Commission on fish marketing and to the McIvor Commission, approximately ten, eleven years ago, and to attempt to operate a marketing system without any board whatsoever?

MR. MacMASTER: Mr. Speaker, I can appreciate that the honourable members across don't know me or don't know my personality, I suppose, very well. I am not one — you know, if you gentlemen have a question, get on your feet. The Honourable Leader of the Opposition asked a question. I simply say to you that I don't believe that you throw a system out until you're satisfied it can't be fixed from within. I'll be endeavouring, to the best of my ability, to recommend changes to the system from within. If that can be accomplished to the satisfaction of the citizens of this province and, of course, in conjunction with other provinces, then that will be where it lies.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Speaker, I have a question for the Minister of Education. I'd like to know whether the government has considered the proposal from the Winnipeg School Board concerning the new agreement on shared services with eight private schools in the Winnipeg School Division, and whether the government is prepared to consider the substantial increase in the shared services

grants to the Winnipeg School Board to cover the cost of that agreement.

MR. SPEAKER: The Honourable Minister of Education.

HON. KEITH A. COSENS (Gimli): Mr. Speaker, we have that matter under study.

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

MR. AXWORTHY: Yes, the supplementary, Mr. Speaker, while the Minister is in study session along with his colleagues on all other matters would he be also prepared, or could he indicate whether part of the terms of reference of that study is any changes in the legislation to accommodate the direct use of shared services in the private schools themselves as recommended by the Federation of Independent Schools. Could he also indicate whether he has yet met with that Federation to determine what changes should be made to make the legislation more equitable.

MR. COSENS: Mr. Speaker, in answer to the honourable member's question, yes, I have met with that group and we are looking at all aspects of this problem.

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

MR. AXWORTHY: A final supplementary, Mr. Speaker. Could the Minister indicate whether the product of that study session will be apparent at the winter or spring session of this legislature, so that the necessary changes, both in legislation and estimates, would be considered at that time.

MR. COSENS: I'm sorry at this time I cannot give you a direct answer on that. It is too soon.

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

MR. SAMUEL USKIW: Mr. Speaker, I wonder whether the Minister of Agriculture would elaborate somewhat on the statement that he made to the House a few days ago with respect to the conditions that he has imposed on his participation in a National Chicken Marketing Board for Canada, mainly that he would want to be insured of increases in quota for the province of Manitoba. I am wondering whether he can indicate to the House whether or not those increases that he would wish for Manitoba, as a condition of entry into the agreement, would be part of an overall increase in quota availability for all of Canada or whether he is wishing to extract some quota from other provinces.

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. JAMES E. DOWNEY (Arthur): Mr. Speaker, just a brief answer in regard to our position on the entry into the National Broiler Agency is that I feel that we need room for growth in the province of Manitoba and that we would suggest, in our proposal, that wherever the growth come from that we, with our low percentage of the national share at this time, would expect to have some serious consideration in expansion of it and have stated same.

MR. SPEAKER: The Honourable Member for Lac du Bonnet with a supplementary.

MR. USKIW: Mr. Speaker, I am afraid the member didn't understand my question. I want to know whether it is that he would expect that that would be Manitoba's share of any growth in the total Canadian market, or whether he would want that as a minimum regardless of any growth in the Canadian market.

MR. DOWNEY: Mr. Speaker, I would say that that is the share that we would expect out of the total Canadian market.

MR. USKIW: Mr. Speaker, would the member insist then that if there was no growth in the Canadian market that he would still want an increase of that amount over the next two or three years.

MR. SPEAKER: The Honourable Member for Ste. Rose.

MR. A.R. (Pete) ADAM (Ste. Rose): Thank you, Mr. Speaker. I direct my question to the Minister responsible for Renewable Resources. Does the Minister plan any reduction in the mesh size from four and one-quarter to four for Lake Winnipegosis?

MR. SPEAKER: The Honourable Member for Ste. Rose with a supplementary.

MR. ADAM: Well, I am just wondering if he perhaps didn't understand, the Minister didn't understand my question, I will repeat it. I am asking the Minister if he plans any reduction in the mesh size on Lake Winnipegosis, reduced from four and one-quarter to four. Does he plan to do that?

MR. SPEAKER: The Honourable Minister of Northern Affairs.

MR. MacMASTER: I suppose it could be considered a matter of policy, but no, I haven't specifically given that any consideration, not at this moment.

MR. SPEAKER: The Member for Ste. Rose with a supplementary.

MR. ADAM: A supplementary, Mr. Speaker, has the Minister received any requests for such a reduction from fishermen on Lake Winnipegosis to date?

MR. MacMASTER: Mr. Speaker, I believe it would be a fair figure to say that there is 25 pieces of correspondence from fishermen and fishermen's organizations throughout the province of Manitoba asking for specific changes relating to the fishing industry. I do not remember whether that is one of those pieces of correspondence, but I will check it out for you.

MR. SPEAKER: The Honourable Member for Brandon East.

MR. EVANS: Mr. Speaker, I would like to address a question to the First Minister. In view of his government's policy of reducing the size of the Civil Service, could he clarify his position on procedure? Do I understand from his public statements that layoffs in the Civil Service would take place by the process of attrition, and in the case of contract employees it may take place when those contracts expire, the date of expiry?

MR. SPEAKER: The Honourable First Minister.

MR. LYON: Mr. Speaker, that question, of course, is one which is engaging the attention of the Task Force and individuals ministers at the present time. It is our expectation that any diminution in the size of the Public Service will take place largely by attrition, by expiry of contracts, and in some cases, of course, by disestablishment of functions that are not deemed to be necessary in the public interest.

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

MR. EVANS: I have a supplementary, Mr. Speaker, perhaps it should be better directed to the Minister of Industry and Commerce, but it is on the same topic. I do appreciate that the Jobs and Small Business Program has been terminated, but I do understand that 16 or 17 persons who were retained to administer that program, even though their contracts were not to expire until next spring, have now been given notice, so, I am wondering to what extent that that is contrary to what we understood the First Minister's earlier statement that contracts would be allowed to run out. I appreciate that their services may no longer be required, but I am talking about the matter of redistribution, redeployment of staff.

MR. SPEAKER: The Honourable Minister of Industry and Commerce.

MR. BANMAN: Mr. Speaker, referring specifically to the people that were involved or hired on contract with the Jobs and Small Business Program, it was announced that we were not going to go ahead with it. There were some 21, 22 people involved with that particular program and, since there was no work for them in the department they were given their notice according to the contract agreement and that is where the matter stands right now.

MR. SPEAKER: The Honourable Member for The Pas.

MR. RONALD McBRYDE (The Pas): Mr. Speaker, I would like to ask the Minister of Northern Affairs which of the northern communities will be involved in building winter roads this winter?

MR. SPEAKER: The Honourable Minister of Northern Affairs.

MR. MacMASTER: There is a great number of them, Mr. Speaker, the Cross Lake people, Oxford House people, Ilford, just to name a few.

MR. SPEAKER: The Honourable Member for The Pas with a supplementary.

MR. McBRYDE: May I ask the Minister how many community-based companies like Moose Lake Loggers and Channel Area Loggers will again be building winter roads?

MR. MacMASTER: Again, Mr. Speaker, there is going to be a great number, Me-Ke-Si is one for sure that will be involved because the person who just questioned me, the Honourable Member for The Pas, assured this government that we would be bound to deal with Me-Ke-Si for the next three years. He did that in the form of an agreement on October 20th. —(Interjection)— Yes, it was, it was a contract on October 20th. Within the contract, of course, it should be mentioned that if the honourable member was here for Inkster I would like to make reference to the fact that the Member

for Inkster is apparently very concerned about the welfare and the well-being of the citizens of the province in relationship to contracts. I think he would find it quite surprising that one of his previous colleagues was prepared to sign a contract three to four days before we were sworn in which gives up a pretty basic principle in relationship to provincial and federal relations.

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

MR. McBRIDE: Mr. Speaker, I wonder if the minister could tell us how many southern contractors will be building winter roads in northern Manitoba this year.

MR. MacMASTER: To the best of my knowledge, none, Mr. Speaker.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SCHREYER: Mr. Speaker, in light of the reply by the Minister of Northern Affairs with respect to winter roads, I should like to ask the honourable minister, he may wish to take it as notice, whether (a) he is aware that that contract is in the nature of a

MR. DOWNEY: I would just like to answer that question in this manner. If the previous administration had looked beyond the borders of Manitoba, that the achievements which were hoped to be obtained by the national agency quite possibly could have been accomplished without the entry into the national broiler marketing agency.

MR. USKIW: I again put the question — and it's a straight yes or no answer that is required — would it be legal or is it possible in accordance with present law or policy of government, for new producers to establish themselves at this point in time?

MR. DOWNEY: That is a matter of policy and I would be certain that you would be one of the first ones to know when the policy is . . .

MR. SPEAKER: The Honourable Member for Lac du Bonnet with a final supplementary.

MR. USKIW: Mr. Speaker, I am not asking about future policy; I am asking about what the present policy is. Can the Minister elaborate to the House whether a person can establish a new enterprise in the broiler industry today?

MR. DOWNEY: With the rules that were left in which we have to work, it is very difficult for a new producer to enter into the broiler business.

MR. SPEAKER: I believe the Member for Lac du Bonnet has had three questions. The Member for Lac du Bonnet.

MR. USKIW: Is it the intention of the Minister of Agriculture to change existing regulations in the near future?

MR. DOWNEY: That is also a matter of policy.

MR. SPEAKER: The Honourable Member for Inkster.

MR. SIDNEY GREEN: Mr. Speaker, I would like to direct a question to the Minister to whom the Manitoba Development Corporation reports. Once again, I read in the Winnipeg Free Press that the Manitoba investment Flyer is over \$40 million. Since on October 11th the total amount advanced was in the neighbourhood of 30 and the total accumulated losses were 16 million and the company had made a profit in the last two years and was on its way to making a profit this year, can the Minister explain how the corporation has deteriorated to have additional losses of \$24 million in one month of Conservative administration?

MR. SPEAKER: The Honourable Minister of Industry and Commerce.

MR. BANMAN: Mr. Speaker, I took that question as notice. I'll check where the direct reply is. . . To come back to the member's question, I understand the point that he's trying to make. Let me just point out that as far as the assets involved, it is questionable, if the company should close, what those assets are worth and what the losses would be with regards to that is something that we would have to see at that time.

MR. GREEN: Mr. Speaker, would the honourable member check to see whether the last balance sheet which showed accumulated losses of \$16 million, prepared very conservatively and checked by the Provincial Auditor, which would also reflect on the assets, would indicate that if the loss is

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today \$40 million as indicated by two newspapers, the company has lost \$24 million in one month of Conservative administration?

MR. SPEAKER: May I point out that there are five minutes left in the Question Period. A final question from the Member for Inkster.

MR. GREEN: Mr. Speaker, I have an additional question on a slightly different subject. Mr. Speaker, again, the Winnipeg Free Press has said, "Flyer products appeared to be virtually unsaleable outside the captive market provided by Winnipeg Transit," and since Flyer products produced by the people of this province are now operating in San Francisco, Dayton, Ohio, Boston, Vancouver, Regina, Edmonton, Toronto, Ottawa and recently been purchased in Missauga, Toronto, would the minister consider suing the Winnipeg Free Press for slander of title which is seriously prejudicing the sale of products produced in the province of Manitoba?

MR. SPEAKER: The Honourable Member for Ste. Rose.

MR. ADAM: Mr. Speaker, I have a question for the Minister of Agriculture. I would like to ask him if he has received any requests for feed assistance from any rancher from the Westlake area.

MR. SPEAKER: The Honourable Minister of Agriculture.

MR. DOWNEY: Mr. Speaker, yes I have.

MR. SPEAKER: The Honourable Member for Ste. Rose with a supplementary.

MR. ADAM: In view of having received some requests from ranchers for feed assistance, does he plan to do anything at this time to alleviate this situation?

MR. DOWNEY: Mr. Speaker, our department people are keeping very close touch with the ranchers in the communities affected.

MR. SPEAKER: The Honourable Member for Ste. Rose with a final question.

MR. ADAM: To the same minister, I am just wondering if he wishes to answer my question: Does he plan any feed assistance? I am not interested in whether he is monitoring it, I am just wondering if he plans any feed assistance at this particular time.

MR. DOWNEY: Mr. Speaker, we are entering the winter feeding period and it is at this time far too early to make a decision on this matter.

MR. SPEAKER: The Honourable Member for Burrows.

MR. HANUSCHAK: Mr. Speaker, I wish to direct my question to the Honourable Minister of Continuing Education and Manpower. I would like to know whether he has completed his review and assessment of the economic reality of the times and determine whether or not he will have to encroach upon the independence of boards of governors of universities and raise tuition fees as he had indicated a month ago that he felt he may be forced to do.

MR. SPEAKER: Orders of the Day. The Honourable Member for The Pas.

MR. McBRYDE: Mr. Speaker, just to follow up on the questions of the Member for Ste. Rose. I would ask the Minister of Agriculture if he has any intention of answering my letters to him in regard to a feed assistance program for the Interlake area.

MR. SPEAKER: The Honourable Member for Brandon East.

MR. EVANS: Mr. Speaker, I would like to address, through you, Sir, a question to the Honourable the Minister responsible for the Manitoba Telephone System. I would ask the minister whether he would undertake to look into the matter of layoffs and demotions of staff in the traffic department of Manitoba Telephone System in the City of Brandon.

MR. SPEAKER: The Honourable Minister of Consumer Affairs.

MR. McGILL: Mr. Speaker, I have some general knowledge of the subject matter of the question of the Member for Brandon East. I appreciate his concern for the employment situation and the employment practices relating to the Manitoba Telephone System. I should be very pleased to provide some more precise information with respect to this matter.

THRONE SPEECH DEBATE

MR. SPEAKER: Order please. The time has now elapsed for the Question Period. We will proceed with the adjourned debate on the proposed motion of the Honourable Member for Pembina and the amendment thereto by the Honourable Leader of the Opposition. The Honourable Member for St. Boniface.

MR. LAURENT L. DESJARDINS: Mr. Speaker, first of all I would like to congratulate you on the elevation to this important office. I was one of the members that wasn't shocked when you were named. I feel that a person who has been pretty active and at times was giving the Speaker a difficult time quite often would make a very excellent Speaker because he knows all the angles. I think that in the short time that you have held this office, Sir, I think that you've shown to me qualities that I didn't even know that you had. I think that you have been doing an excellent job. For instance, yesterday, very statesman like, very politely and discretely you gave a message to the Premier of this House that he should refrain from interfering so much. And, not withstanding the statement that he made, I'm sure that you realize, that you've already realized, that you will not need two sessions, that you realize that to be a good speaker one must be fair and must be as non partisan as possible. There is always a difficulty being human beings, of course.

I certainly was impressed by the mover and seconder of the Throne Speech, not necessarily by what they have said, what they've said they've said it well. They said what is usually stated in the House during the Throne Speech, it's to give a chance to the two new members to praise their constituency, and they did that well. But, it was in the manner, in their delivery and so on, that I was quite impressed and I certainly would like to congratulate them. I would also like to also include all the members of this House who were successful at the last election, and especially the new members, who, mind you, after being here a few days realize that it's not exactly all they thought it would be. You know, I think that the Attorney-General who's had experience in other levels of government was a little shocked yesterday in some of the comportment in this House, and I think we all went through that and we get used to it. I think that maybe it should change but it's quite a difficult thing when you have two groups of partisan people that are looking at each other and antagonizing each other at times, it is a difficult thing to do.

I certainly would like to — I didn't think he'd be here when I got to that, I'm sorry, but I wanted to congratulate my friend the First Minister — I say my friend because I've always considered him as a friend. I recognize his qualities and I think that he's one of the best debaters in this House and so on. It is his method that I don't like, and I say this in a constructive criticism. I think he's too cynical and cocky, dictatorial and arrogant — (Interjection) — I've never seen that, I know that he's not going to change. Mind you, it might be fortunate if we're going to be partisan, I think it would be fortunate for us, but it is unfortunate for the people of Manitoba who feel that he doesn't need to be because he's got those qualities. But, I've seen, maybe a leader of the opposition or a hatchet man on a different party that is dunned by the Premier of this province should not be sitting in his seat and tell people that they're lousy lawyers and criticize everything and antagonize. He should be a little above that. I don't think he'll change, I've known him too long. I still like him, despite that, I think he's got a lot on the ball but this is going to be his downfall and mark my words, and I say this to the new members, and you'll see what happens because that's been the history associated with him for a number of years.

Mr. Speaker, since the Member for Transcona left I seem to be the senior member of this House. It is true that both the Premier and the Leader of the Opposition were elected a year before I was, but, although I was forced to sit out the 1974 session, they left provincial politics for seven or eight years. I might try to relate some of the experiences that I had because, you know, after 20 years in politics and being somewhat of an independent character by nature, one feels varied emotions, is involved in controversy and gains experience I would think, and at times you feel encouragement, dedication and achievement, and at other times you're quite low and you're frustrated and discouraged. But, as I say, I know, I've realized the shameful way that the former Member for Transcona was treated last year and I'm not going to offer too many advices as the senior man in this House, you can rest assured of that, Mr. Speaker. Because, you know, it seems that unfortunately, your experience, you should not relate it too much, you should not admit or show emotion in this House because that is considered as weakness and one should never be weak even if that means that he shouldn't be human. So, the game of politics, as my friend the Attorney-General and some of the other members will realize, the game of politics, partisan politics, will go on with members insulting each other at times, imputing motives to others. I don't know, Mr. Speaker, of any other job that it seems that the first thing in the morning when you're shaving you're hoping that the First Minister's wife will run away with someone else, or that the Leader of the Opposition will break his leg. I might be somewhat exaggerating, but just a little bit, and some time when we have more time on another occasion I could relate some of the experiences that I've had in my 20 years of politics.

Within these years that I've spent I was fortunate, I've spent ten years in opposition, it's been roughly eight years, or eight and a half years in government and five years as a Cabinet minister, and I did gain experience, I see things a little differently. When I first came in the House I was a real crusader, I was going to change the world, and the Leader of the Opposition and the First Minister, as well as the odd member, will remember that I was no shrinking violet in opposition, in fact, at times I was fairly vicious. And, I can say that sincerely I felt that I was being honest, that I was doing the right thing, but I realize through experience that I had been, that I was unfair. I was unfair in some of the criticism at times and especially in imputing motives to members that weren't in the same party as I. Now, I hope that the experience that I have, I certainly will take advantage of the experience to try to

rectify that and I hope that I can be fair in my criticism.

But, less I should be misunderstood, Mr. Speaker, this is not a swan song, I have not lost interest and I don't intend to roll over and play dead. I intend to be a harsh critic but not automatically criticize every issue, and I hope that I can break the rule and give credit, sometimes credit is due to members of the government. I hope that one thing that we don't do, that I can at least show respect for all the members unless one of the members himself doesn't respect himself. But, I don't intend to sit silently. Mr. Speaker, when I'm attacked or when I feel that it's my duty to expose the weaknesses, the broken promises of this government, well, then I intend to do so.

The members of the government feel pretty good right now. They're on a honeymoon, everything is rosy, I know that, I've been there too. They've had a good majority, a heavy percentage of the votes, lots of money, all their bills are paid, they've all the money they can find. They've got more than a friendly press — and I'm talking about the editorial gang — this big business is in their corner — they're even paying some of the staff. Some of the groups are falling all over them, telling them how wonderful they are and how terrific it is to have gotten rid of the socialists. With the help of the Free Press they can blame everything on this former government, they argue on that and they will for a while. And, during this time you have a former government who has been in government for eight years who, at times, feel, fairly low because, to read the newspaper, and so on, we should be ashamed to take our seats here, we're a bunch of thieves, and for eight years we've tried to screw the public and nothing else. So, in the present situation you're riding pretty high, pretty high, ladies and gentlemen. But, I say to you, and especially to the new members, don't get carried away, don't let it go to your head. This is not a unique situation. It is not something different. You are not all supermen, as your leader would like us to believe. And your leaders are not all lily-white, are not all perfect. You know, for a while you will blame everything on us — and you'll get away with that Bud for six months, and maybe a year. But then you will have to stand on your own two feet, and then you will have to answer for your actions. That's part of the game. That's what's being done. That's what this government did. And that's what's going to happen. And then, you're getting the help of the news media. You're sitting pretty. You know, they've pushed so much, and they've criticized the NDP so much, no matter what you do, they can't admit that they were wrong. You're in a good position — for a while, anyway. But, somebody said explain what I said, that you have no superman and so on. You still belong to a party, and you still have the leader that, wherever he's been you've had battles, and you've had people criticizing, you've had fights, and you've lacked this unity. You're at your strong point, but that's going to come again. That's going to come again. I have in front of me, even in October, a situation here where somebody left the party, because they felt we are supposed to be friends, and I'm so disillusioned about all this, about the action of the First Minister. You know I've been laughed at in this House because I've changed parties, although I feel that I've been true to my principle, and I challenge anybody to prove that I haven't been in the time that I've been here. But you've had change, you've had people — not long ago, your leader lost an election, he was then the progressive member, he was Duff Roblin's boy. But he couldn't make it a little bit, because he was arrogant again, and some of the people now are pushing him — and let me quote — and this was November 27th, 1967 — from the Brandon Sun, and I quote, "And, although he was barely croaking through a voice laid low by hours of talking, shouting, and cheering, Mr. Enns bubbled with pleasure at the victory." That's when Walter Weir was elected, and beat Lyon in the leadership. "These people have lost two campaigns in a row," he said, referring to Industry and Commerce Minister, Syd Spivak — of course, he also changed his mind, and there were some battles there — and the machine working for Attorney-General, Sterling Lyon, "They are losing today the same way they lost for Duff in Toronto, and a couple of greenhorns like us have beaten them," he said, taking part of the credit for the Weir win for himself and Don Craik. So you know, that's still there.

Now, what else? When we took office, you had CFI. That was a hell of a poor mismanagement. And for the new leader — let me quote from a newspaper what they did, what your leader — your First Minister was one of them, and this is what he did at the time — and let me quote, "Monaco AG would pay no ground rent, fire guarding assessment, scaling charge or stumping charges for boom timber. This, along with a lower than normal stumpage fee and other concessions, meant that Manitoba was paying Monaco an annual subsidy of \$540 thousand a year, and the Roblin government was charged. Other concessions, such as Manitoba paying all the reforestation costs, half the cost of job training for workers, half the cost of importing skilled workers and for training facilities for workers meant additional third subsidy of over \$700 thousand." Well, I could go on and list all these things to show what kind of a deal. And that was proven mismanagement, and your leader was the one that signed that. Mind you, he's denied that, and then he's admitted that he forgot, but it was the same thing. These are not new lily-white people.

And you were talking about mismanagement and profit. You know, at least during the regime of the New Democratic Party the things came in the open. There were fights between us, and so on, and the things came up, because it was, indeed, a government of the people and the people were told. It wasn't like the Minister without Portfolio — what do they call him? Number I, II, or III — one of them, anyway, who made a big announcement in the House when he was Minister of Industry and Commerce, and he says, "Now we will know what's going on." Just the Cabinet, though. Just the Cabinet. The Cabinet was supposed to know; the public didn't know anything at all. And let's go back . . . the Speaker at the time who wasn't as non-partisan as the one that we have now, didn't want the opposition party to bring anything when we were talking about the excess profit of Drake-Pearson Construction Limited, showing that the company had made a profit of over \$1 million on a \$1.617

million contract for work on the Grand Rapids project in 1962. So, that's mismanagement, and all this thing, that was there, but that money was going on to the big guys. You know, you still have the same people. You still have the same leader who was hiding, who never wanted to discuss — I can't say he lied, because that's not accepted here, and, as the senior man, I don't want to show bad example, but he was certainly away from the truth when he was talking about the \$3,000 that he was receiving to be the leader of the party. He's also the same one who not too long ago said he knew nothing about CFI. He didn't remember if he had signed and his name was right on top. You know, it's the same thing. Don't let it go to your heads, fellows. Don't let it go to your heads, because you're not superman at all.

You still have the Minister of Public Works who, as a former Minister of the Crown and member of the opposition, violated the Lend-Lease Agreement. Well, you know, you shouldn't shoot him for that, but you should praise him as being one of the most outstanding person, and a leader of this province, as a Cabinet minister . . . These things were going on.

Now, you still have the same members, we can say the same thing — from Riel, Fort Garry, Morris, that were here before. And they're the same people who were refused a mandate to continue their work. No, they're not new people, saints that come down from heaven. They've been here before, and they've received this mandate, now they're getting their second chance. And the party. You know, all of a sudden, you're going to revolutionize, you're cleaning everything up. You know, I can quote you from 1968 where the then Deputy Minister agreed that Mr. Camp's firm — for the new people that haven't been with the Conservatives too long, ask Diefenbaker about Camp, he'll tell you who he was — anyway, his firm received all the advertising work — probably over the years millions of dollars. So, that was being done.

You know, there was talk about the people in this House, about the NDP taking care of themselves. Well, it didn't take very long. You froze everything. But you've got your four legislative assistants named already — that takes care of four. You've got your Speaker and Deputy Speaker. You've got the people on the same commission that we were. That wasn't a place where you said, "We'll freeze that. We'll see if it's right." They got their job.

You know, that only leaves Morris. Poor Morris has got nothing, and maybe the outcast from Wolseley. So, you know, you took care of yourselves. So, you're doing all right — (Interjection) — yes, and the patronage. You know, I don't know if you remember the patronage and the battles that I had with Mrs. Forbes when she was the minister and then the Speaker. She did the same thing. She had a commission. On one commission only, they had five or six defeated Conservative candidates, including the chairman. You know, that was all right. That was okay.

Now you're talking about the contract with the Indians. Well, let's read from May 1969: "Report hits government on Indian band" — and you can read it if you want, it's from the Free Press, even the Free Press. "Flood claim challenge in court." So, you see, it's not that different. The situation is not that different. You're back now with us, you're back down from the clouds, back on earth, and you realize what the situation is.

Then the staff. I'm not going to say that the First Minister was wrong because he dismissed some deputy minister. I think the way it was done was wrong. But I remember the present Minister of Finance telling us that Rex Grose was the Gordie Howe of provincial politics. And he wasn't fired, but he was allowed to go — the Gordie Howe of provincial politics, Rex Grose. And I'm not going to run Rex Grose down. You can see the transcript of the investigation on CFI and find out what the Gordie Howe of provincial politics did.

You know, you have the same situation. And you have the situation where you had, you know, party names — I've changed parties and I can do it again because to me — (Interjection) — Yes, because it's the people that change. The biggest Conservative in this province was Doug Campbell, the leader of the Liberal party. And you're saying yes. One of the most progressive that we had was Duff Roblin, a member of the Conservative party. There was no room in the middle for Molgat or anybody else. And then the Conservatives went out, as I've said — and I'm not going to relate that again why the present leader was not chosen, it was Walter Weir, an arch-Conservative, an arch-Conservative, and he said the same thing that I say now. He froze things. He was going to look, and he was going to save, and the people had enough of this spending. They were going to the right. He didn't last very long.

And, even on national unity, he took the lead in Ottawa. You know, you think it's a carbon copy of what's going on now. And he was harsh, and he put Quebec and the French people in their place, and there were cheers from western Canada because of the backlash. But Mr. Weir is no longer with us — he wasn't very long. You know, liberalism is not dead. The Liberal party might be, but Social Democrat or some of the middle people have elected you and they've elected the Schreyer government. They're the ones that will decide who's going to fall, and they don't, maybe, go for any extreme, either to the left or the right.

So, be a little more humble, especially the new members. You know, this is not a unique situation. You know, your leaders are not that much supermen, and so on. It's the same situation that we had. And you're saying, "Well, what have we done? — fiscal restraint. Is that something new? Is that a new word? You know, let me look into that.

On August the 18th, 1976, long before the election, I, joined by the Minister of Corrections and Rehabilitative Services, sent this document to my staff — and I'm not going to read it, but it's fairly long — "All travel outside of Manitoba for purposes of attendance at seminars, conferences, conventions, and other similar meetings will be suspended", and so on. Advertising, . . . publication, audio-visual presentation are not to be further developed." And there's all kinds of them. I can table that if you want, Mr. Speaker, so maybe I will, as long as I get this copy back, because I don't think the

department will give it back to me.

And, even the staff. We hired only 90 percent of the staff. And I had started in my department one year before — a pretty ethic department, as my honourable friend, the present minister, now realizes — and I cut down voluntarily. I don't think that you'll find too much waste in that department.

I might say, talking about the department — and I'd like to spend a few minutes with this — that I am very proud in the condition and the state that I left this department. I don't have to apologize to anybody. It's not perfect. It'll never be perfect, especially that department. And I might say that I was looking with interest to see who would replace me, and I'm very pleased, very pleased. I was delighted to see that the Member for Fort Garry was named the minister. I'm not saying that I agree with him on everything that he said. I think that's there's many times when he was in opposition, and I certainly didn't agree, especially in him as the labour critic. But I think that he's an honest man. I think he's a gentleman. And I think he'll do a good job. I certainly wish him well. I said to him privately, and I will repeat it here again, if there is any way that I could help him, in discussion, or help him in anything — but I don't expect to be called too often, but the offer is there — and I certainly would be ready to assist him at any time.

But I am concerned and my remarks will not reflect so much what I think of the present minister, although I want to discuss some of the statements that he has made, because it seems quite clear that he has not yet taken over the department, that the First Minister, the Great West Life and the Free Press are actually going to run the department and the government for a while. They are going to take a while.

You know, my friend reminds me a bit of the Federal Minister of Health who was talking about preventive health, and I certainly agree with that. But, you know, there was not too much money spent on that and I don't expect that the provincial government will spend too much money. I know that the Minister is very sincere in this. But there is one thing I don't want him to be disillusioned he is saying that if we catch these people before they are sick that it is not going to be as costly, as costly, and he is going to cut down. I say to him there is no way that he will cut down the cost on health. If he is lucky enough to have it to plateau, to keep it down, and he could look at anything and he can look where free enterprise ran the show, and the cost is just prohibitive. Look in the States, and they will come back. They're free enterprisers, even the most free enterprisers say that free enterprise cannot, or will not, or will abuse the system, then they will have to take over. And mark my word, you all know it, that there will be a national program of some kind of a medicare in the States very, very, very soon. So even if you treat people before they are sick, what are you going to do? You are going to prolong life, but it is going to cost you just as much, eventually the people grow, eventually the people will be sick, and eventually they will die. Look at the example, you know we didn't save anything by keeping the retardates at Portage la Prairie. A few years ago the average age was 14. Now, as I stated in this House last year, I think they had 20 deaths — and I am not talking about the poor people that lost their life in the fire and all of them were over 70 or something, one of them was 84. The average went from 14 to 36 or something, and it cost a hell of a lot more money. Mind you I am not saying that I disagree with the Minister, I think that my past actions say that I don't, but not because he is going to save money, because he is not, but because the name of the game is to help the people enjoy a full life, a better life, and if they are healthy and if they last, they live longer, this is exactly what is going to happen.

It seems that the Minister is wrestling with himself. On October 20th, Winnipeg Free Press there is a story and the Minister of Health says, "Budget cuts in the Department of Health and Social Development will definitely be made, but only if they are necessary". Definitely, but only if they are necessary. Sir, I don't quite understand what that means. It seems to me if you say well if there needs to be cuts, fine, there will be cuts. Or if you say definitely, well then you don't give a damn, you're going cut them and that is your first priority. The next paragraph says, "The Minister said the need for budget paring couldn't be more obvious, singling out health cost increases in the past number of years that Sherman calls staggering." That is true. That is true and one of the main reasons is labour, because they've changed a lot and you will have to pay people — people in the hospital. Formerly there was cheap labour in the nurses, they were taking their course in the hospital, they were working for nothing, long hours, they weren't getting paid, and now people want to get paid. So it is going to be costly, it is going to be very costly. That is the part I don't like. You know, free things — the Minister examined something — but the mandate — just imagine that if every four years there is a change of government and, if there is four or five months of absolute nothing, absolute nothing, while the people find out and decide and maybe ask the Great West Life and ask somebody else what is the best way, what are the best policies? Some of those things shouldn't go up.

This government, and this is the thing that you will not — this is where I am going to be as harsh as possible — is to remind you of your promises. And let me say I stood in that chair and I got all kinds of abuse from people on this side. In fact I will read to, especially the new members, some of the things that were said by the then health critic for the opposition, for the Conservative Party. Now mind you if he's got any guts he's going to stand up and say, "Yes, I said that, and I am going to fight for that or I am going to leave this party". Maybe that is why he is not the Minister of Health, I don't know. And this is what he said on page 246 in the Throne Speech of 1976. "The number one problem which is disrupting health care in Manitoba is the problem of the long-term-stay patient in the hospital. Today some 370 patients who should be in nursing homes are occupying acute hospital beds." Did you say that? All right. "Now when you consider that there is a turnover of at least five patients to every long-term-stay patient this means the equivalent of some 1,800 acute beds are tied up by long-term

persons," did you say that? All right. "Furthermore, accommodations for these long-term patients in a nursing home is around \$25 per day as compared to \$110 to \$120 in the hospital where they are occupying an acute bed." Now, Mr. Speaker, the amount that could be saved there runs to around \$9,800,000.00. You made that —(Interjection)— I beg your pardon. —(Interjection)— Well, somebody else named Brown said that and this has been going on for a long time. "We could have built many a nursing home for the amount of money that has been wasted away by keeping these people in the hospital." And keep on reading, I don't want to embarrass him today. I don't think he should be embarrassed, he should be embarrassed if he hasn't got the guts to stand up and say that his Minister and his First Minister are renegeing on their promises, he has got to stand up and say to Lyons; on September 29th, during the campaign, you accused the then Premier of scaring the public, scaring the elderly, of saying that they wouldn't have any of these things. —(Interjections)— Oh, all right, we will read that too. And that my dear friend is from the Free Press. You told about 100 supporters here that the NDP is going around telling elderly citizens they will lose premium-free medicare, pharmacare and nursing homes. —(Interjection)— That's right. Yes, they did because there is no way that you could cut down the taxes, that you can give away all these big deals to big business, and that you could go ahead without introducing premiums, without increasing the sales tax, and then don't cut down on any of the programs. And when I sat there there wasn't one of my programs, in Social Services as well as in Health, that the present Minister or the Premier of this House said, "We will do away with that, it is not a good program". And I will quote that back to you next session and I will quote back that in every program they should do better. Oh, yes, they were going to do better and they probably will, because they were supermen and I was just a mere mortal trying to do a job, but to say they are going to do better — better administration, maybe they will. But not one of them — do you remember the fights we had on Day Care. Do you remember what I stated that there was so much money in Manitoba? But, no, they were all going to do it better, and there wasn't one, because after all it wasn't socialism, it was social reforms, and the Conservatives introduced 90 percent — that is what the Premier said — 90 percent of these programs, and you are already starting to break down. Maybe you will build these personal care homes, I think you will. But I can say to you that you haven't got the right to wait three or four months to let people suffer.

MR. SPEAKER: Order please. I just want to inform the member he has five minutes left.

MR. DESJARDINS: Well, Mr. Speaker, five minutes is not very much. I would like to quote back, but there will be other times. I think if I've got five minutes I want to talk about two things.

There was an editorial in the Free Press on November 14th, 1977, and that is really something. You know I was brought up to respect authority and democracy until I found out that when the good guys were in, fine, if not, well they had to protect the people against themselves when the Socialists were in. And then I respect the freedom of the press and again I am talking about the editorial, Fred Cleverley, and this gang, I am not talking about the other people that are doing their work correctly. And you know did he write any editorial, did they write any editorial like that when I was the Minister of Health? It would appear that the medical establishment, in particular the Board of the Health Science Centre is gearing up for an assault on the Provincial Treasury, since many people closely associated with medicine were among the strongest supporters of the new provincial government. It is understandable that a government would be faced with new requests and may find it hard to reject, and so on. I haven't got that much time, but they hint that the campaign for more money will be very carefully orchestrated and backed up by appropriate horror stories of the result and restraint of health of Manitoba. You remember that film on CBC, the Free Press didn't say too much about that. You know the film about how we treated the people in Portage la Prairie, although we had one of the best schools in the country. And then he says, you know, this is the government that will not have confrontation but will talk to the public. If Mr. Sherman is confronted with people in an organization who are not willing to work within acceptable guidelines, he can always replace them with people who will carry out acceptable directions. That is the government and that is the Free Press.

I say, Mr. Speaker, that we on this side — the honeymoon will go for a while, it will be fun to laugh and say, "You did this", but this government said that they will not — you know, it is a big thing, it is a big thing, they show how humane, human they are, because there is going to be a reduction of a married man with two kids that earn \$15,000 of \$32 a year. Thirty-two dollars a year and if he earns \$10,000, well what is he going to get, about \$13 a year. He will be able to buy a bottle of wine at Christmas and toast this new government and then try to find out what he is going to do without personal care homes, reduction of Home Care Day Care Programs. This is what he is going to do. He will have an hour.

All right, the intention was to be as fair as possible, these directions are not attacking the Minister. It only stands to reason that somebody that has been there for one month in a portfolio like that, and I know that he is working quite hard, and I am ready to work with him, but if those promises that were made . . . You know, you are saying now we will wait and see what's left and then we might have personal care beds. This is a promise, this is a need, and these needs will continue. And I can say and I challenge anybody to prove otherwise that there was no partisan choice for these personal care homes. If he wants to wait and lose money from Ottawa while he makes up his mind about Seven Oaks, fine. This is something that I am not going to back away from — an argument on Seven Oaks. But on the personal care homes, my honourable friend who moved this motion said that he wanted more personal care homes around this district of Pembina where the people can go in and stay in that area. Now we are pretending it is going to cost all kinds, and the Minister said so himself that it

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probably will. You know there is a mandate. We were, believe it or not, we were legally in power until the 11th or until the 24th, we were legally in power, and your mandate is not to try to undo everything, it is to give new direction if you want. If you want to cut down and if you want to bring in this right wing Conservative, that is your baby, and if you feel — I don't think you had a mandate for that because you can't do that and keep all the programs going, and further they said that these programs will not be eliminated. But to stop all of a sudden four months, and the staff are waiting until you make up your mind, I would imagine, you will have at least four ... months before you decide what you are going to do. It is going to cost all kinds of money. You remember what you said about the development up north. And I say that the government is under the, what is it, the dictatorship of one man, I think that that is wrong. I think it would be unfair to start talking about the intricate problems in the department to the new members, and I don't mind the way the questions are answered. You say, well, we are going to wait, we don't know. Well you would be bluffing if you did. I admire you for that. It can't go on forever, but the thing that I don't like is that you say these commitments were made, we see where the priorities are. You know, the government made all kinds of promises, but what are the priorities? Did you cut down on the sales tax on the heating? No. What is this rush on some of the things that you are going to do now?

MR. SPEAKER: Order please. I want to inform the member his time is up.

MR. DESJARDINS: Thank you, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Seven Oaks.

MR. SAUL MILLER: Thank you, Mr. Speaker, and may I join with others in congratulating you on your appointment, election as Speaker to this House. You are having, I think, a fairly rough time the first time around but of course this will simply prepare you so that when we go into the next session of the House, probably in March of 1978, you will be a veteran and be able to handle both sides of the House with equal surety and equal confidence. I have no doubt that although you do represent and were chosen by the First Minister, but nonetheless you will consider the members on both sides of the House with the same impartiality and will try to mete out your views and controls in a judicious manner.

I also want to congratulate the mover and the seconder for their contribution to the Throne Speech. This is the first for them, never having sat in the House before and I was interested in hearing their comments. Again, it reinforced something that I have known for some time, that a person elected from whatever party invariably does reflect the views of the electorate within his constituency, so I wasn't surprised that the Member for St. Matthews spoke very differently from the Member for Pembina and there was even suggestion that somehow the Member for Pembina sounded very much like his predecessor. And this doesn't surprise me because if he didn't reflect that, if he didn't speak that way, he would not be reflective of his constituency. Our parliamentary system, our democracy, is to me one of the most important parts of our system that I think is essential to maintain and it is because, it is because this occurs and proves itself time and again that the electorate does indeed choose their representatives to reflect their views, their majority views. So even though the two members may have spoken in what appears to be in a diametrically different way, they nonetheless both reflect the priorities, the needs, the yearnings of their particular constituency.

Mr. Speaker, I would like to congratulate all members of the House who are back here, but in particular the new members on both sides of the House for having been elected to the legislature. I wish them all well. They are here to serve Manitoba as a whole as they see the matter, as they understand it from their perspective, from their ideology. Hopefully they will enjoy their tenure here in office.

A special, I think, welcome or congratulations or comments I would have to make for the members of the present Cabinet. Some of them have sat in Cabinet before and they know what's facing them. I think they will be surprised that the pace has quickened as much as it has over the last eight years, some of those who have been in there before, and they will be surprised at how arduous a task it is. To the newcomers who haven't got that experience behind them and haven't tasted it before, I wish them well. I know that the general public does not understand the pressure, the time it takes to do a job, the demands on the individual 24 hours a day, 365 days a year. So I wish them good health because they are going to need it certainly and I wish them well because it is in their hands that the well-being of Manitoba will be determined. So, as I say, I wish them health because they have to have the strength to continue to do the job that they have been chosen to do by their leader, to do it to the best of their ability and to take the kind of pressure that being a minister of the Crown and being an MLA at the same time — the two go hand-in-hand but the job is a very difficult one and I am well appreciative of it.

Mr. Speaker, just before the session was called, the Minister of Finance distributed an interim supply, what is called interim audited financial data, and this was in keeping with the position that the Conservative Party has taken where they subscribe to the idea that they should put out or publish periodics quarterly, if possible, reports showing both the current and the capital expenditures and revenues of the province. There is nothing wrong with that if that's what they want to do. The problem, however, with the report that we got is, firstly, because it is the first one ever issued that way

and is a snapshot in time, it's a snapshot of what the situation is at a given day — it's a six-month period. It does not really reflect what will happen at the end of the fiscal year, and so the suggestion that in fact Manitoba's faced — and this poor government inherited a financial mess — I've heard that term before — a projected deficit of \$225 million of combined current and capital — and try to give the impression that somehow this is a terrible, terrible thing.

A MEMBER: Like New York.

MR. MILLER: Like New York, someone mentioned. But the fact is what we're seeing here, Mr. Speaker, is a scenario being prepared, a script that's now being written and the groundwork is being laid. Because by taking an interim statement, or data as they call it, an audited financial data, a snapshot in time, six months, and then projecting what the expenditures will be to March 31st' the end of the fiscal year, without taking necessarily into account whether or not there will be additional revenues which are not known at this time because cash flow is being shown here . . . and more importantly, what are the expenditures in the departments, because every year, adjustments have to be made at the end of the year. Departments underspend, as in the case of social services. I know social allowances, at the end of a six-month period there was considerable under-expenditure and if that continues then the amounts of the appropriations, those originally introduced by the former Minister of Health and Social Development, will not be used.

As I say, what we're viewing is really an attempt to set the stage whereby a projected deficit has been put forward, a mid-term deficit, capital and current is put to the public, so that six months from now when the final statement is prepared and presented through the Provincial Auditor's office, the government will say, "See, we were faced with this terrible deficit and we have indeed overcome so much of it, thanks to our good management." In fact, Mr. Speaker, last year about September, 1976 when our government that I was proud to be a member of was faced with a shortfall in revenue from the federal government which occurred because of their backtracking on the revenue guarantee to the provinces — and it occurred in all the provinces — but faced with that, we did the logical thing and we did exactly what the Conservative government is now saying they are doing.

We went through a restraint program and we cut very very deeply into many many expenditures and departments were ordered to restrain, to cutback and not to launch certain programs, not to expand certain programs, the result of which meant that the deficit at the year end 1976 was far less than anyone who simply would have taken the mid-term figure and then projected ahead could have come up with. We went through this exercise, and I say to the present government, if they're not doing it, they should, but I am sure they are doing it. They are not saying much about it now, and they call it a task force, but they are doing it and they are doing it so that six months hence they can say: Look what we did. Mr. Speaker, if they didn't do that, they would be fools; they would be totally irresponsible and I don't believe that. I believe that they sincerely believe in their analysis of the economy and their analysis of what motivates an economy and their analysis in view of what makes people tick.

So, Mr. Speaker, when you talk in terms of this terrible current revenue deficit that the government is being faced with, they tend to ignore completely things that do come up, and they'll have it, that they'll come back, year after year it will come back to haunt them too. When the estimates are being prepared, and they are usually being prepared in the months of September, October, November, December, you can just guess, estimate so much, but inevitably things occur which are beyond the finest of estimates. An example is the drought conditions of the spring of 1977 and the fall of 1976, where because of drought conditions fire raged last spring at an enormous cost to the province, two million more than they ever estimated; the calling of an election which is never included in any estimates — and that's tradition — a million dollars; salary increases which one can never formally present in the estimates of the House because, of course, to do that would indicate in advance a position of what the salaries will be, and it exceeded by what we normally indicate, \$6 million; a small matter like an encephalitis threat, a small detail but you have to act on it, it's a health hazard, costing a million dollars in one fell swoop; and, of course, what is facing them and facing every province in Canada is the drop in revenue to Canada itself. And the drop in revenue to Manitoba is no different in degree than it is across the country. Ontario, Alberta, B.C., right across the country, Manitoba suffers its percentage drop just as every other province.

It's a combination of things. It's a combination of a sluggish economy where corporate and personal income taxes are not coming in at the rate that government of Canada estimated. But more important, and this is where there is a twist on it, the federal government now admits that it made an error in its calculations. Now, the interesting thing is that some of us did tell the Department of Finance, Ottawa, that in fact they were in error. We felt that they were under-estimating and that their estimates were wrong. However, they claimed otherwise and in the final analysis, every province has to accept the figures which Ottawa puts forward. We accepted those figures as every other province did, the result is that there is a revenue shortfall.

On the other hand, the revenue guarantee should, if their September estimates now hold out, the revenue guarantee should be somewhat higher than what was estimated at the beginning of the year and equalization should pretty well remain constant. Again, these are the September estimates.

It's interesting that in the July 1st estimates the ' federal government did not show any change at all as between their early prognostications. They had estimated an amount of tax collections through personal and corporate income tax for Manitoba, and in July, when we got the figures, there was very

little change. It wasn't until October that the new figures were thrown up and indicated a considerable drop in the personal and corporate income tax of around \$43.6 million. And so, it's interesting to me that now the provincial government has chosen to drop the corporate tax by two points and the personal income tax by two points. And, as I pointed out yesterday, sort of off the top of my head, the savings on the personal side, to the average wage-earner, is mighty little. To the typical family of four, with an income of \$10,000, the savings is \$13 a year. To the average income-earner of let's say \$12, \$13,000 it's \$24 a year. In other words, two dollars a month. On the other hand, for those in the income bracket of \$50,000, it's \$267 a year, and I'm now talking about the impact of the reduction of the personal income tax rate.

Of course, there's another reduction takes place, too, apart totally from what the province did, and it was taking place irrespective of whether the Minister of Finance yesterday had got on his feet or not. That takes place January 1st, because of federal legislation dealing with the indexing to reflect inflation, that takes place, and as well because of the provincial statutes brought in by the government that I sat with, and that is the cost-of-living tax credit. So, when the Minister of Finance says that it's a \$15,000 level, it means a saving to the taxpayer of \$101.00. What he is really saying is this, the taxpayers at the \$50,000 level will save \$69, or will pay \$69 less than they did last year for the same income, because of the federal indexing and because of the NDP cost-of-living tax credit system, and so far he hasn't tampered with that. The savings that accrue to the individual, because of the announcement yesterday, is really \$32 on a \$15,000 income — (Interjection) — \$10,000 is \$13 a year — oh, it's a lot of money — \$13 a year — (Interjection) — I'm afraid so, I'm afraid so, yes. And, of course, if you're in the \$30,000 bracket, then it's \$117 and you're that much better off again.

A MEMBER: What about those making \$100,000?

MR. MILLER: Well, at 100,000, I'd have to guess at that. I can tell you if you were \$75,000, it'd be \$530 — that's very good. — (Interjection) — you see, and that is the free enterprise system, and in the corporate sector, of course, they've come out with again two points. And these two points sound terrific. But let's look at these two points. What does it really mean? Two percent to a company, a corporation which, after paying all its expenses, paying salaries to the manager, to the owner-manager if it's an owner-manager, to everyone, is left with, let's say, a net taxable income at the end of the year of \$50,000 — a small business, not untypical of many, many in Manitoba. \$50,000 will mean they will save \$1000 in taxes — this great capital formation they're talking about, which is going to accrue through the private sector — \$1000. And what they're throwing out is a program, a job creation program for small business, which gave to small business, which in fact hired people, put people to work, which gave them \$1000 per employee they hired, and they could hire three employees, so they could get \$3000. But they're going to scrap that one, and they're going to give \$1000 to everyone in that category I just mentioned — \$50,000 net profit. Whether they hire people or they fire people, it doesn't matter. They will all benefit the same.

A MEMBER: What if they move out of the province?

MR. MILLER: Oh, they're going to move out of the province anyway. Mr. Speaker, the corporation that's earning \$50,000 today is staying put, and boy, is he going to stay put, because he's doing mighty nicely, I can tell you. You know who may move? The International Nickel may move when they run out of nickel up there. They'll disappear. They have no interest in this province except what's in the ground. And as soon as the resource in the ground is empty and there's a great big hole, they'll leave and let you fill it up.

You know, yesterday the Minister of Public Works made a statement and I credit him for it. He says he was pleased at something that was said on this side by somebody because it showed an ideological difference, and he preferred to sort of talk about the differences in philosophy and the issues. And there's no doubt about it. The members on that side of the House hold a different point of view, a different philosophy, a different approach than the people on this side. They honestly believe, and they're sincere in this — they're not evil people — they believe that private corporate capitalism — and I'll use that word because I keep getting words back from them the other way — that private corporate capitalism can resolve the problem, that if private corporate capital is happy, is sated, is doing well, then all the citizens of the province will benefit. But, you know, Mr. Speaker, private corporate capitalism, particularly today with integrated industries and with the multi-national, they have one reason for being. Their *raison d'être* is to maximize their profits for the benefit of their shareholders, to capture as much of the market as it can — that's good business — to control the market, to dictate to the market if possible, to assure for that corporate being — because it is a living being, a corporation — as much authority in the marketplace and as much profit as it can.

It has no reason, and it is not interested in the quality of life for the general citizen, and it doesn't have to be. It would be almost a contradiction for the corporation to have to concern itself with that. The corporation's, as I say, reason for being is to strengthen its position in the marketplace for the benefit of its investors. And it may give to the United Way, some of its directors or some of its managers may get involved in sitting on various boards and philanthropies, and so on — that's fine, but basically, basically their concern cannot be the total general well-being of a province, of a city, of all its citizens, because that is not what they're there for. And certainly if they have to compete — and immediately you hear the word — if they have to compete with other provinces, other countries, other nations, then they always have the argument that they become uncompetitive if they have to concern

themselves with social problems. They can only therefore concern themselves with the problems of a profit and loss sheet, the black and white, in final analysis, which pleases or displeases their shareholders. And so if International Nickel finds that it's more economical to operate from Guatemala or Indonesia, or wherever it is, they will operate there, and they will cut back in Canada. And I can't be critical of that kind of thinking by International Nickel. The directors in New York made the right decision for International Nickel. It may not be the right decision for us, but it's the right decision for them. I can never quarrel with that. I can never argue, because that's, as I say, that's their *raison d'être*, that's their reason for being.

So, I think, frankly, the Conservative party is hanging its hat on the corporate sector, and maybe — and if you're right — then we'll know within the next year or two, no doubt about it. Because I am not going to accept what the Minister without Portfolio from River Heights said, that such a financial mess is going to take so much to overcome, and the business community has been so disheartened that it's now going to take time to woo them back — you know, Mr. Speaker, it's a lot of rubbish. In the last eight years, 1968-76, investment in the private sector of Manitoba doubled, doubled from what it was the previous hundred years. So don't tell me the private sector — that's a fact, those are statistics, I don't say them, Canada Statistics says them — they're getting a healthy good economy in Manitoba in relation to what's happening across the country. We do not live in outer space. We are part of a country, and I think there's now been some evidence from the other side that they keep referring to the problem in Canada as a whole, and when we said it, they wouldn't accept it. They said, "Don't talk about other provinces. Talk about Manitoba. Never mind what's happening in Ontario, what's happening in B.C. Talk about Manitoba." Well, now they suddenly say, "Well, you know, you're not in outer space. You're sort of part of a country, and if you're part of a country, when there's general recession, it affects you, too. If there's unemployment, it affects you, too. And if there's unemployment of 8.5 percent in B.C., then, gee, in Manitoba if we're under 6, it's pretty good." That's what you're going to hear from those people there. That's what you're going to hear from here on in. When we said it, it was not acceptable. But they're going to have to say it now.

They're going to have to say it because the fact is that if you hang your hat on the corporate sector, as you're doing, you will have more unemployment, because the corporate sector, particularly now since you've taken away an incentive to hire a person, you're going to give them more of this tax reduction, you're going to give them an opportunity to keep more of the profits that they have. There's no incentive at all to hire anybody.

So that so long as you, as I say, hang your hat on the corporate sector, I think you're going to find that you're going to be sharing more than ever with all of Canada the problems which Canada is now suffering. And it's part of a malaise in the western world. You may claim that it's because of the philosophy of members of this side that Manitoba's in the position it's in, and you may point to other countries, but let me tell you something, and I think your Minister of Finance will, if he were here, would support this — what is happening in Canada is happening in every western industrialized nation in the world. In Germany, which everyone has pointed to as the success story, in Germany today, they're hitting 18 percent unemployment in an under 30 age group, and they're becoming very, very concerned, because when the youth becomes disenchanting, when the youth cannot express itself, when the youth of any nation is left to simply sit without an opportunity to produce, to do something constructive, that is when democracy is in danger, because that youth will look to a pat answer. That youth will look to an authoritarian figure to a solution, and therein lies the danger, and they're becoming very aware of it there. And to turn the clock to say, "Well, now, it's been done wrong all the way through," when in 1970-71, during the period of moderate recession in Canada, Manitoba was able to use moderate recession in Canada. Manitoba was able to use government, the public, resources to combat, at that time, a mild recession and we were able to avoid it much better than most provinces because we weren't weren't scared or frightened of the idea of using public money for the use of the public and we were able to blunt much of the impact of what was happening across Canada. We've been doing that here as well and so when I'm told about the deficit and I'm told that spending was done for Manitobans, by Manitobans, for their benefit, and when I'm told that the deficit or the capital was too high, Mr. Speaker, I'm proud of the special municipal loan fund program. Every municipality in Manitoba benefited from it, whether it was a curling rink, or a community centre, or a swimming pool, these are benefits, these are assets. To the conservatives everything is a deficit. Mr. Speaker, those are assets. They are owned by the people of Manitoba for the people of Manitoba. They are assets. They are not deficits. It's as if you meet somebody and he says, "I just bought a house and we're moving in next week" And you say, "Oh, you just bought a house, what did you pay? \$50,000.00. Well, you now are in a deficit position of \$50,000.00. You don't own a home. You're not a home owner. You're a debtor. You're in the hole to \$50,000.00. I'm sure they wouldn't say this. In the example I'm giving they'd say, "Oh, you bought a house, isn't that terrific." But, when the public does it, when the public sector does it, suddenly it takes on a different colouration and then it's poor management, poor spending and an abuse of public money.

And I say to you, that the facilities that this government made available in the last eight years across the Manitoba were unmatched in the previous 8, 10, 20, 30 years. I'm proud of them. They're facilities which will be used by the citizens of Manitoba, by all the citizens in every community and I'm proud of that too. The Winter Works Programs which put people to work, the provincial employment program, putting people to work: To me, I've never been able to understand why someone working in government, for government, through an agency of government, is not considered as productive as somebody who is making these book matches. And yet, there is in the public mind, and certainly amongst the conservatives, a great distinction between these two. If you are sweeping the floors

in a hospital you're living off the public trough. If you're sweeping the floors in a restaurant, you're doing productive work. It makes no sense but that is the kind of thinking that I know the friends opposite believe in.

And hanging their heads as I say they're on the corporate sector and it will have to be a big corporate sector because really that's where it's at. And, it's interesting to me that someone I'm sure that they admire, Premier Davis, who last Monday, I believe it was, made a statement that shocked a lot of people. He said if you really want to come to grips with the problems in Canada we're going to have to say to the large corporate sector, move into the Maritimes, invest in the Maritimes or in other regions of Canada where unemployment is high, prospects aren't good, move in there and move in there without expecting the rate of return that you would get in Ontario. And that coming from the Premier of Ontario, himself. Now, if I ever said a thing like that they would call me a socialist doctrinaire, dogmatic, wild eyed, God knows what, individual. Coming from Bill Davis it's equally as surprising but, of course, they didn't react the same way. But, Bill Davis is understanding, and realizes that the private corporate sector is in the business of making money. I heard one of the Vice-Presidents of General Motors, a few weeks ago, and he ended up making the statement: we don't make cars, we make money, that's the business we're in. And he's right. And people, as I say, like Premier Davis talking on the question of unity and the need for economic stabilization across the country and equalization of opportunity across the country, recognize and in recognizing realizes that you just can't leave it to the good will of the corporate sector because the corporate sector has another objective, another goal.

So, Mr. Speaker, as I said earlier, the Conservative Party has won the public support and has certainly earned the right to form the government. They have four years in which to prove whether or not their concept of how things should be will in fact work out the way they think so. And, if they do, they will no doubt last four years because there's no way that, this being the British parliamentary system, there's no way that they can be knocked out before four years, nor would I want them to. They may go three years if they want to, of course, they can go next month, but, they're not likely to. However, they have, indeed, won the confidence of the public of Manitoba. They have every right to sit in the government bench on the government side of the House and to do what they promised the people of Manitoba they're going to do. And, I wasn't surprised at the announcement that came yesterday. As a matter of fact if it hadn't come yesterday I was intending to ask the minister today when he was going to make it because I knew that he had a deadline to meet if he was going to make it otherwise the federal government would not have the time to print the necessary tax tables for January 1. And, I knew that normally that date is October 15 but in light of the change in government I requested Ottawa to hold off on their deadline of October 15, and would they extend the deadline until the new minister could contact them. And, he did' and I was going to ask him today, so I wasn't surprised when he happened to come out with the information. I didn't know what he planned but I knew there were some changes, he had to make some statement because he had to meet his obligations which were uttered by his leader and himself and all his colleagues in the campaign itself. And they made quite an issue out of lowering taxes. We can and we must — is the way they put it — lower corporate taxes, lower personal income tax. As my colleague the Member for St. Boniface said, they made other promises in the field of health and he expects them to live up to them; and they made promises in every area of government involvement. And we on this side will certainly monitor that. We'll monitor the government to assure that they, in fact, do live up to those commitments.

MR. SPEAKER: The member has five minutes.

MR. MILLER: Thank you, Mr. Speaker. But, Mr. Speaker, I do not intend to simply be picky with everything that the government does. I've never operated that way. Governments generally defeat themselves and if this government, these people here, cannot deliver what their merchandisers and advertisers, the packagers that packaged the Conservative campaign, that package that was put together for them can be delivered, then within two, three, four years, they too will feel the pressure and the problems of how do you maintain an image. How do you live up to all the things you said you would do, could do, must do, when in fact you are unable to do so? And if they want to give up revenue that of course is up to them.

If they think that they can find that revenue through savings and management and administration, they're not going to do it in that area, but where they might do it, and my concern is, in programs. They must certainly do it in programs. I am concerned with programs which they might not put too much priority on. They're not that stupid. They're not going to bring back premium medicare. They're not going to do that. They're not going to cut out the personal care home program. They're not going to do that. They're so obvious. They're not going to cut out the Pharmacare Program. They are not that stupid.

What they are going to do is eliminate a lot of other programs, not where there can be a mass reaction against it but rather where certain groups who under our government were given certain priorities, whose long-standing problems were recognized: people in the north, people on low incomes, people who needed upgrading, people who needed assistance. In those areas I can see program cuts because the Conservative Party believes it's every man for himself and those who earn it, deserve it. That's their philosophy and I have no quarrel with it. —(Interjection)— Yes, for the benefit of the Premier, I have not taken any exception to any of his philosophies. —(Interjection)— He may have come in late, he hasn't heard me. He hasn't As a matter of fact, I think I indicated that some of the philosophies you hold and these are yours and you believe them as sincerely as I believe mine.

—)interjection)— We share some, certainly, because I think all of us feel that we are doing and want the best for our fellow citizens, whether it be here or elsewhere, for mankind generally.

Mr. Speaker, with those few comments, I was pleased to participate in the Throne Speech Debate and again, in closing, to simply indicate that as far as this side of the house is concerned, this session is not just a special little session that was called to deal with one piece of legislation that had to be coped with, but rather it is a session that we had to address ourselves to because some of the bills being introduced are substantive, have major impact and if we had simply ignored them, or simply let them pass, because of the honeymoon period that this government is now in, I think we could have been properly criticized by people of Manitoba for not assuming our obligations of putting forward our views, our differences of opinion and showing up the shortcomings and the fact that in the long haul the policies being followed by this government, present government, will not help, but it would in fact not be of benefit to the vast majority of the public of Manitoba.

MR. SPEAKER: On the proposed motion, the Honourable Member for Point Douglas.

MR. DONALD MALINOWSKI: Thank you, Mr. Speaker. Because it is after twelve I would like to beg to adjourn the debate, seconded by the honourable member for Logan.

MOTION presented and carried.

BILL NO. 2. Anti-Inflation Act (Canada) Agreement

MR. SPEAKER: We will move on to the adjourned debate on second reading on Bill No. 2. The Honourable Member for Point Douglas.

MR. DONALD MALINOWSKI: Mr. Speaker, I made this adjournment for my honourable colleague, the Leader of the Opposition.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SCHREYER: Mr. Speaker, if it were simply a case of indicating where we stand with respect to the outline of Bill No. 2, I suppose it could be done in a matter of just a very few minutes. I have indicated already, here in this House and elsewhere, that we feel it is only logical to support a measure which has the effect of validating what we believe we had in place all along in any case.

So far, only two honourable members of this House have spoken to the subject of Bill 2; the First Minister in the introduction of it, and the honourable member for the Minister of Public Works, really in debate on the Throne Speech itself. But I want to take this opportunity, Mr. Speaker, to say that the bare facts as outlined at the time of the introduction of this Bill by the First Minister, I do not quarrel with it. Certainly it is correct to say that at the time when we entered into the arrangements with Canada, it was pursuant to a position which had been adopted by all provinces, inasmuch as at a First Ministers' Conference back in mid 1975, there was a great deal of anxiety expressed by the First Ministers of the several provinces as to the nature and extent of the inflationary fires that were burning away in our country at that time and had been for a period of a year or more.

I recall very well that a resolution was adopted unanimously by the representatives of each of the ten provinces, calling on the government of Canada to do something literally, language as general as that. If one just allows one's mind to go back to the context of 1974 and 1975, there was mounting concern expressed from practically all quarters and all segments in our society and in our economy, expressing bewilderment and more than bewilderment and more than bewilderment — great concern — as to the extent to which, if at all, we could live with double-digit inflation and feel that it would not have long-term negative consequences for the well-being of our country. As a result of which, and it is history now, it was felt that of all of the alternatives that had been explored up to that time or explored sufficiently, that it was on balance better to try a national experiment than to simply sit back, which would obviously not have been acceptable. Indeed all, and I think it's no exaggeration, all political spokesmen and not just political spokesmen but spokesmen for all of the different segments in our society and economy were calling for action. So action was taken. It may be a matter of considerable disagreement yet, I don't know, in the sense that some may still feel, even in retrospect, that it might have been better not to have attempted any definitive course of action but to let "natural forces" work themselves through the system and out. There are those who may be so bold and wrong as to say categorically that it is better to let mounting unemployment which comes in the aftermath of inflation, or starts to work up really in inflation after it has been underway for some period of time, that mounting unemployment is a better method of control of inflationary forces than to attempt what some I suppose would describe as artificial efforts.

At this point in time, Mr. Speaker, I would prefer to say that I cannot and I believe I could never share that kind of thinking, therefore it is correct for the Minister of Public Works to say that I was one of the supporters of this effort back two years ago and more. Of course, there are reasons for concern even with the preferred alternative. They were expressed at the time but, Mr. Speaker, I do want to say with all the emphasis I can muster that I am not aware of any industrial country being able to cope

with inflation in any way other than to attempt either a guidelines mechanism or system, whether it be by means of concurrence among large, well-organized groups in the economy who proceed by way of annual negotiation, always keeping economic guidelines in front of them as they negotiate as being one rational way to attempt to cope with inflation. To look at the realities of the export market for those countries that are even more heavily dependent on exports for their industrial operations and the maintenance of a healthy state of gross national production. Some countries proceed that way but it is a form of guideline nevertheless, an anti-inflation restraint nevertheless. Some countries, whether they would put it on the record publicly or not, I don't know, have been prepared to witness unemployment increased to almost inhuman levels as a means of attempting to contain inflation and some countries, including Canada now, have attempted from time to time a program or policy of rather more deliberate rational restraints, deliberately put in place.

Speaking with the benefit of experience and hindsight which we would not have had this program not been initiated in the first place, it is not possible to be wildly enthusiastic — I think that expression was used — about the program and I am also of the view, Sir, that it is not possible to declare it as having been an unmitigated disaster. Nevertheless, we all know that many of the forces of inflationary pressures that generated in 1974 and 1975, some of which are still with us yet, have as much to do with external international forces which we do precious little about, some of them admittedly are domestically induced. But I believe that there is a growing body of opinion that even looking back at the full sweep of several decades in the Western industrial countries, that there is no third or fourth alternative when it comes to fighting inflation that is rapidly escalating other than to put emphasis on a systematic deliberate effort of restraint which there will be some complaints about I am sure, or to let unemployment levels increase dramatically. The worst, of course, is that we end up with both.

Of course there is no way, Mr. Speaker, either of being able to ever prove or disprove whether the effort here in Canada, less than perfect that it was, had any measurable effect on containing the forces of inflation, the rates of inflation, because I know that there are those who argue that despite it there has been the slight re-awakening or reoccurrence of inflationary pressures, that they haven't really been dimmed that much. There are others who will argue that whereas inflation was double-digit, it is now something less than that.

Prognosis being made in recent weeks and very recent months is that Canada will, — even after the termination of the anti-inflation program as we now know it, realistically be able to expect an increase in real gross economic product of something in the order of four percent next year and there is, at least according to those who have been bold enough to make a forecast, an expectation of something in the order of seven percent inflation factor. But it is significant, Mr. Speaker, that unemployment is also expected to be, in Canada, remaining in the eight percentile range and if, with eight percent unemployment, there is still seven percent inflation, then it merely re-emphasizes the point that some have tried to make in recent years that we are experiencing, to some extent, a relatively new phenomenon which was not anticipated at the time, the formation of economic thought, which served us relatively well in the decades of the Fifties and much of the Sixties, at least in so much of the Western world.

But now we have a situation in this province where the government of the day will be finding that in 1978 there will be a termination of the anti-inflation program in, I think it would be fair to say, in all parts of Canada, at least termination of the formal program as it has been practised in the past two years. It is entirely possible that with the termination of this program, the impact of inflation will not start to reassert itself at double-digit proportions. One of the reasons for this, I daresay, will be because levels of unemployment will be somewhat higher and that is a very poor trade-off and one that no government should seriously and deliberately want to see used as an alternative to the one which we will be coming out of.

Given the fact that changes are already being made or announced, as the case may be, with respect to taxation treatment, with respect to corporation tax, the surtax and corporation profits, the income tax schedule, succession duties, all of which were an inherent feature of the anti-inflation program in terms of its symmetry and efforts to be equitable and harmonious as much as possible, then of course it does remove, in a very direct way, some of the arguments that could and were used in support of the implementation of the anti-inflation program in the first place. I believe that while there may not have been enthusiasm, there was more or less a concurrence or a consensus among the majority of provinces, certainly if not all the provinces, that if this anti-inflation, this rather formal anti-inflation program were to be entered into, that there would be, in addition to the formula that would be applied on industrial wages, there would be a formula applied as well with respect to the amount of increment in any one year that could attach to those in professional and executive positions. But not only that, that corporate and personal taxation with its progressive schedule would certainly not be reversed but that there would in fact be some surtax provisions as well. If one part of the equation is to be changed; it is only logical that the other side be changed as well.

Therefore, while I still speak as one who feels that from time to time, periodically, within the economy of any mature industrial country, that there may be need for programs such as this kind, that in the current context because of other changes that are taking place, and then frankly because of persistent disillusionment by an important part of our economy with the way in which they perceive this program has worked, that it is just as well in the overall national interest and the interests of more rather than less social harmony, that this program now be terminated and as soon as legally possible. But I can't make much of that, I wouldn't pretend to make much of it, Sir, because it is a case of arguing whether it should terminate by the middle of February or the end of February or

the end of March or the middle of April. We're talking in terms of perhaps sixty days difference at most and probably less.

It is in the same context, Sir, that while I would want to make the point that in validating this agreement, it is important to realize that not all of the decisions of the anti-inflation board or the administrator were justifiable to the nth degree and in every respect but I have to admit that it would be problematic, difficult, not impossible, but difficult to make changes or refinements in this legislation that would deal with those two or three cases in which there is identifiable deviation in historical relationships caused as a result of decisions made by the board or the administrator in relation to the immediately neighbouring provinces.

But, given the fact that in terms of the remedy that is open, it seems only logical to acknowledge the fact that within a period of perhaps in the order of 30 to 90 days, that those very same collective bargaining units will have opportunity to go into detail and it is admittedly a matter of detail and therefore difficult to deal with in any form of general debate that there will be opportunity to deal in detail at the bargaining table on these very specific and rather lengthy number of figures and ratios and proportions involved. That being so, while I express a degree of disagreement with the fact that no specific provision is being made herewith in terms of dealing with those relatively few cases that because of the fact that collective bargaining does provide an opportunity to deal in detail with specific figures, including figures having to do with historic relationship within less than a quarter of a year from now, that that is the alternative remedy.

For those who think that with the termination of this program that we will never need to contemplate ever again a day when something similar to it might have to be brought forward, I would caution to argue that it is impossible, obviously, to forecast the future but there is surely enough experience already accumulated to indicate that there have been erratic movements in both international and domestic crisis of key commodities and many other commodities, if not key certainly important to our daily lives, and that an approach which sort of leaves it to the coming together of a whole multiplicity of invisible forces all under the invisible hand. Anyone with that view, I am certain will be disappointed.

Indeed, I come back to reiterate the point, Mr. Speaker, that it is important to acknowledge facts and we do acknowledge that the private sector in our country, the United States, Western Europe, has been a very important generator of economic production and improved living standards over the decades. It is equally important to acknowledge the fact, Sir, that from time to time there has been need for the introduction of and application of the stabilizing impact that can be provided by the public sector. I have listened to some speak so glibly in terms of their confidence that if taxes are reduced by one or two percent and if this or that operation is allowed to fall, and somehow if only sufficient incentives are given to the private sector, that there will be a very impressive rate of job creation and of private investment and of the containment of inflationary forces. Then I have to point out that presumably when the Conservatives were in office in the decade of the Sixties, that they practised more or less what they are preaching today and one will see, Sir, that indeed the rate of job formation in the entire decade of the 1960s in Manitoba was not impressive at all, not impressive at all. I have had occasion to make some calculations once again to ascertain what was the rate of job creation in this province at a time when they were in office and had ample opportunity to practise this virtually unlimited dependence upon the private sector, to the exclusion of practically everything else, and one finds that in the five years prior to their being removed from office, defeated at the polls, that there was, I think, in the order of 28,000 jobs created in that five year period.

Despite their accusations of us having an overly dependent policy, overly dependent on the public sector, it is because it is a fact necessary to point out that within 85 to 90 percent of the total labour force of this province are employed in the private sector, certainly the employment by the public sector of the province of Manitoba is somewhere in the order of 10 percent of the labour force of this province, including Crown corporations, direct public service employment and the job creation efforts made on a countercyclical basis. So that any suggestion that there has been disproportion are grossly exaggerated. Indeed, with 85 to 90 percent of the labour force of the province engaged in the private sector, one can by no means try to make the argument that we had engaged in disproportionate dependency on the instrumentality of the public sector.

But, Mr. Speaker, whether public or private, the fact remains that, and as did happen in 1974 and 1975 when the forces of inflation resulted in double-digit inflation it just cannot be accepted with equanimity and therefore I have to say that while there was, to an unfortunate degree, dissatisfaction voiced with the program, that it nevertheless has been a very important feature of the sort of learning experience of our nation in terms of economy, the difficulties that are encountered from time to time. I realize as well that no system can work with perfection but I do not believe that whatever was done in the two years of this program, if serious, cannot be rectified by the process that so many have such great confidence in and we shall see whether Canada, hopefully not, whether Canada will have need once again, two or three years hence, to have to contemplate some striking off in a new direction with respect to economic management of our country's economy.

I should also like to make the point, Mr. Speaker, that I daresay whether deliberately intended that way or not, that the pressures of the forces of inflation can be better met, there will be less problems with inflation if governments in their callousness allow unemployment to rise to higher levels. Well, it's a cruel trade-off and if one is forced to choose, then I indicated in the past, as between those choices, it is better to have at least an attempt at rational restraint than to either allow inflation to continue unchecked, even no attempt to check it, or to allow unemployment to increase dramatically.

Wednesday, November 30, 1977

MR. SPEAKER: Order please.

MR. SCHREYER: Perhaps, Sir, if you would allow me thirty seconds, I could conclude rather than holding over.

MR. SPEAKER: Is there agreement? (Agreed)

MR. SCHREYER: And say, Sir, for the reasons I have indicated, it is not with regret but because of a matter of necessity that we support Bill No. 2. I have expressed whatever reservations we have already. We look forward to some clear indication. The First Minister indicated that there may be some indication in the next short while as to whether a definitive date of termination of this agreement, applicable in Manitoba, might be made and at the committee stage, we intend to pursue the question of more a definitive termination date.

MR. SPEAKER: Is it the pleasure of the House to adopt the resolution? .

MR. GREEN: Mr. Speaker, it's 12:30. — (Interjection)— Mr. Speaker, I am suggesting that we just leave debate open and it will be picked up when it comes around next time, probably this afternoon.

MR. SPEAKER: Very well. The hour of 12:30 having arrived, the House accordingly adjourns and stands adjourned until 2:30 this afternoon.